HOUSE OF ASSEMBLY

Wednesday 14 November 2007

The SPEAKER (Hon. J.J. Snelling) took the chair at 11:00 and read prayers.

SUPERANNUATION SCHEMES

The Hon. S.W. KEY (Ashford) (11:01): I move:

That the Economic and Finance Committee investigate and report on the principles and application of ethical and sustainable superannuation investment options for state public sector and parliamentary superannuation schemes.

I am very pleased to move this motion. I have been interested in this matter for quite some time. It was interesting to look at what schemes could be included in such an investigation. Super SA administers the following schemes: the Triple S, the Lump Sum Scheme, the Pension Scheme, Allocated Pension, Flexible Rollover Product, the South Australian Ambulance Service, the Parliamentary Superannuation Scheme, including—and I know this is a sore point with many members in this house—the PSS1 (which some of you are on), the PSS2 (which is the scheme that I am on), and, for our new members, the PSS3 (which is under some discussion at the moment by our newer members of parliament).

I am advised that, in addition, there are the police schemes. The police have their own superannuation schemes, including the Police Pension Scheme, the Police Occupational Superannuation Scheme called POSS, and the Police Lump Sum Scheme. In addition, the fire service has its own superannuation scheme which is the South Australian Metropolitan Fire Service Superannuation Scheme. I guess the point I am making is that a number of schemes would be covered under what I have stated as the state public sector superannuation schemes, and by no means is that an exhaustive list.

One of the reasons why I am pleased to have the opportunity to talk to this issue is that, as many in this chamber would know, huge chunks of our superannuation (which is now worth more than a trillion dollars) are invested in companies involved in industries such as old-growth forestry logging, uranium mining, and products that cause greenhouse gas pollution. A number of schemes, including state government schemes, invest hundreds of millions of dollars of employees' money (including ours) in gambling, cigarette and oil companies.

While this may not be the case in the South Australian schemes that I have just mentioned, it would certainly be good for members of those schemes to be able to get information about how the funds that they contribute, as well as their employer, are invested and to make sure that the investments take into account labour standards, and social, ethical and environmental considerations, just to name a few.

It has been a bit of a moving feast in regard to what is the definition of ethical and sustainable investment but, basically, ethical investing is about investment approaches that reflect the ethical preference of the investor, and sustainability (in this sense) refers to the concept that humanity should act in a manner that does not undermine options available to present and future generations. I would suspect that many people in this place would be interested to know where our money is invested and to make sure that those principles as far as possible can be sustained.

What I am saying is nothing that is particularly revolutionary. A number of private funds around Australia have ethical and sustainable investment and may also engage firms that do the investment for them to make sure that those principles are observed. Some examples of this include: AMP Capital Sustainable Share, Australian Ethical Super Equities, BT Institutional Australian Sustainability Share, BT Institutional Ethical Share, Challenger Socially Responsive Share, Hunter Hall Australian Equities, ING Sustainable Investment Australian Share, Perpetual Ethical SRI, SAM Sustainability Leaders Australia Fund, and Benchmark ASX 200 Index.

There are a number of others, which I will not mention this morning, but I think if people are interested in following up on this, a lot of information is now available. I noticed as recently as yesterday that there also has been considerable discussion on an international level. I refer members to the United Nations environment program GEO4 Environment for Development, in which there is much discussion about making sure that financial mechanisms channel money into ethical and sustainable investments. This is not merely something that progressive people think is an important principle: this is something that has been taken up at an international and, certainly, a national level.

I have to say that my interest in superannuation grew because, as a trade union official, I was in the position of having to convince members that they should have some investment in superannuation. I remember very clearly, in 1988, when the Australian Council of Trade Unions and the local branch (the United Trades and Labour Council) ran a campaign to convince members that they should think about superannuation as a reasonable retirement option and not just to assume that there would be an age pension to support them, maybe with the addition of some of the savings they might have acquired.

This was a very difficult task because people's understanding of superannuation was very poor. I remember speaking to my girlfriends, who were of a similar age to me, and asking them what their superannuation investments were. They looked at me with absolute horror because they had absolutely no idea what superannuation was available to them and wondered why I would be asking such a question. In fact, I remember sharing a podium a number of times with Diana Laidlaw and talking about women and superannuation. I made the point, which I must say went down very well with the women in the audience, that superannuation was something a bit like menopause—until you actually had to deal with it you really did not want to know about it. Most of the women and quite a few men in that room understood exactly what I was saying.

I also found that, when we looked at the state public sector (and, again, I am talking about the late 1980s) that—surprise, surprise—because women in particular had broken their service to take time off to raise children, which was mainly their responsibility and still seems to be mainly their responsibility, fewer than 16 per cent of the women in the state sector in South Australia had any reasonable superannuation provision. That has gradually increased, but I would say that there are still a number of workers over the age of 30 who would have very poor superannuation prospects when they hope to retire.

The other point that is really interesting arose when I had responsibility for negotiating equity in some of the weekly paid areas. In addition to women doing very poorly in the state public sector superannuation schemes, the other issue that was raised was that the weekly-paid workers (the blue collar and pink collar workers) had less retirement benefits available to them than the white collar workers or the staff or executives in the state public sector. Although, because of the percentage in which superannuation is still developed, that would still be the case, the inequities were quite breathtaking.

For example, in the Electricity Trust of South Australia (ETSA), the weekly-paid workers were on a gratuity scheme and all the staff were on quite a comprehensive superannuation scheme. So, in the 1980s, even in a place like ETSA, those inequities were very much in evidence. Again, ETSA female employees, although they mainly held administrative and clerical positions, had very poor superannuation provisions available to them, even though they had access to the salaried officers superannuation scheme.

So, as I have said, although the issue of superannuation was not something I really wanted to specialise in, because of the inequities in the way in which the provision of superannuation for workers in their old age started to appear, it is something I became very interested in.

As I mentioned earlier in my contribution, the other point I make that is particularly relevant to superannuation is that, when I became a member of parliament, I soon found out that we had two classes of superannuation in this place—and now we have three classes of superannuation. I must say that I have great concerns about it, particularly for those members who are in the third scheme. They have my absolute support to try to make sure that we reform that area. However, the other point is that, despite the very helpful people in the superannuation management area that you can talk to, it was very difficult to get information about whether there was an opportunity to look at sustainable and ethical superannuation investment.

I know that, because of the way in which our schemes are set up—certainly for us as members of parliament—there are some limits as to how far this investment policy could go. However, my reason for referring this matter to the Economic and Finance Committee is that I am a very strong supporter of the parliamentary committees in this place; I think that they do a lot of good work. What the motion is really saying is that we should investigate the options. It is a fairly mild motion, and I think the Economic and Finance Committee would be just the committee to find out what are the possibilities with regard to state public sector and parliamentary superannuation. Then, when we have the facts, after people have had an opportunity to make submissions before the committee, and in an informed way, as we do with other parliamentary committee reports, we, as a group of parliamentarians—and, hopefully, people in the state public sector—can think about what the options may be for the future.

I urge members in this place—as the constituents of Ashford have indicated to me—to make sure that we invest the money put aside for our retirement in ethical and sustainable investments. I urge members in this house to support this motion so that we can determine the detail of what is possible from our all powerful Economic and Finance Committee.

Mr GRIFFITHS (Goyder) (11:15): I commend the member for Ashford on bringing this motion before the house. In my previous role in local government I am quite confident that the superannuation options there actually gave people the ability to make a choice between cash, growth, high growth or ethical superannuation investment options. While it is probably true that the take-up rate of the ethical options is relatively low, there is certainly a number of people in the community at large who wish to make that conscious choice. For me, it is a little bit similar to those people who want to purchase green energy: they make a conscious decision to incur a slightly additional cost to do their bit for the climate, and that is why they decide to purchase green energy.

It is possible, on the basis of this motion being supported and the Economic and Finance Committee resolving to undertake the investigation, that it may be seen that the return on the investment from the ethical options is not quite as great as the other options that are available to, certainly, the Triple S scheme members, where I know there are options and choices that exist. It is probably not available in the first two parliamentary schemes that the member for Ashford referred to, but in Triple S I am actually quite confident that it is there, and it is probable that people will take that up.

I know—in the research that the opposition was doing on the Statutes Amendment (Transition to Retirement—State Superannuation) Bill that came before this place about six weeks ago and is intended to come back next week to be finalised—we in the opposition had submissions from at least one person, and I think there might have been another, who posed that direct question to us: was there an opportunity within the scope of that bill to include the option for ethical investments options for the existing superannuation? I posed that question to the government advisers and was told it was not in scope at the moment, and that is where they actually provided me with the information that very few people do take up that investment choice. It will be interesting to see what happens.

It seems to me that superannuation is something that people do not respect enough. The member for Ashford referred to the fact that many people choose not to become contributory members. I think that is craziness. My philosophy, since I entered the workforce in 1979, has always been to contribute to my own retirement and, therefore, while the employer, through a variety of requirements, is now contributing up to 9 per cent, as it is for me, I think we also have a responsibility to invest. In some of my previous roles I have actually invested up to 20 per cent in my superannuation. That is a choice I was able to make at that time. Financial commitments at the moment do not allow that level of personal investment to be made, but it is there.

When people buy a house, whether it be for $300,000 or whatever they have to pay for it, they do a considerable amount of research on such things as buying in the right area, and they consider their ability to repay the debt. However, when it comes to superannuation they are too prone to just let it go in the default account. I think that is silly. You have to make a conscious choice. It depends upon your personal circumstances, but consider your superannuation to be equally as important as a decision that you make on a house. Superannuation needs to keep you going financially for many years beyond retirement, so it is an absolutely critical decision to make.

There will be people in the community at large who wish to make an ethical decision, so I think it is important that this motion be supported in the house and then considered by the Economic and Finance Committee to see if it is possible for the 79,000 public servants who may be members of a superannuation scheme, and parliamentary members, to determine whether they want to support an ethical choice. I commend the motion.

The Hon. L. STEVENS (Little Para) (11:19): I, too, congratulate the member for Ashford on her initiative in relation to this motion. I think it is a very admirable thing for her to have done, but I also think it is timely for the Economic and Finance Committee, which is the appropriate committee, to investigate the issues concerned. Consideration of topics such as ethics, sustainability, and social considerations, together with economic considerations, is something that we are now hearing more about and wanting to be part of. It is something that has come of age in terms of what large numbers of people think are important considerations in the way that we conduct our lives and do our business. In fact, from my way of thinking, it is the triple bottom line approach to life in general that we should consider all aspects of what we do and how we do it.

I am very much looking forward to the results of this investigation. I will be pleased to know what the status quo is and, indeed, we may find, as the member for Goyder has mentioned, that already there are some ways that people can exercise choice in these areas. However, what is the status quo and what do we actually mean by ethical, social and sustainable options in terms of investment? It is really important for that to be clear. Then, of course, what are the options in the schemes themselves and the people within those schemes to exercise? Congratulations to the member for Ashford. I look forward to the deliberations of the committee on this important matter.

Mr VENNING (Schubert) (11:21): I commend the member for Ashford the Hon. Steph Key for this motion. Again, as we expect from this member, it is a very well thought out and commonsense motion. I and many members on this side of this house have a lot of time for the member for Ashford, and we are sad that she is no longer on the front bench, but that is an argument for another day. The member put forward a very good and cogent argument in relation to this difficult subject of superannuation. We find that it is always very difficult to discuss MP and public servant remuneration, whether it be salaries and/or superannuation, or a mixture of both. As the member said, the superannuation is a hotchpotch the way it currently is because we have three schemes.

I am very lucky to be in the original scheme (the old one), which is arguably the most attractive one. Of course, there are schemes 2 and 3, and I believe that the second scheme is still quite attractive. When we had the option of going from one to two, I did not choose the option. I think the third scheme is the leftover of Latham's pollies' purge. As a member who has been here for some years, there is no incentive at all to encourage people in private enterprise, business or in the community to represent the state when the salary level is basic or probably less than what they are earning. Can I say—and I say this reservedly—that the salary the member for Goyder got before he came here would be far superior to that which he is receiving here. Members would think that superannuation would make up for that, but in his case it does not.

I heard what the honourable member had to say and he was speaking with a fair bit of personal conviction because he is here for the love of it and to serve. Certainly he is not here for the financial gain because he was better off before he came here and he had job security, which we do not have because we are on four-year contracts. His job security is fairly safe, mind you, because, like me, he has one of the dream seats. Our electorates are probably the electorates about which members dream. I commend him for the service he is doing for his community and for this parliament.

I am very fortunate in that I have another income. I had another lifestyle before I came here—and will have, hopefully, after I go—which supports me in here, but I would hate to be a new member of parliament today, coming into this place with a generous spirit, because with the costs involved and with children, a new member would not bank a cent—and I know many do not. Just as well members have partners with good jobs because the salary would not sustain them. People laugh at me when I say that, but I know full well how often members have their hand in their pocket. There is no such thing today as freebies for MPs.

In fact, when a member goes to a function not only do they pay full price at the door, they are usually the first to buy the high-priced item at the auction. Whether or not you bid you end up with it. It is quite common for me to walk out of a function having spent $200 or $300 on top of the entrance fee. I do that because I am the local member and it is all in good spirit, but it is expensive. The bottom line is that it is the dollars that matter.

It is always a difficult question. I agree with the members for Ashford and Goyder: we all should be encouraged always to contribute to our own retirement—that is the whole meaning of superannuation. I am also very fortunate to have been here for 17 years-plus; my superannuation maximised five years ago. I am paying in now and the scheme is benefiting from my being here, but I am not going to pick it up. The member for Stuart would have paid in a lot more dollars than he will get out of it. Members of the media do not recall that. Members over the years have been paying in money but they will not collect because they are here to serve; and that is not the number one reason for being here. I am over 60, so it is not a problem for me.

I believe that we need to change our superannuation rules to reflect what is available outside. I always thought it was difficult that I was able to access my superannuation at any age whereas outside it is 55. There are various categories which ought to be clarified. Several former colleagues of mine came into this house and were one-term members of parliament. Well, it is a bit tough for them because I believe they got their payments back plus bank interest—and that is all. Members would know that it is difficult for former members of parliament when they go back onto

civvy street, particularly the women, to get back into the workforce. It is probably easier for school teachers but it is a lot harder for others in professional areas.

This whole area needs to be tidied up. The member for Ashford is right when she says that this matter should be sent to the Economic and Finance Committee to let it deliberate over it. The committee is apolitical; it has members from both sides. At the end of the day, it should come out as being fair. It needs to be unique. Members of parliament need to be looked after, particularly when through no fault of their own they get caught up in an electoral swing and out they go. It is a bit rough that they get their money back, plus bank interest. There should be some encouragement.

How do we get people to come in here? I have been here for some years. When I do decide to go—and that decision has not been made; at this stage I will be standing at the next state election—one of my chief duties is to find a person who is suitable to represent my electorate. I think a chief responsibility of a member is to leave the seat in good hands. It could be a person from the Labor Party because they have some good people over there, but we need to encourage them to put their name forward so people in the electorate can choose from quality candidates.

When I run into someone who I think would make a good MP, I get into dialogue with them about this career. I usually know them fairly well. When it comes to the dollars and cents—the salary—I know the person is probably earning more than an MP's salary—as was the member for Goyder. Since Mark Latham vandalised and brutalised our superannuation scheme it no longer provides the encouragement that it used to provide. Anyway, an MP has to be here for three terms for it to maximise. Why would a person in business—the leaders out there whom we want here—come in here when the incentive is not there? Whether in government or opposition, the better the people we have in here, the better the parliament we will have.

I think the member for Ashford has put forward a very good motion. She has the unanimous support of everyone in the house. I regret that she is no longer on the front bench because we appreciated her there. She never got any flak from me when she was there and I do not think she ever will. I congratulate the member and I support the motion.

The Hon. R.B. SUCH (Fisher) (11:30): Like other members, I commend the member for Ashford for introducing this motion. There are several aspects to it that are important, the first of which is focusing on ethical and sustainable investment options. If one follows international events, one will see what is happening in places such as Indonesia and South America where forest areas are being raped in order for people to make a quick dollar. One would hope that none of the money from any of our superannuation funds is going in any way to support or sustain the environmental carnage that is occurring in those parts of the world.

In terms of the ethical aspect, it is not simply about degradation of the environment, it is also ensuring that we are not party to exploiting people through sweatshops or other activities. One would hope that, in relation to all the public and private superannuation funds, there is no involvement in any of those sorts of practices, which we do not regard as acceptable here in Australia and which should not be practised elsewhere. In terms of sustainability, I guess that relates more to the environmental aspect but, in my view, the two are clearly related—the ethical and the sustainable aspects.

Members have spoken about the various schemes that MPs have been able to access over time, depending on when they came into this place. Like the member for Schubert, I am in the first scheme, and in the ridiculous situation where I would get more money if I retired. To me, that is bizarre. I will get more in my pocket if I retire, because—

Mr Pisoni interjecting:

The Hon. R.B. SUCH: —that is the way the system is structured. For a start, I would not have to pay the 11.5 per cent of my gross contribution. The other aspect that is very unfair is that there is a surcharge on the superannuation scheme in which we are involved. It does not apply to judges. I read the argument from the taxation office (reported in *The Advertiser*) as to why judges are exempt. I think it said something like 'Judges are powerful people.' I thought that was a ridiculous argument. The imposition of a surcharge on superannuation is either right or wrong in principle, and I think it is quite wrong.

The other aspect about judges is that they do not contribute towards their superannuation at all; they do not have to. So, they receive a double benefit. We do not want to crucify judges and magistrates today (we will do that another day), but I think the system is very unfair. The system is also very unfair to those who have come into this place recently. I have tried over time to achieve a

bit of justice for the recent members of this place, and I hope that the state government and the opposition will work to ensure that they receive a better deal than what they currently receive under PSS3.

As the member for Schubert pointed out, it is one of the lasting contributions—a negative one—of Mark Latham. I was disappointed that, at the time, the Prime Minister (and I have said this before) did not take a more considered view and put the issue to a panel of experts to resolve, rather than have a knee-jerk reaction to Mark Latham—who, incidentally, retired on the higher pension arrangement, or the higher payout, which he, by his actions, helped to deny to more recent MPs. It is a rather bizarre provision.

We as members of parliament (like other working people) should be reimbursed, or paid through our salary, not through the hope of a superannuation bonus type scheme. That was the old system, PSS1, which has now been deleted as an option for MPs. It is quite ludicrous that people would be renumerated through their superannuation rather than through their pay; that is a bizarre concept. However, the member for Schubert is right: if we do not have a fair, just and equitable superannuation scheme, we will not attract people in here who have to give up a career midway through. Why would someone come in here and sacrifice their income earning capability and then suffer the indignity of not being able to eventually retire and have a reasonable lifestyle?

The question of the surcharge that applies to our superannuation is being challenged in the courts at the moment by the former member for Enfield, and I think someone else, and I fully support them in that. I hope they are successful, because I think it is ridiculous to encourage people—or require them, in our case—to have superannuation under PSS1 or PSS2 and then put a surcharge on their superannuation.

The Parliamentary Superannuation Fund does very well. It is managed by Funds SA. I do not know whether members have had a chance to read the report from yesterday, but with respect to the crediting rates (which, under the act, are required to be published), the board has to determine the rate of return to be credited to members' accounts, which is based on the investment earnings achieved by Funds SA, the scheme's investment manager. The crediting rates for the most recent financial year, ending 30 June this year, were 19.47 per cent; for the previous year they were 19.40 per cent; and, in 2004-05, they were 15.20 per cent. That is a pretty good return to members from the actions of Funds SA.

As I said at the start of my speech, one would hope that that return—which is a very good return—is coming from ethical and sustainable investments, which I am sure the member for Ashford would also be keen to ensure is happening. We often hear that, when members of parliament retire, they go out with this super golden handshake. The report tabled yesterday in this house shows that, as at 30 June 2007, the average annual rate of pension, after allowing for any commutation that was paid to former members of parliament (and this includes former premiers, ministers and speakers) is $67,992 for voluntary and involuntary retirements.

This will get people really excited, but the average payment for a spouse of a member of parliament where, obviously, that member has deceased is $40,111. It is hardly what people often suggest is paid to a member's surviving spouse. It is not huge money at all. As I said, that is the average. A lot of people are clearly below that and some would be above it. It needs to be borne in mind that, whilst on paper the PSS1 scheme is generous (particularly for people who have had higher office), it is not all that generous overall, and neither is PSS2, and PSS3 is anything but generous.

The government recently supported moves by the commonwealth to allow people who work part time to access some of their super, and I fully supported that. I think it should be extended. People who want to work full time should at least be able to access or commute some of their super with proper safeguards so that, when they eventually retire, they are not left penniless. If they meet, say, the age criteria of 55 or 60, it is their money. Why should they not be able to access some of the cash component, commute some of it, enjoy the benefit of it and keep on working?

At the moment we have the ridiculous situation where we literally encourage people to retire early in a whole lot of occupations—not just in politics—simply because people want to get the maximum benefit from their superannuation scheme. What we ought to be doing is making sure that, if they are able to, people can contribute and enjoy some of the money they have contributed. This is a very good motion. I think all the superannuation scheme arrangements need to be looked at. I am very keen that eventually we get justice for the newer members who are currently under

the PSS3 scheme, because in my view it is a very unfair scheme. I commend the member for Ashford for this excellent motion.

The Hon. S.W. KEY (Ashford) (11:39): I thank members for their contributions on this important issue. As I said, in my view I think it is most appropriate that the parliament's Economic and Finance Committee take up this reference. I have had some indication from some members that they would like to look at this area. That will probably happen next year. I think it will also be important for people at a public level—particularly for people in the state public sector schemes and maybe different members of parliament—to make their views known to the Economic and Finance Committee.

It is a good opportunity for the issue of ethical and sustainable superannuation to be raised. As members have indicated here (and I agree with them), it does raise the issue of some equity for us in the parliamentary scheme, which we believe also needs to be introduced into the schemes. My main aim, of course, is to look at the investment possibilities. The member for Goyder made a very important point with regard to the return on the investment of different schemes. I am very aware that part of the responsibility of fund managers is to maximise the investment we get on this money.

Also, as the member for Little Para said, most of us have a view that there needs to be a triple bottom line approach to everything we do. Certainly in the area of investment, a number of us feel very strongly. I know from representations made to me by constituents in the electorate of Ashford who are employed in the state public sector that they feel very strongly about having the opportunity to decide where their funds are invested. I am merely saying: let us look at the options; let us investigate what is possible; and, with an informed view and giving people an opportunity to contribute their views, if possible make some changes to the parliamentary schemes and the state public sector schemes.

Motion carried.

PUBLIC WORKS COMMITTEE: NORTHERN EXPRESSWAY

Ms CICCARELLO (Norwood) (11:42): I move:

That the 273rd report of the committee on the Northern Expressway be noted.

Currently access into Adelaide from the Sturt Highway is a substantial deficiency on the national network and has an impact upon a significant number of important agricultural areas. It is expected that industrial and agricultural activity will increase by 5 per cent annually over the next 10 years, and the total freight demand is forecast to almost double in the next 20 years. A corridor study has concluded that it would be significantly more cost effective to develop a new route on the fringe of the northern urban area than to upgrade Main North Road.

The Northern Expressway will be 23 kilometres long and will form part of the AusLink national network, replacing Main North Road. It will connect the Sturt Highway to Port Wakefield Road. The expressway will have dual two-lane carriageways and an at-grade, signal-controlled junction at Port Wakefield Road. In addition, it will feature interchanges at five major points, bridges spanning the Gawler River, an overpass of Taylors Road and the Adelaide-Perth-Darwin rail line, and flood mitigation works in the vicinity of the Gawler River.

The land acquisition process will directly affect 86 properties—44 have dwellings on them of which 12 will need to be demolished. The Northern Expressway route starts with the Gawler to Roseworthy rail line, crosses the Gawler Bypass and will meet Port Wakefield Road north of Taylors Road. It has been designed to cater for the traffic volumes forecast for 2031, which are based on the two million population scenario for metropolitan Adelaide by 2050. A number of changes to local roads will be required where the expressway either connects or severs a local road. Eleven roads will be severed, as the low traffic volumes and existence of alternative routes do not justify the additional expense of further crossing points. Emergency vehicle access will be provided via the proposed interchanges and in other specific locations along the expressway.

The area over the entire length of the Northern Expressway corridor is a natural drainage basin between Gawler and Little Para rivers and is traditionally prone to flooding. Flood control measures are being undertaken (outside of this project) in the catchment and these will greatly reduce the frequency of flooding. Natural stormwater flow paths will be maintained as much as possible through the provision of culvert openings through the road embankment and the corridor will include swales, pits, pipes and detention basins to ensure drainage problems are not exacerbated. As a result of requests for improved access between the Northern Expressway and the local road network, additional access ramps to and from the south are proposed at Two Wells

Road and Angle Vale Road. The interchange at Curtis Road will also provide full access onto and off the expressway.

Provisions will still be made for the future upgrade of the interchanges at Two Wells Road and Angle Vale Road to include access to and from the north when required. Detailed noise modelling has been carried out and final locations, design and construction materials for noise attenuation treatments will be determined during the detailed design phase of the project. Large areas of land along the expressway route and around interchanges will provide a significant opportunity to carry out revegetation works with local native plant species, thereby improving biodiversity in the region and doing away with any negative visual effects of the expressway.

The upgrade of Port Wakefield Road is designed effectively to manage the traffic flow, safety and accessibility issues arising from the significant increase in traffic from the Northern Expressway. The number of direct access points onto Port Wakefield Road will be reduced to improve safety. However, service roads alongside Port Wakefield Road will be provided, where possible, to uphold direct access to local roads and abutting properties. The upgrade of Port Wakefield Road includes:

- additional lanes south of Ryans Road and at selected junctions to increase capacity;
- improvements to acceleration and deceleration lane length;
- control of direct access onto Port Wakefield Road; and
- upgrade of service roads along the western side.

Most work will be within the existing road reserve. However, some land will need to be acquired from private owners and council.

The upgrade of Port Wakefield Road will involve physical changes between the proposed junction of the new Northern Expressway just north of Taylors Road and immediately south of the Salisbury Highway overpass at Dry Creek. Essentially this involves restricting access to junctions with local roads or for properties which currently have direct access and providing access through safer means. The upgrade of Port Wakefield Road caters for traffic conditions and functionality up to 2016. An additional planning study will look at the longer term requirements of the Port Wakefield Road corridor between the Northern Expressway and Salisbury Highway/Port River Expressway.

Existing crossing points for the major watercourses across Port Wakefield Road accommodate flows of up to a one in 100-year flooding event and the upgrade is not expected to result in a measurable increase in stormwater values. The Northern Expressway and the upgrade of Port Wakefield Road is South Australia's largest and highest priority project under the current AusLink investment program. It is an integral part of the priority package of works to upgrade the Port of Adelaide and Outer Harbor, linking it to the national network to complete the key freight corridor. The selected route best balances the requirements imposed by the regional significance of the local area, while optimising freight efficiencies and improving safety significantly by diverting freight traffic from Main North Road and the local road network.

Not implementing the Northern Expressway will worsen the problems associated with the existing national network access into Adelaide from the Sturt Highway, in particular:

- reduced transport efficiency between the Sturt Highway and Adelaide due to increasing congestion along Main North Road;
- safety concerns from heavy vehicle traffic diversion along less suitable alternative routes; and
- increased environmental impacts from continued heavy traffic movements along Main North Road and alternative routes.

In the longer term, an expressway standard link will be required from the Northern Expressway to the Salisbury Highway/Port River Expressway. This is likely to be constructed by 2016 on an alternative alignment away from the existing Port Wakefield Road. A planning study will determine the best long-term solution. The Northern Expressway will improve transport efficiencies particularly for export, thereby expanding the export potential for the state. It will also complement and reinforce the benefits of other strategic infrastructure, including the Port River Expressway.

The improvements to harbor facilities, the development of new grain handling infrastructure and the introduction of new defence industry works, along with the other commercial and

residential developments in the immediate and surrounding areas, makes this project a vital link in the establishment of efficient freight movement into this precinct from important regional and interstate centres. The results of the economic analysis equate the net present value of benefits to approximately $461 million (that is a 7 per cent discount rate) and a benefit cost ratio of 2.4. The expressway will also become a catalyst for the delivery of potential secondary benefits and flow-on effects.

The budget estimate for the current scope of works is $564 million, which includes a risk allowance. All works under this proposal are eligible for AusLink funding. Ernst and Young Transaction Advisory Services Limited was engaged to undertake an investigation into private sector participation in the project. Its investigation concluded that private sector financing would not provide 'a value for money outcome'. The project schedule anticipates the Port Wakefield Road upgrade being completed by December 2008 and the Northern Expressway being completed by December 2010.

The committee has been concerned to ensure that Port Wakefield Road will have the capacity and efficiency to deal with the 18,000 vehicles per day increase in traffic from the expressway. It has been assured that the road's upgrade is a mid-term solution. The goal is to build a completely new corridor west of the current alignment and south of the intersection of the Northern Expressway. Discussions are occurring with the commonwealth government to include this in the Auslink 3 program. The committee is also aware of some community concerns about the potential for the expressway to exacerbate flood damage. However, the agreement with the commonwealth government requires the expressway to be designed so that properties in the area are not adversely affected as a result of a one in 100-year flood event.

The design solution takes account of the local drainage systems and secondary systems, and a consultant engaged by the catchment board will ensure that the design is compatible with flood mapping work being done for the whole of the Gawler catchment area.

There is all the potential for large cost increases to occur during the construction of major projects. However, the committee is assured that the estimate for this project relies upon standards which provide a high level of budget confidence.

The best route has been chosen, after analyses of options, which evaluated the impact on the local community, the environment and horticultural land and the impact upon the road's usage level if routed through less populated areas. The Playford council was antagonistic to the proposed route alignment but has endorsed it following its own independent analysis.

The committee was concerned to ensure that in the acquisition processes property owners receive a fair sale price. We are satisfied that the valuation and appeal mechanisms are fair and accept that all reasonable measures will be taken to ensure that the owners of properties acquired for this project receive a fair price.

Therefore, Mr Speaker, based upon the evidence received and considered pursuant to section 12C of the Parliamentary Committees Act 1991, the Public Works Committee reports to parliament that it recommends the proposed public work.

Mr PENGILLY (Finniss) (11:55): I rise to support the member for Norwood on the report that has been tabled before the parliament, but would like to make a few brief remarks about how this project has come into play. Quite frankly, if it had not been for the activities of Mr David Fawcett MP and the federal government we would not have this. This was a project that was originally costed at some $300 million, but is yet another one that has now blown out, to $580 million.

An honourable member interjecting:

Mr PENGILLY: Plus CPI. The fact is that the federal government has committed some $464 million to this project, to fix up the almighty mess that was created by the Minister for Transport and his department in not getting it right in the first instance. The member for Unley will pick up on some other aspects of this issue.

The project is indeed a good project. I think it is going to be of great benefit to the state of South Australia and the transport industry, and whoever chooses to use it. It is certainly going to expedite the delivery and export of materials in and out of Adelaide as required. So I have no hesitation in supporting it. But the simple fact of the matter is that, once again, had it not been for the feds we wouldn't have it. So a few people may need reminding of the activities of this wonderful

federal government that we have, and a great local member out there in David Fawcett, who has worked assiduously to get on with the job and deliver the goods to the people in his electorate.

I sincerely hope that Mr Fawcett will have the opportunity to continue his good work. If you put all the hoo-ha and nonsense to one side that is being put out by the federal Labor Party at the moment, and if people sit down and actually have a look at what is being delivered, they will see that Mr Fawcett and his colleagues in the federal government have indeed delivered and continue to deliver the goods for the people of South Australia. So, I endorse the project. I have great pleasure in supporting it, and I will rest my case.

Mr PISONI (Unley) (11:57): I, too, rise to support the project. In doing so, I do express some frustration with the original costings, at $300 million, to the eventual cost of $574-odd million, of which an 80 per cent contribution was given from the federal government. Again, like the member for Finniss, I would like to use this opportunity to thank the federal member for Wakefield, David Fawcett, for the hard work he has done in helping to deliver the federal government funding.

Here we have the state government discussing a deal with the federal government for one amount and then a few months later saying, 'Look, I am sorry, we've made a mistake, you'll have to double your contribution.' I think we should be very thankful for the high representation that John Howard's federal cabinet has from South Australia. It is because of that that the federal cabinet was able to tolerate the bad management of this government and understand the importance of this project which thus enabled this funding to be increased to match the new costs. The report from the committee goes on to say:

> The committee was told that the Northern Expressway project, including the upgrade of Wakefield Road, is South Australia's largest and highest priority project undertaken with the Australian government under the current Auslink investment program.

That is a great achievement for the member for Wakefield, and I thank him for the work that he has done. I was very disappointed to find that $312,000 was spent on a study, paid to consultants, to come up with ideas on how enterprising projects could be set up in conjunction with the Northern Expressway to offset the costs. Some $312,000 was spent, and they said we could put a truck stop there. Amazing. Some $312,000 later and the consultant said, 'You've got this new road, why don't you put a truck stop in.' I could have given that advice for nicks; as a matter of fact, I would have seen it as a community service to give that advice.

But, anyway, $312,000 later, a truck stop. It would be interesting to see whether the land that was compulsorily acquired was acquired on the basis of the commercial value of a truck stop or on the farming value. I will be watching for any profit that the government made by compulsorily acquiring this land, at farm rates, and then rezoning it as commercial, and a BP franchisee or a Shell franchisee coming along, in conjunction with McDonalds or Hungry Jacks and setting up a truck stop, and let us just see the massive increase in the value of that land, and then we ask ourselves: as far as the original land owners are concerned was that just? They were forced to give up their land at a price dictated to them by the government based on a much lower farm value, or agricultural value, than a commercial value for a truck stop. But that is a story for another day. At least we know we got great value for that $312,000 in getting that advice.

But I do stand here and support the project, and again would like to thank the member for Wakefield, David Fawcett, for the hard work he has done in ensuring that the federal government committed to its funding.

Debate adjourned.

AUDITOR-GENERAL'S REPORT

In committee.

(Continued from 13 November. Page 1560.)

The CHAIR: I call the Minister for Education and Children's Services, Minister for Tourism and Minister for the City of Adelaide to the table.

The Hon. I.F. EVANS: On page 345, under 'Contingent Assets and Liabilities', there is a contingent liability in relation to the back payment of long service leave to certain classes of public servants, namely temporary relieving teachers, hourly paid instructors, bus drivers and other casual employees. Why is the department considering this when, under section 167(2)(a) and section 179 of the Fair Work Act 1994, a six-year limitation applies to such claims?

The Hon. J.D. LOMAX-SMITH: I thank the honourable member for the question. I did not catch the citations at the end, so I will ask you to repeat them, but I will begin by saying that this year, as last year, we have had unqualified audit reports from the Auditor-General and we have had a very good result. Clearly, there were some areas where the Auditor-General recognised that there was room for improvement, but overall we have had a very sound report this year for the Department of Education and Children's Services. I think that I should commend all those staff who have been responsible over the years for tightening up procedures, responding to previous comments and making sure that our systems are in order. I ask the member to repeat the quotation of those sections.

The Hon. I.F. EVANS: I referred to page 345 of the Auditor-General's Report under note No. 33 headed 'Contingent Assets and Liabilities'. It appears that the department has a contingent liability for the back entitlement for long service leave for temporary relieving teachers, hourly paid instructors, bus drivers and other casual employees. I am asking why the department is considering this claim when, under section 167(2)(a) and section 179 of the Fair Work Act 1994, a six-year limitation applies to such claims.

The Hon. J.D. LOMAX-SMITH: We are still awaiting the outcome of a dispute and we know that this matter has not been resolved, but we recognise that there is a requirement to have some recognition of liabilities for a whole range of classes of employees.

The Hon. I.F. EVANS: Will the entitlement of long service leave be awarded to the temporary relieving teachers, hourly paid instructors, bus drivers and other casual employees, regardless of whether they have individually expressed their objection to not being eligible for the long service leave?

The Hon. J.D. LOMAX-SMITH: We are still involved in a dispute before the Industrial Relations Court regarding the allowable break in service for accrual of long service leave, and I think it would be unwise for me to predict the outcome of that process.

The Hon. I.F. EVANS: Does the provision of the Fair Work Act apply given that these people were employed under the Public Sector Management Act? This is the six-year limitation. I repeat: does that apply given that they were employed under the Public Sector Management Act?

The Hon. J.D. LOMAX-SMITH: Those questions are not appropriate to be discussed in the Auditor-General's Report—they are legal matters which are in dispute at the moment.

The Hon. I.F. EVANS: Has the department reached a view as to whether individual temporary relieving teachers, hourly paid instructors, bus drivers and other casual employees will be eligible for the award of long service leave even if they have not formally joined in the claim?

The Hon. J.D. LOMAX-SMITH: These matters are before the court and they are not related to the Auditor-General's Report.

The Hon. I.F. EVANS: In the report on page 316, the Auditor-General confirms that the government has spent $10 million less on minor works and maintenance last year. Why is that so?

The Hon. J.D. LOMAX-SMITH: The explanation I have been provided with is that there have been some written-off assets and also some reduction in minor works. However, I think that, overall, the expenditure has risen over recent years.

The Hon. I.F. EVANS: I refer to page 313. Why is there no frequent reporting to the Chief Executive of an estimate of the backlog maintenance, as suggested by the Auditor-General?

The Hon. J.D. LOMAX-SMITH: The member has quite rightly observed that the audit noted that there was no frequent reporting to the CE of the estimated backlog maintenance. What has happened is that the department has reported annually on backlog maintenance and associated risks as part of the formation of the department's capital works budget. The ongoing maintenance requirements are one of the criteria used to determine capital works in schools. That information requires that the data also be kept locally at each school. The process of determining the urgency of those maintenance priorities is that the CE is informed on a regular basis of issues and the planned actions to address the identified risks.

Of course, there are a number of funding sources available to schools, including the urgent breakdown maintenance funding, the major capital works funding, and other regular asset-funding programs. The current budget allocations for those are as follows. The asset fund is $12 million; capital works, approximately $35 million; the contingency and compliance, $10.5 million; and breakdown maintenance, $20 million. What occurs very often is that there is some movement

across those categories. In fact, it is often quite difficult for schools to determine the exact source of some of the funding, and we have been trying to streamline that process to make it easier to track and also easier for the schools.

We have made some additional reforms which were not specifically required, I think, but which have made it much easier for schools to get access to immediate support. What we did last year was to have a one-stop shop so that, instead of the school determining which of these funding lines their funding should come from, there is one telephone number to ring, and much of the difficulty can be resolved very quickly by using that process.

The Hon. I.F. EVANS: Does the minister receive regular reporting on the level of school maintenance backlog?

The Hon. J.D. LOMAX-SMITH: We have previously looked at backlogs in terms of an annual process. That is why we have invested more money into school maintenance and more money into capital within our schools. We recognise that we inherited such a large backlog and required greater investment, having been through a period of low investment in the past.

The Hon. I.F. EVANS: If the minister receives annual estimates of backlog maintenance, what was the last estimate of backlog maintenance the minister received?

The Hon. J.D. LOMAX-SMITH: I cannot recall the last number, but I believe it was in excess of $250 million. However, I will get that number back to the member.

The Hon. I.F. EVANS: Why has the department no risk management plan for school maintenance, as raised on page 313 of the report?

The Hon. J.D. LOMAX-SMITH: The member has quite rightly noted that the audit recommended that there should be a risk management plan to ensure that all risks associated with the maintenance of school buildings is systematically identified, assessed and controlled. This is a matter that should be viewed through the context of an essentially unqualified report. We have developed a risk management plan to ensure that the risks associated with the maintenance of schools are properly managed. However, the plan includes the involvement of DTEI in the management of these risks. The main highlights of the risk management plan are the establishment of risk management controls in the areas of infrastructure maintenance, payment process and accounting procedures, as well as work quality.

The Hon. I.F. EVANS: The Auditor-General reports that there is a concern that there is an increased risk of tuition fees being set at levels that do not cover teaching and other program costs in relation to overseas students. Minister, what does it matter if the tuition fees for overseas students are not set at levels that do not cover teaching or other program costs, and is it the intention that these fees be at full cost recovery?

The Hon. J.D. LOMAX-SMITH: We took the advice of the Auditor-General, and we have of late been reviewing the tuition fees—in particular, they were reviewed earlier this year. Overseas fee-paying students pay $10 million in tuition fees every year, and the majority of this is invested back into the system. The benefits of welcoming international students are not entirely pecuniary. Students in public schools have the additional opportunity to experience people from other cultures; there may be language opportunities and long-term friendships, as well as economic opportunities for our state. So, overseas students should not just be regarded as a source of income; there are other benefits to the community.

The Hon. I.F. EVANS: I am sorry, minister, but you did not answer the question. Is it intended that the tuition fees for overseas students be set at levels that are full cost recovery, as suggested by the audit?

The Hon. J.D. LOMAX-SMITH: We believe that there are benefits other than just financial but, clearly, when we are pricing our product within the market we like to be within a reasonable range in order to get the market share.

The Hon. I.F. EVANS: The audit raises, on page 310, the possible refund to overseas students of fees due to the lack of gazettal. When was the minister first asked to gazette the fees for the 2006-07 year?

The Hon. J.D. LOMAX-SMITH: That power is delegated and so I was not asked to gazette the matter. Having said that, it was an oversight about which no-one is pleased or satisfied and I have been assured that it will not happen again.

The Hon. I.F. EVANS: How much do we look like having to refund the overseas students due to the unfortunate oversight?

The Hon. J.D. LOMAX-SMITH: There were 674 students. There were a range of refunds for primary and secondary students. The families, of course, had been told of the prices which were not gazetted, so they were expecting a higher level of fees and, clearly, everybody was happy to get a refund. The good news, I suppose, if one can look at good news within this, is that those funds will probably be spent in South Australia.

The Hon. I.F. EVANS: On pages 310 and 311, the audit raises input validation checks and the department responds with a number of dot points on page 311. The three dot points set out reasons why the establishment of a computer system control is not possible in the department's view, despite recommendations since 2005 to establish the same. My questions are: what is the estimated cost as claimed in dot point 1? How much additional resource would be required to ensure all transactions are outsourced? With the additional resources and changes to the system, why are control transactions unlikely to be processed in time for pay runs?

The Hon. J.D. LOMAX-SMITH: The audit had proposed several options to ensure there was evidence of an independent check of each transaction process by payroll clerks. Options could be either manual, where the reported transactions be annotated with evidence of a check, or electronic, with a system amendment that would require an independent check of transactions before they were processed. DECS certainly had concerns related to the proposal, and these include the significant costs the member mentions associated with systems change to implement an electronic control mechanism, and concerns about the timeliness of transactions. Nevertheless, DECS is examining these options and trying to meet the concerns of the Auditor-General. Needless to say, there are negotiations underway. This includes a detailed examination of the proposal and an investigation of existing and alternative approaches, including those of other pay systems and payroll services.

The Hon. I.F. EVANS: I think I used the word 'outsourced' there, it should have been 'authorised', but I think the answer is the same. Page 312 raises the issue of school bus contractors and the prospect of a new system to pay school bus contractors is being considered. Can you enlighten us as to what the new system is and whether the appropriate industry body has been consulted, do they support the change and when is the change going to take effect?

The Hon. J.D. LOMAX-SMITH: DECS has looked at a new system and revised their accounts payable manual and have incorporated details of the types of checks that accounts payable officers are required to perform to prevent or detect invalid, unauthorised or incorrectly coded invoices. The new system for the payment of bus contractors has been implemented and appears to work well and the process is well underway in documenting the associated procedures. The review has been undertaken of the management control and payment for taxi transport commission by DECS. Further discussion and consultation will be undertaken with the taxi industry to determine the best solution to management control and payment for taxi transport commissioned by DECS.

The Hon. I.F. EVANS: I refer to page 313: are the new service level agreements with the Police Security Services Branch now in place? If not, when will they be in place? How will the agreement reduce the requirement for private sector security providers? If it does that there must be a saving: what is the annual saving?

The Hon. J.D. LOMAX-SMITH: The new arrangements will significantly reduce the requirement to engage private security services. The service level agreement will result in the Police Security Services Branch taking over the monitoring of all DECS electronic security systems in both metro and country regions. They will also manage all targeted patrols and alarm responses for all DECS sites in the metropolitan area. Currently, some of these services are undertaken by private companies. Their service level agreement has been finalised, with the matter signed off on 7 November. It is anticipated that the actual arrangements will be in place soon, but I am unable to provide a cost differential. If the member would like that we can seek that in the future.

The Hon. I.F. EVANS: I would desire that, minister. If you could forward it through in due course, that would be good. I refer to page 314: why has the department no system to ensure it is not being overcharged by contractors for maintenance?

The Hon. J.D. LOMAX-SMITH: I think that the question is actually a matter for DTEI because it conducts an audit of maintenance charges to ensure that prices are correct. I understand that this is in the DTEI reports.

The Hon. I.F. EVANS: Minister, you do not think it is an issue for you, given that you have a $250 million backlog of school maintenance and you spent $10 million less on school maintenance last year than the year before. You do not have any reporting to you other than once a year. The CEO does not get regular reporting on school maintenance and backlog. The Auditor-General tells you that there is not a system in place to determine whether you are being overcharged for school maintenance. You are saying that it is not your issue but, rather, an issue for DTEI. Do you not think that your department should be doing something about it?

The Hon. J.D. LOMAX-SMITH: I think the member is in error. We have not reduced our investment in school buildings. Over the past five years we have increased the amount that is used for maintenance from $10 million to $12 million each year. We have had a massive rebuilding program, as well as our School Pride initiatives and new PPP programs. It is an error to suggest that we are spending less money than before on our infrastructure. Having said that, we are not without checks and balances. I remind the member that we had an unqualified report. The issues that he has raised are ones that are reflected elsewhere in the report. I believe that these matters are referred to in the DTEI pages.

The Hon. I.F. EVANS: Is the Auditor-General correct when he says that other expenses fell by $14 million to $433 million due mainly to a decrease in minor works and maintenance of $10 million? Was there a reduction of $10 million in minor works and maintenance? Minister, a minute ago you accused me of being wrong. I want to determine whether I am wrong, you are wrong or the Auditor-General is wrong. On page 316 the Auditor-General says that other expenses fell by $4 million to $433 million due mainly to a decrease in minor works and maintenance of $10 million. I interpret that as being a decrease in minor works and maintenance.

The Hon. J.D. LOMAX-SMITH: I can explain it for the honourable member because he may not have noted the actual details. The repairs and maintenance resulting from fire loss and damage decreased because of a reduction in fires. In addition, there was a reduction in the repairs and maintenance projects because there were some delays in the commencement of major works. The reductions are explained by both cash flow reduction in fire damage and some of the work being funded in schools throughout their budgets. The headline figure the honourable member quotes does not reflect the expenditure on the ground.

The Hon. I.F. EVANS: I refer to page 316. Of the $44 million increase in employee benefit expenses, how much was due to the enterprise bargaining pay increases and how much was due to the employment of additional staff?

The Hon. J.D. LOMAX-SMITH: I think we may have discussed that previously during budget estimates. I do not have that data with me. I have not committed it to memory, so we will get back to you on that.

The Hon. I.F. EVANS: I think I may have asked the question in estimates and I am still awaiting a response, so it is a great opportunity for you to forward an answer to me. I refer to page 316. The non-current assets increased by $178 million, of which $174 million is the revaluation of land and buildings. Does that include the revaluation of land to be sold as part of the super schools project? If so, for each site what was the value in 2005, 2006 and 2007? I am happy for the minister to take the question on notice.

The Hon. J.D. LOMAX-SMITH: I understand that there is a revaluation on a three-year cycle through the department's assets. Regrettably, some of the valuations do not reflect the resale value—which is often just land value. That is particularly true in regional areas where the asset with improvements might appear on the books at a higher level than the saleable value because there is generally very little value in the improvements.

The Hon. I.F. EVANS: But is the valuation of the land in relation to the super schools project included in the valuation? Is it at open space value as a school or redeveloped value for housing? What valuation is in these figures? Is it the redeveloped value or the existing value as schools?

The Hon. J.D. LOMAX-SMITH: I cannot tell the honourable member which of our 1,000 school sites have had their valuations changed in the past year because I do not have that level of detail—and I doubt that anyone would. As far as I know, the schools that are the subject of amalgamation or closure relating to our new schools project, Education Works 1, are still recognised as schools.

The Hon. I.F. EVANS: It would be good if the minister can check and confirm that for me, because in the budget papers there are estimates of the sales values that are included in revenue

figures. I refer to page 336: who was the consultant who was paid $257,000 for a consultancy, and what was the consultancy for?

The Hon. J.D. LOMAX-SMITH: I am unable to identify that from the consolidated list, which I presume is where the member is reading from. The DECS consultants fees were $68,000, and that related to two items. There were other consolidated costs from schools, about which I have no details.

The CHAIR: The time for examination of this section of the Auditor-General's Report having expired—

The Hon. I.F. EVANS: It is clear on page 336. There is one consultancy above $50,000, for $257,000. It is as clear as a bell in the Auditor-General's Report. It is under the number and dollar amount of consultancies above $50,000: one, $257,000.

The CHAIR: Order!

The Hon. I.F. EVANS: I am just asking what it is. It is only a quarter of a million!

The Hon. J.D. LOMAX-SMITH: The interpretation that I have been informed of is that the consolidated item relates to something in the field, and the $68,000 is a DECS number. However, that may be an error, and I am happy to check it.

The CHAIR: The time having expired, I call the Minister for Agriculture, Food and Fisheries and the Minister for Forests to the chair.

The Hon. R.J. McEWEN: I move:

That the sitting of the house be extended beyond 1pm.

Motion carried.

Mr WILLIAMS: Three amounts appear at page 844 of the Auditor-General's Report under the heading 'Exceptional Circumstances/Drought'. Those amounts relate to 2004, 2005 and 2006. Are the amounts listed the state government's contribution to the Exceptional Circumstances Program? Further down the same table appears the heading 'State Drought 2006', and an amount of $250,000. What is the nature of that payment?

The Hon. R.J. McEWEN: The shadow minister is absolutely right. The way in which this is recorded is obviously revenue irrespective of sources. So often we are accounting for federal money because we are spending on its behalf, and we see that with most of the drought programs. The honourable member is right: in capturing it, that is obviously money coming in and then services being delivered. In relation to the last specific item, 'State Drought', I presume that is simply our money, but I will check. That would be state appropriation into that fund.

Mr WILLIAMS: So, the first three amounts are federal money?

The Hon. R.J. McEWEN: No, they are a combination.

Mr WILLIAMS: Can the minister give us a breakdown?

The Hon. R.J. McEWEN: If it is interest rates subsidies it will be 90/10. However, it may be something else as well. One would assume that it is 90/10 because that tends to be the breakdown on EC. If it is not I will let the honourable member know.

Mr WILLIAMS: Over the page is a list of revenues under the heading 'Advances and Grants'. Note No. 14 gives a list of amounts the first of which is called 'Exceptional Circumstances/Drought Assistance, $7.9 million'. What is that money and how or why is it different than the others?

The Hon. R.J. McEWEN: I understand the difficulty the honourable member would have trying to reconcile that with expenditure in a year because it is revenue and the timing does not necessarily line up. One cannot simply add up expenditure and revenue and get the same totals in any one financial year. That is just reflecting revenue.

Mr WILLIAMS: That is the commonwealth revenues?

The Hon. R.J. McEWEN: It is only commonwealth revenues.

Mr WILLIAMS: With respect to the issue of EC funding (and I am quite happy for him to take this on notice), can the minister detail to the committee how many exceptional circumstances applications have been received for processing by his department since the declaration of EC

areas across the state in the last 12 months? How many applications have been processed and how many have been approved? Also, has the government tracked the average processing time for EC applications and, if so, can he inform the committee of that time?

The Hon. R.J. McEWEN: Only part of that question is actually relevant to primary industries because, although we fund it in partnership, only part of that we manage on behalf of the federal government. It is the interest rate subsidy. The ECRS actually receives the applications. Even the pro forma is designed by the feds, but we manage that.

In terms of Centrelink and some of those other benefits, obviously I cannot respond. In terms of the one in which the honourable member is interested, the one that we manage is obviously ECIRS. Very recently we announced the thousandth application. They are averaging around a 90 per cent acceptance. We had one gap where they dropped a bit below that. We had a couple of over-enthusiastic (I might say) accountants assisting some people to put in applications which were not going to get over the threshold. There has now been a much more responsible approach. In relation to turnaround time, the maximum we have got out to is six weeks, but obviously we do map the turnaround time.

That is important, because the last thing we want is for these things to be held up and clients frustrated in any way. The other thing is that, unlike Centrelink, you can only backdate them three months. With interest rate subsidies, you can claim them and obviously the timing of them becomes important. Sometimes the accountant produces the advice, 'Wait until you have done your books.' Then you get a rush for a little while, then obviously, as you move in to harvest, people are preoccupied with other issues, so you will not see an orderly flow during the year either.

Mr WILLIAMS: I refer to page 834 under the headings 'Cash Outflows' and 'Cash Inflows'. Loans advanced to the rural sector and industry in the past 12 months were zero under cash outflows, but cash inflows shows loans repaid at $2.196 million. I believe that figure is not dissimilar to the previous year. Will the minister quantify to the house the quantum in dollar terms of the outstanding loans to the rural sector in industry via his department?

The Hon. R.J. McEWEN: What we have there is mopping up the last of those loans under the Rural Industries Assistance Fund. That has not been around for quite some time, but obviously some of them had long lead times, so you will see them being wound up. Other than that, no, we are not operating in that way; we are not a lending agent in that regard.

Mr WILLIAMS: Do you have a figure of how much is still outstanding?

The Hon. R.J. McEWEN: No, I do not. You would not think that there would be much left. Perhaps I should declare an interest: sometime in the past I had one of them, which I paid back in a timely manner.

Mr WILLIAMS: The reason I asked the question is that the other day I came across a constituent who still had one and I was somewhat surprised, to be quite honest, and then I noted in here that you are still getting repayments. On the same page under the same heading 'Cash Outflows' purchase of property, plant and equipment was $7.9 million (or thereabouts) in 2006 and $4.5 million in 2007. What sort of items are covered in there? I do not expect the minister to list things—property, plant and equipment—down to a few dollars, but I am assuming that some significant purchases are included and what has been the reason for the almost halving of the expenditure?

The Hon. R.J. McEWEN: Obviously we make a whole range of purchases on a regular basis. Off the top of my head, I would say the big difference between 2006 and 2007 was the purchase of the replacement boat for fisheries, the *Southern Ranger*, in 2006. Sometimes you will find a one-off, a significant purchase. I will check that. He says that I am correct. That is novel. The staff do not tell me that very often.

Mr WILLIAMS: On page 835 the expense listed as grants and subsidies has gone from $28.5 million in 2006 to $27.5 million. I guess that is not a huge change. In what areas are the principal grants and subsidies made? On the income side, advances and grants have gone from $44 million to almost $54 million. What makes up those advances and grants and what has caused this almost $10 million increase?

The Hon. R.J. McEWEN: The majority of that would be exceptional circumstances and the bushfire re-establishment grants, but a few other small ones might be in there. When you go to the top of that page, obviously, a number of programs are there and then they are actually consolidated, so there could be others within mineral resources or urban development as well.

Mr WILLIAMS: The figures I quoted are from program 4.

The Hon. R.J. McEWEN: Well done, yes. You are on the ball—just checking. I might add a bit more to my answer. For example in the previous year that $9.5 million for the Wine Industry Cluster was a one-off but, in terms of the others, I referred to the main ones being exceptional circumstances, drought, EC bushfire re-establishment, aquatic science, Renmark storm damage, and research and development cooperation program. So there are some other small ones in there.

Mr WILLIAMS: And the revenue side—the $10 million increase?

The Hon. R.J. McEWEN: That is where our funding partners contribute to that but the majority of that, again, is EC. That is the federal government.

Mr WILLIAMS: I refer to page 844 and branched broomrape. I have a couple of questions. Is that program also supported by the commonwealth government? Does the government believe that the area of infestation has now been defined? Does the department have a time frame in which it believes the eradication of branched broomrape from South Australia can be achieved?

The Hon. R.J. McEWEN: The reason that appears here is that we are a service provider to DWLBC in terms of the management of part of that program, so whether they have received any moneys I do not know. On the broader question, it is not an appropriate question to ask today but, equally, I do not have the answer. Certainly, I will bring back a more detailed briefing on where we are up to with branched broomrape.

Mr WILLIAMS: I refer to page 842 and program 5, Forestry Policy. Does the forestry policy unit have a role in assessing and promoting the use of plantation forestry in South Australia as a carbon sink?

The Hon. R.J. McEWEN: Yes, the forest policy on behalf of forestry generally has a role to develop government policy in a whole range of areas. They took over a number of roles which were embedded within the corporation which I felt did not appropriately sit there. A whole-of-government forestry program ought to be for the whole of government, not for the corporate entity.

From time to time, they would deal with a whole range of different things in their own right or things referred to them from the industry, or things referred to them by me. In fact, late last week, I met with them to ask them to do some more work on biofuel. Equally, I have asked the Chief Executive to identify a project officer specifically to map the total biofuel availability across all forest estate owners and downstream processes to see whether there is critical mass so that we could talk to the market about an integrated electricity steam pellet plant based on that aggregated volume of maybe 500,000 tonnes. However, that would not exist just within ForestrySA; obviously, it would be gathered from the other two main radiata estate owners, Green Triangle and Auspine, initially but, equally, the other sources of that, including sawdust, shavings, bark, etc.

So, yes, that is the type of thing I would ask them to do or, on behalf of that unit, we might even ask someone else to specifically project manage that. But, yes; not directly related to the carbon but obviously looking at how we can mitigate against some of these other things by better using biofuels to produce more friendly energy.

Mr WILLIAMS: I ask whether you can expand on that a bit, minister. I noted the establishment of the policy unit separate from ForestrySA and your comment that the Forestry Policy Unit should be about forestry policy per se rather than just with regard to ForestrySA. Can the minister advise whether there has been a change of outcomes from the unit due to the separation from ForestrySA?

The Hon. R.J. McEWEN: In fairness, I would have to say that it is probably too early to make that judgment. Obviously, what I would be looking for is a change of emphasis because now the policy would be more respectful of the needs of all estate owners, whether they be public or private, and perhaps some of the projects would be more downstream, rather than at the front end, which would have been the focus of ForestrySA. But, no, it is probably too soon to say that I am seeing a significant change in emphasis; I think it is only subtle.

However, from an industry point of view, they do now feel more confident to engage separate from the fact that they may have interests of a commercial nature, and they are the two things I was trying to separate. We do not want to feel that the commercial nature of supplying resource would in some way have an impact on what should be broad policy setting. You would expect there to be a subtle change. It is probably too soon to judge that, but I think that, once we start bedding down some of those projects, we will see that.

Mr WILLIAMS: Minister, I refer to page 836. The Auditor-General lists a number of policy objectives of your department 'to assist in achieving South Australia's Strategic Plan'. Has the department ever tracked the additional cost of aligning its actions with the demands of the Strategic Plan and, if so, what would that cost be?

The Hon. R.J. McEWEN: It is not their strategic plan; it is South Australia's Strategic Plan. It is obviously bigger than the state government, but, obviously, the state government has a very significant influence over that. One of the key agencies within the state government will be very much part of developing the plan. So, I would not say, then, that there is a cost in us doing something with someone else. Obviously, we are part of developing and monitoring it over time while those targets are reviewed; that is just the nature of our business.

Mr WILLIAMS: I guess the question is: what cost benefit analysis has been done with regard to the State Strategic Plan? I have noticed that every government publication that comes out—it is not unique to your agency—refers every action to the State Strategic Plan. I am curious to know what cost this has put—certainly within your agency—onto the public sector for just going about its normal duties by having to justify everything it does by aligning it with something that is in the State Strategic Plan.

The Hon. R.J. McEWEN: I think it is actually the reverse. I think: what benefit is it to have a more coordinated across-government focus on those key drivers for the state that are particularly the ones that are driven by the state government? It makes a lot of sense to have one hymn sheet, to have one broad vision for the state, and ensure that we are aligning our resources and our efforts in a way that achieves that. So, you would actually measure that in terms of a benefit, not a cost.

Mr WILLIAMS: Interesting answer, minister. On page 836 the Auditor-General notes that the principal sources for the funding of the department's programs include research grants from industry research corporations. How much of the $86.5 million of employee benefits and costs identified under program 4, Agriculture, Food and Fisheries, on page 835, is derived from this source; that is, what portion of total employee wages is derived from grants? Does your department track the effort and cost involved in sourcing such grants?

The Hon. R.J. McEWEN: The question obviously points to a very important issue, which is that SARDI gathers its revenue from and provides services to a whole range of clients, some of them state, some of them federal, some of them industry bodies, etc. So, of the $60 million-odd that SARDI spends, the customer for about $18 million of that is the state, and the rest of it then is a whole range of others. I could not, just off the top of my head, break that down. If there is around 42 to $45 million of revenue left and how much of that is spent on wages and salaries I would not know. We can get you that answer, but certainly most of it is. It is intellectual endeavour so you would expect a high proportion of that to be individual research scientists and their support staff, but I have not got an exact number. I do not know if somebody wants to guess—come on be brave, put it on the record. No; they will not guess.

Mr WILLIAMS: Back to forestry policy, I refer to page 842 of the Auditor-General's Report. With regard to sustainable forestry, does the government believe that the continuation of plantation forestry in environmentally sensitive areas, such as the Adelaide Hills, remains sustainable in the long term?

The Hon. R.J. McEWEN: In answer to that question I might also refer to page 1044, the South Australian Forestry Corporation, because the shadow minister does make the point that the charter of the corporation is narrow, and I will just quote from that page: maintain plantation forestry for commercial production; encourage and facilitate regionally based economic activities based on forestry; conduct research related to the growing of wood for commercial purposes, etc. The corporation has just reported to me in terms of the Mount Lofty Ranges review of operations 2007, in confidence, but I am certainly happy to share information with the shadow minister.

I should put on the record that part of the reason that I asked for this work to be done was because the shadow minister in the lead-up to the 2006 election indicated that should the Liberal Party win government it would look closely at the Adelaide Hills. I thought that was a valid question and, equally, I felt that a starting point should be the corporation's view of that. Obviously, we would have to roll it out beyond that.

The corporation in its findings to me in the executive summary talks about the lack of economic scale, the lack of suitable available land at affordable prices, infrastructure that limits transport efficiencies, a small customer base without the economies of scale, forest protection

issues (especially fire), community perception and population pressures, and relatively high unit costs of production. Obviously what it is saying is that within its charter it is difficult for it to achieve its narrow corporate focus with that investment in those locations.

Does that mean we would be exiting? Not necessarily, but this gets back to the shadow minister's earlier question about the role of the policy unit vis-a-vis the corporation. The corporation says that in terms of its narrow charter it could do much better investing that money in the Green Triangle. It demonstrates on a number of fronts and a number of commercial measures that the Green Triangle is a far better place to produce those timbers for mill gate sales.

We now need to scope that in terms of some broader issues around watershed, recreational activities and other features that the forest estate might provide to a community, but not necessarily be seen as a direct corporate benefit, so not necessarily measured in the same way by ForestrySA, equally noting that on ForestrySA's balance sheet there is a revenue stream because it provides a range of services which need to be paid for.

I will continue that work. I would be happy to make this report available to the shadow minister in confidence. I only say 'in confidence' because there is some material in there of a commercial nature. Obviously, we do not want other parties knowing that level of detail about ForestrySA's operation because from time to time we have to go into the marketplace to sell product in the best commercial manner possible. I will do some more work now in terms of the broader question, the starting point being the ForestrySA report 'Mount Lofty Ranges Review of Operations 2007'.

Mr WILLIAMS: I am delighted that the minister has been doing that work and following up on what I thought was a good bit of policy I put forward on behalf of the Liberal Party at the last state election. More recent work I have been doing indicates that there is another issue, to which (I suspect) forestry operations may be contributing; that is, the contamination of water by chemicals used in the forestry sector—which might be something that was not looked at in that report.

I refer to page 825. The Auditor-General raised the issue of the potential for invalid expenditure processes within the department's accounting systems. It notes that the department considers the risk to be low. On what basis does the department make that assessment?

The Hon. R.J. McEWEN: As part of Treasury Instruction 8, for very small amounts of money you can commit verbally. We did not think it was a risk because we could not find anywhere we had committed any expenditure verbally. It is not the normal practice. If you were in the practice of doing that there is a slight risk. It is not our practice, therefore we did not believe it was a risk. Under Treasury Instruction 8 it is something that can be done under some circumstances.

Progress reported; committee to sit again.

[Sitting suspended from 13:05 to 14:00]

WEST BEACH RECREATION RESERVE (BOATING FACILITIES) AMENDMENT BILL

His Excellency the Governor, by message, assented to the bill.

PENOLA PULP MILL AUTHORISATION BILL

His Excellency the Governor, by message, assented to the bill.

COLLECTIONS FOR CHARITABLE PURPOSES (MISCELLANEOUS) AMENDMENT BILL

His Excellency the Governor, by message, assented to the bill.

PRINCE ALFRED COLLEGE INCORPORATION (CONSTITUTION OF COUNCIL) AMENDMENT BILL

His Excellency the Governor, by message, assented to the bill.

CRIMINAL ASSETS CONFISCATION (SERIOUS OFFENCES) AMENDMENT BILL

His Excellency the Governor, by message, assented to the bill.

ENVIRONMENT PROTECTION (SITE CONTAMINATION) AMENDMENT BILL

His Excellency the Governor, by message, assented to the bill.

STATUTES AMENDMENT (INVESTIGATION AND REGULATION OF GAMBLING LICENSEES) BILL

His Excellency the Governor, by message, assented to the bill.

RAIL SAFETY BILL

His Excellency the Governor, by message, assented to the bill.

VICTIMS OF CRIME (COMMISSIONER FOR VICTIMS' RIGHTS) AMENDMENT BILL

His Excellency the Governor, by message, assented to the bill.

STATUTES AMENDMENT (VICTIMS OF CRIME) BILL

His Excellency the Governor, by message, assented to the bill.

SOLID WASTE LEVY

The Hon. R.J. McEWEN (Mount Gambier—Minister for Agriculture, Food and Fisheries, Minister for Forests): Presented a petition signed by 281 residents of South Australia requesting the house to urge the government to ensure all funding raised from the solid waste levy is directed to programs designed to help meet the SA Strategic Plan target for the reduction of waste to landfill.

SOLID WASTE LEVY

Mr BIGNELL (Mawson): Presented a petition signed by 67 residents of South Australia requesting the house to urge the government to ensure all funding raised from the solid waste levy is directed to programs designed to help meet the SA Strategic Plan target for the reduction of waste to landfill.

ANSWERS TO 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*.

SUBPRIME MORTGAGE MARKET

In reply to **Mr GRIFFITHS (Goyder)** (25 September 2007).

The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations): Funds SA's international fixed interest investments are managed by two specialist management groups, Pacific Investment Management Company LLC (PIMCO) and Loomis Sayles & Company, LP.

At the time of the collapse of the US sub prime mortgage market in mid 2007, Funds SA, through the two specialist managers, had no direct exposure to US subprime mortgage investments.

Since this time, and after the significant fall in prices, Funds SA's specialist managers have selectively purchased several securities containing diversified pools of assets, including mortgages.

Securitised mortgages are an established component of the international fixed interest market, accounting for approximately 20 per cent of the value of all securities.

These investments are rated AAA, but do contain an indirect exposure to US subprime mortgages, heavily protected by appropriate credit insurance.

In aggregate, this exposure represents less than 0.04 per cent of Funds SA's total portfolio value of $13.5 billion.

Notwithstanding the recent volatility in financial markets, overall portfolio performance remains within expectations with the Growth fund earning 2.1 per cent in August and 18.5 per cent for the year to August, and the Balanced fund earning 2.0 per cent and 16.8 per cent for the same periods.

PORT STANVAC REFINERY

In reply to **Dr McFETRIDGE (Morphett)** (25 September 2007).

The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations): I am advised that the Environmental Protection Authority (EPA) has confirmed that Mobil has provided two reports to date, which were received in February and August 2007.

The EPA has advised that Mobil reports that progress has been achieved against all four key remediation programs:

- Foreshore/wharf area (delineation of groundwater plume and remediation as necessary of contaminated soil/sand)—extensive drilling and sampling in this area to delineate any impacted areas;
- Re-commissioning of an existing bioremediation system—sampling and analysis of existing soil stockpiles has been undertaken and the results reviewed in conjunction with the team from the Cooperative Research Centre for Contamination and Remediation of the Environment (CRC CARE);
- Research into in-situ treatment of soils and degradation factors—at the time of reporting, preliminary work to identify potential locations for trials had been undertaken, in conjunction with the CRC CARE team; and
- Wastewater treatment system—work has been completed.

However, the EPA has written to Mobil raising several queries regarding the latest report, which the EPA wishes to discuss further with Mobil. The Government is presently awaiting Mobil's response.

The Desalination Working Group is considering a number of possible sites for a desalination plant, one of which is Port Stanvac. Any decision as to whether to approach ExxonMobil regarding Port Stanvac will depend on the outcome of the current investigations.

PAPERS

The following papers were laid on the table:

By the Speaker—

City of Port Lincoln—Report 2006-07

By the Attorney-General (Hon. M.J. Atkinson)—

Guardianship Board—Report 2006-07
Office of the Public Advocate—Report 2006-07
Public Trustee—Report 2006-07
State Coroner—Report 2006-07.

MURRAY RIVER IRRIGATORS

The Hon. M.D. RANN (Ramsay—Premier, Minister for Economic Development, Minister for Social Inclusion, Minister for the Arts, Minister for Sustainability and Climate Change) (14:06): I seek leave to make a ministerial statement.

Leave granted.

The Hon. M.D. RANN: The current drought continues to ravage South Australia, and whilst some regions in South Australia received good rains a few weekends ago (although in some areas that rain caused severe crop damage), it would be a mistake to think that it signalled the end of the drought. In many areas our rural communities are still suffering the dire consequences of the lowest rainfall on record. All South Australians are feeling the devastating effects of this drought.

Indeed, I am sure that all South Australians are aware of the anguish suffered by our farmers and watch in dismay the continuing impact on the River Murray and those who depend on it, especially our irrigators. As water becomes available from the River Murray, the Minister for the River Murray will make available allocations to licence holders on the river. The government must take a very responsible approach to the allocation of water. We cannot allocate what does not exist. The state government has a statewide drought response.

All the measures applicable to the dryland farmers are also available to the state's irrigators. The government is acutely aware of the risks and uncertainties faced by our irrigators. PIRSA has continued to work directly with the irrigators, communities, industry, local government and community support agencies by hosting workshops to ensure that they are kept well informed about water flows and water quality and to initiate planning and recovery. The government has also supported river communities to prepare socioeconomic studies that included management for drought impacts.

As part of this government's $70 million drought support, we have recognised the specific needs of irrigators by:

- waiving the transfer fees for purchase of water to top-up restricted licences, and
- concessions on irrigators' NRM levies.

Recently I informed the house that, as part of our commitment to extend the drought-relief program, three drought coordinators would be appointed to assist regional communities. The Premier's Special Adviser on Drought, former premier the Hon. Dean Brown, is overseeing their work. I am pleased to advise the appointment of Jim Caddy as the Drought Coordinator for the River Murray. I am told that Mr Caddy has a strong involvement in all parts of the community and is known as a community leader with high levels of integrity.

I am informed that he has extensive experience through his work with the community, industry and government agencies. Mr Caddy has been a grape grower in the Riverland for more than 20 years, he is currently the Chair of CCW Limited, representing about 750 growers in the Riverland region, and he brings a wealth of knowledge and experience to the position. It is the federal government that has the lead responsibility for drought response across the nation, and I have continued to lobby the Prime Minister for assistance for our farmers.

A week ago, on 7 November, I wrote to the Prime Minister (Hon. John Howard) asking him to consider a proposal developed in conjunction with the South Australian River Murray irrigators. The proposal involves providing federal government assistance through a loan scheme administered by private banks for the purchase of temporary water entitlements by irrigators.

It is intended that the additional water will be used to ensure the survival of perennial plantings such as wine grapes, citrus, almonds and stone fruits. Because many of these plantings take years to become productive, it is vitally important to keep alive as many of them as possible during this drought period. I am told water is available on the open market and that the plan could be funded from the $10 billion fund announced by the Prime Minister in January 2007. I am informed that, as yet, no money—not one cent of money—has been allocated from the federal government's $10 billion fund for River Murray initiatives.

Members interjecting:

The SPEAKER: Order!

The Hon. M.D. RANN: We passed the legislation to hand over control of the River Murray—big announcement by the Prime Minister of $10 billion to save and rescue the River Murray and not one cent spent! I now table a copy of my letter to the Prime Minister. Mr Speaker, it reads:

Dear Prime Minister

In January this year, you announced the National Plan for Water Security (the Plan) to improve water efficiency and address over-allocation of water in rural Australia. The Plan has particular significance for the Murray-Darling Basin and south-eastern regional Australia.

The $10 billion Plan was conceived against a background of the most severe drought Australia has faced since records began. At our water summit [which, of course, I attended], the Murray-Darling Basin Commission advised that the statistical probability was that the Murray-Darling system low water inflows were a one in one thousand year event.

On behalf of the Government of South Australia, I strongly supported the adoption of a National Plan that would bring the management and control of the Murray-Darling Basin under Commonwealth control through a single independent authority.

In fact, not only did I support the national plan but it was I who suggested the independent authority.

The Hon. P.F. Conlon interjecting:

The Hon. M.D. RANN: Which apparently Alexander Downer recognised today. I continue:

Since the announcement of the Plan the drought has not abated. The severity of the impact of the drought on the lives and livelihoods of many Australians should not be underestimated.

In South Australia in 2006-07, the water flowing across the border in the River Murray was 1,470GL. I am advised that in 2007-08, water flowing across the border into South Australia could be as low as 990GL. This compares with the average flow of 4,800GL.

The Government of South Australia is working closely with the Commonwealth Government and the upstream States to ensure water quality and quantity will meet critical urban needs in 2007-08.

The dire circumstances of our irrigators must not be overlooked in dealing with this emergency.

The Farm Help Package, together with the Professional Advice service and Grants system adopted by the Commonwealth government offers significant support.

The Government of South Australia provides Planning for Recovery Grants, Community Support Grants, as well as a range of other support measures including the waiver of stamp duty on water transfers, apprenticeship retention arrangements and technical assistance.

However, water allocations to irrigators in South Australia have been cut to 16 per cent of entitlements, with little prospect of further allocations this year. The impact of minimal water allocations will have a profound effect on regional and individual incomes with severe long-term consequences.

It is widely accepted that the minimal water allocations will result in the extensive loss of perennial plantings including citrus, almonds, wine grape and stone fruits. The prospect of a loss of perennial crops will result in significant economic and social impacts.

I am informed that South Australia's Riverland irrigators have developed a proposal to provide their industry with assistance to reduce the risk of long-term damage to the region's productive capacity.

Former Liberal Premier, the Hon. Dean Brown, who was appointed by my Government as the Premier's Special Adviser on Drought, has been working with irrigators to help them manage their acute problems.

Dean Brown has assisted in developing the proposal. The proposal, if adopted, could avert the need for substantial Commonwealth outlays in income and industry support in the event of a collapse of production. The proposal involves the provision of loan funds to irrigators in South Australia and other states to purchase temporary water on the open market. The additional water would be used to supplement the existing allocations to assist with the survival of perennial plantings. The loan funds would be made available only to irrigators who are viable. I understand sufficient water is available from upstream irrigators with annual crops who have been allocated water in 2007-08 but who do not intend to plant this year and who are willing sellers.

Members interjecting:

The SPEAKER: Order!

Members interjecting:

The Hon. M.D. RANN: You want to attack Dean Brown now. They want to attack Dean Brown. He has been working on this proposal. He is now—

Members interjecting:

The SPEAKER: Order!

The Hon. M.D. RANN: —attacking Dean Brown, their own former premier—

Members interjecting:

The SPEAKER: Order!

The Hon. M.D. RANN: —because they always put their own needs before the interests of the state. My letter continues:

The attached document outlines the proposal—

An honourable member interjecting:

The Hon. M.D. RANN: Just wait for it:

The attached document outlines the proposal and is supported by South Australian Murray Irrigators—

see, you are against Dean Brown, now you are against the irrigators—

The document has been made available to the Minister for Agriculture, Fisheries and Forestry, the Hon. Peter McGauran, and the Minister for the Environment and Water Resources, the Hon. Malcolm Turnbull. I seek your urgent consideration of this proposal. Funds could be made available by allocating—

and this is the key point—

Ms Chapman: By you.

The Hon. M.D. RANN: We, this government, and I, as Premier, this parliament, agreed to hand over control of the River Murray to the federal government in exchange for a $10 billion River Murray rescue package, and not one cent of that River Murray rescue package, the $10 billion that was promised, has been spent.

Members interjecting:

The SPEAKER: Order!

The Hon. M.D. RANN: I continue:

Funds could be made available by allocating a relatively small amount of the $10 billion you announced under the National Plan for Water Security which I understand has not been drawn upon since the initiative was released by you in January. Yours sincerely.

I understand that the Leader of the Opposition was with the Prime Minister on Monday of this week. He told an audience of the Pan Macedonian Association that he was going to raise Greek issues with the Prime Minister, and that was good; it would be interesting to see whether or not he did. It would be interesting to see because it is the test of honesty in this parliament. I want to know whether the Leader of the Opposition raised with the Prime Minister of Australia, spending some of that—

Mr PENGILLY: I take point of order.

The SPEAKER: Order! The Premier will take his seat.

Mr PENGILLY: The Premier is clearly debating the issue.

The SPEAKER: There is no standing order to prevent anyone debating during a ministerial statement; that only applies to answers to questions, not to ministerial statements.

MURRAY RIVER WATER ALLOCATIONS

The Hon. K.A. MAYWALD (Chaffey—Minister for the River Murray, Minister for Water Security, Minister for Regional Development, Minister for Small Business, Minister Assisting the Minister for Industry and Trade) (14:18): I seek leave to make a ministerial statement.

Leave granted.

The Hon. K.A. MAYWALD: Today I rise to update the house on the River Murray water resources situation. As the Premier indicated earlier, we monitor this on a regular basis and advise the house and irrigators as soon as practical when situations change. Based on the latest assessment from the Murray-Darling Basin Commission, I have announced today that River Murray water allocations for 2007-08 water year will increase to at least 22 per cent from 1 December 2007.

The Murray-Darling Basin Commission's End of October 2007 Water Resource Assessment reports an increase in available water across the Murray-Darling Basin because of three factors:

- inflows to the River Murray system in October 2007 were slightly higher than previously forecast;
- slightly more water has been released into the system from the Snowy Mountains Scheme;
- the commission's forecast for minimum inflows in November 2007 has improved as a consequence of recent rain across the basin from 10 millimetres to 100 millimetres in certain areas.

Allocation increases in South Australia are now possible because the total volume of water available for diversion across the basin has exceeded 1,500 gigalitres. This target was a key threshold in determining South Australia's share of water available for irrigation and dilution flows under the revised water sharing arrangements agreed to by the Murray-Darling Basin states and the commonwealth earlier this year.

The commission advises that early rainfall in November has improved the minimum inflows expected in November, and so far there is sufficient improvement to support an increase in allocations to at least 22 per cent from the beginning of December. Total available water will again be reviewed at the beginning of December, once we have the commission's final assessment of the November inflows. If further rainfall and inflows are received in the basin before the end of November, allocations will be updated. While this increase will be welcomed by irrigators, it is still not enough to keep all permanent plantings alive and is well below the 60 per cent irrigators received in the 2006-07 water year.

Conditions are expected to be hot and dry over summer, with the Bureau of Meteorology forecasting only a 45 to 55 per cent chance of receiving above average rainfall before January 2008, while there is a 65 to 70 per cent chance of temperatures being hotter than normal. Murray-Darling Basin storages peaked at 23 per cent of capacity during October and are currently at 22 per cent. However, flow to South Australia has been increased marginally to 3,400 megalitres per day to help reduce salinity impacts and the likelihood of algal blooms occurring. We are very much micro-managing the river at this particular time.

Adelaide consumers are still tracking well against the target consumption line for 2007-08, and domestic water restrictions remain unchanged. The situation in the Murray-Darling Basin is still extremely serious, and consistent above average rainfall is needed to break the continued widespread drought.

LEGISLATIVE REVIEW COMMITTEE

Mrs GERAGHTY (Torrens) (14:22): I bring up the 10th report of the committee.

Report received.

QUESTION TIME

TRANSPORT, ENERGY AND INFRASTRUCTURE DEPARTMENT

Mr HAMILTON-SMITH (Waite—Leader of the Opposition) (14:22): My question is to the Minister for Transport. Why did the minister tell the house yesterday that he was announcing new decisions about restructuring and reorganising TransAdelaide and the Department for Transport, Energy and Infrastructure when the changes were, in fact, announced in June this year?

The minister's statement to parliament yesterday led the house to believe that the government was announcing new measures to deal with community concerns about public transport safety, reliability and standards. However, in June this year, in Budget Paper 1 (page 6 of the 2007-08 budget) the government stated that 'ownership and control of all metropolitan transport rail assets will be integrated into the Department for Transport, Energy and Infrastructure'.

The Hon. P.F. CONLON (Elder—Minister for Transport, Minister for Infrastructure, Minister for Energy) (14:23): It was absolutely clear that, when we commenced this review work in April, one of our key objectives was to remove that corporatisation the Liberals had created to lead to privatisation. It was not clear how we were going to do it.

What the Leader of the Opposition needs to acknowledge is that that was not the only thing announced at the end of the review. I will not go through it at great length; I will simply refer him to the ministerial statement made yesterday. However, I did refer to new executives going into TransAdelaide and a customer focus, and I foreshadowed some further changes—and there will be more to talk about that in the future. So, if this is the first question from the Leader of the Opposition—

Members interjecting:

The Hon. P.F. CONLON: Let me tell the Leader of the Opposition, I have come back from Alexander Downer this morning, and he was a lot sharper than this bloke. If I were the Leader of the Opposition, I would be very, very afraid, because he is a lot sharper than he is. I have got to tell you this: he asked a lot tougher questions than that.

RENEWABLE ENERGY

The Hon. S.W. KEY (Ashford) (14:25): My question—

Members interjecting:

The SPEAKER: Order!

Members interjecting:

The SPEAKER: Order! I have called the house to order, members on both sides. The member for Ashford has the call.

The Hon. S.W. KEY: My question is directed to the Premier. Can the Premier advise the house on the benefits for South Australia's renewable energy target following the decision by AGL to invest in a new wind farm at Hallett Hill?

The Hon. M.D. RANN (Ramsay—Premier, Minister for Economic Development, Minister for Social Inclusion, Minister for the Arts, Minister for Sustainability and Climate Change) (14:26): I acknowledge the honourable member's great commitment to renewable energy over all the years that I have known her, which is a long time. I am delighted with this question. I am very pleased to see that AGL has a new CEO, Michael Fraser, who has just taken over following the removal by that company of its previous CEO. We have a good relationship with Michael Fraser and we are looking forward to working with him. I was pleased to be able to meet with him shortly after his appointment in Sydney just a week or so ago.

On Monday 5 November, AGL announced that a 71 megawatt wind farm will be built at Hallett Hill, next to AGL's Brown Hill Ridge wind farm, which is already one of the biggest in Australia. I am advised that the proposed wind farm will require an investment of $166 million and create 150 jobs in the construction phase. I understand that it will increase AGL's wind energy investments in our state to 134 turbines, with a capacity of 257 megawatts, which will be the equivalent of powering 40,000 average Australian households and approximately 250,000 tonnes of CO_2 per year. This will mean that it will significantly contribute to South Australia meeting its legislated target of 20 per cent of energy generation coming from renewable sources by 2014.

You will remember that, because our commitment of 20 per cent of renewables by 2014 would put us in not only a national leadership position but in an international leadership position, a number of critics said that that could not be achieved. I am pleased to have worked in concert with the Minister for Energy on this. I have an announcement to make to the house. We were told that 20 per cent of our power coming from renewable energy was totally unachievable by 2014.

I am delighted to be able to inform the house that we will come close to or meet our target of 20 per cent of energy generation coming from renewable sources by June 2009—years ahead of schedule. This is five years ahead of the legislated schedule of 2014, which is enshrined in the Climate Change and Greenhouse Emissions Reduction Act 2007. I say thank you to the Minister for Energy, who shares my commitment to wind, solar and, indeed, lunar energy.

Twenty per cent of renewable energy generation is one of the highest market penetrations in the world, and would be by far the highest on mainland Australia. Achieving and maintaining this target will be a considerable challenge as South Australia's economy continues to grow with major defence and mining projects. This latest announcement by AGL is a reflection of the effectiveness of our policy framework that takes full advantage of our natural assets. It will be the 10th wind farm to be constructed in South Australia. How many wind farms were there before this government was sworn in? Zero. Zip.

This was not because the technology did not exist. It has nothing to do with the lack of wind, because there is a lot of wind on the other side of parliament. The absence of wind farms from our state had more to do with uncertainty about regulatory mechanisms and the resulting business risk, so the government set about updating its regulatory framework. It prepared a discussion paper on the issue and amended the state Development Plan and, in so doing, made it clear that South Australia had a business-friendly approval process for wind farms.

Five years later—and now we have passed legislation, which is the first in Australia and one of the first in the world—the results of our regulatory changes are striking. From a standing start and with under 8 per cent of Australia's population, South Australia today has 47.5 per cent of Australia's wind power capacity. I am advised that South Australia has attracted an investment in wind farms totalling more than $1.7 billion.

Mr Hamilton-Smith interjecting:

The Hon. M.D. RANN: The Leader of the Opposition said that it is all to do with the federal government's MRET system. In that case why is it not happening in the other states? The same system applies in every other state in Australia yet, with less than 8 per cent of the population of Australia, South Australia has almost 50 per cent of the solar power and almost 50 per cent of the wind power—and soon more than that. I cannot understand how there is wind and solar power in Victoria and Western Australia and the rest of Australia, but it is happening here with the same federal government system applying in every state. It is happening here because of leadership.

The Hon. J.D. Hill interjecting:

The Hon. M.D. RANN: New leadership, fresh leadership; a party with a plan, not a retirement plan. It is worth noting, too, that a similarly progressive attitude by the state government to geothermal (hot rock) energy has seen our state quickly snare more than 80 per cent of the geothermal activity either underway or proposed in Australia. AGL's announcement reinforces our reputation as an international leader in hosting and supporting renewable energy.

Mr Hamilton-Smith interjecting:

The Hon. M.D. RANN: The Leader of the Opposition has just said that we should be putting money into hot rocks. Hang on a minute; 80 per cent of the activity is occurring in South Australia.

Ms Chapman: No thanks to you.

The Hon. M.D. RANN: No thanks to us! It is just amazing, but if it was not happening here it would be our fault. What was happening when members opposite were in power? Zip, zero.

The Hon. P.F. Conlon interjecting:

The Hon. M.D. RANN: That's right. Their commitment to energy was to sell ETSA and spend $100 million on a group of consultants with a fistful of dollars.

Members interjecting:

The SPEAKER: Order!

The Hon. M.D. RANN: AGL's announcement reinforces our reputation as an international leader in hosting and supporting renewable energy. It is clear that the challenge on climate change has given our state an opportunity to sustain an international reputation in renewable energy. If you do not believe me, ask Al Gore; he made it very clear in his public statement. The decision of AGL is a further affirmation that the private sector is prepared to back up our policies with its investment dollars. I could speak at length about this today, but because of humility I have decided to end this reply to a question of which I would have liked more notice.

VISITORS

The SPEAKER: Order! I draw to members' attention the presence in the chamber today of members of the Australia Post Workforce Capability Unit (guests of the member for Adelaide), students from Pembroke School (guests of the member for Hartley) and students from Hahndorf Primary School (guests of the member for Kavel).

QUESTION TIME

TRAM DERAILMENT

Mr HAMILTON-SMITH (Waite—Leader of the Opposition) (14:34): Does the Minister for Transport stand by his remarks that driver negligence and error was the sole cause of the tram derailment in the vicinity of South Terrace, Veale Gardens, on Melbourne Cup day? If so, what disciplinary action has he taken against the driver concerned?

The Hon. P.F. CONLON (Elder—Minister for Transport, Minister for Infrastructure, Minister for Energy) (14:34): Once again, in the guise of a question the Leader of the Opposition slips in comment—in fact, verbals what I had to say. Let me tell you what I did have to say. What I had to say was that I did not like responding before a full investigation had been held. I made that absolutely clear. I also made it clear that because the opposition had been out engaging in flagrant dishonesty—

Members interjecting:

The SPEAKER: Order!

The Hon. P.F. CONLON: I will answer the completely dishonest allegations, even made in the question itself, because I did not say that.

Ms Chapman interjecting:

The Hon. P.F. CONLON: She really does sound like an angle grinder, doesn't she; it would give you a headache. The truth is that I said—

Members interjecting:

The SPEAKER: Order!

The Hon. P.F. CONLON: It just shows you, sir, that what we are seeing today is that they are not interested in the public transport system. If they were interested in the public transport system he would have sacked his frontbencher who was out there calling the union to engage in an illegal strike. That is what he would have done, but they are not interested.

Members interjecting:

The SPEAKER: Order!

Dr McFETRIDGE: On a point of order: I am flattered, Mr Speaker, that he thinks I can call a strike with one line.

Members interjecting:

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

The Hon. P.F. CONLON: If he wants to ask a question I will refer to what the union said he told them to do. But I come back to the point. The opposition leader in his question said that I said something. This is what I said. I said, in answer to them, that I did not want to talk about it before the investigation, but because they had been out making up complete untruths—the opposition leader said the track was wrong and we had to tear it all up. Absolutely untrue.

Members interjecting:

The SPEAKER: Order!

The Hon. P.F. CONLON: It was absolutely untrue. So what I said was—

Members interjecting:

The SPEAKER: Order!

The Hon. P.F. CONLON: And he is also saying that we have tendered for that track. It is all so untrue. Can you tell the truth ever?

Members interjecting:

The SPEAKER: Order!

The Hon. P.F. CONLON: Once again, for the Leader of the Opposition, it is absolutely untrue—

Members interjecting:

The SPEAKER: Order!

The Hon. P.F. CONLON: He should stop saying that that track is faulty. That track is there and there to stay. There is no tender for it. He is making it up. He is not telling the truth. That is why I had to go out and give a version of events closer to the truth, and I said I would prefer to wait. But I will confirm this for him: there is absolutely no doubt, again, and I will wait for the complete investigation, there is absolutely no doubt it was human error.

TRAM DERAILMENT

Mr HAMILTON-SMITH (Waite—Leader of the Opposition) (14:37): He has not answered the question, but will the minister table in parliament the completed investigation into that tram derailment on Melbourne Cup Day?

The Hon. P.F. CONLON (Elder—Minister for Transport, Minister for Infrastructure, Minister for Energy) (14:37): I will talk to Bill Watson about that, but I want to come back to—

Members interjecting:

The Hon. P.F. CONLON: No, no; I might actually—

Members interjecting:

The SPEAKER: Order!

The Hon. P.F. CONLON: I might actually table a whole report of all that happened on Melbourne Cup Day. You might not like that, Leader of the Opposition. You might not like that, because you went down there that night. And you might not like some of the things that it would say about you. So, you know, just be careful what you ask for. But I will come back to it again—

Members interjecting:

The SPEAKER: Order!

The Hon. P.F. CONLON: I will come back to this again—

Members interjecting:

The SPEAKER: Order! The minister will be heard uninterrupted.

The Hon. P.F. CONLON: Thank you, sir. It is rather pathetic that they will not—they tell lies, they tell misinformation, but they will not—

Dr McFETRIDGE: Point of order, Mr Speaker—

The SPEAKER: Order! The minister will withdraw the remark 'they tell lies'.

The Hon. P.F. CONLON: I withdraw 'they tell lies'. They have engaged in hyperactive dishonesty about this throughout.

Members interjecting:

The Hon. P.F. CONLON: I have asked them to wait for the report.

Dr McFETRIDGE: Point of order, Mr Speaker—

Members interjecting:

Dr McFETRIDGE: It is 127: 'Digression; personal reflections'.

The SPEAKER: Order! I do not uphold the point of order. The Minister for Transport.

The Hon. P.F. CONLON: It is hard for me to get more than three or four words out. The underlying issue is that they weren't there at the big debate with the big guys today, and they are very angry about that, very angry. But it is not my fault, I didn't pick the fight, the other bloke did. Not my fault. But I will say this: I will give you as much information as I can. I will tell you this—I have told you the truth throughout—I am not the one who has said that it was the rail that was faulty, or it was a switch that was faulty, or someone told the driver to do it—all of these untrue things. I have told you everything that I have been told by TransAdelaide.

Everything I have been told confirms this—and I don't like, again, because I am dragged into this by the opposition because they will make up stories and not wait for an investigation—the driver ran a red light. Okay? I know that the member for Morphett has said that it is all right for drivers to run red lights. We do not agree with that. There is no doubt that there is no fault in the infrastructure. There is absolutely no doubt that the derailment was caused by human error.

Members interjecting:

The SPEAKER: Order!

The Hon. P.F. CONLON: Just come back to the point. What will happen here is that I will continue to tell the parliament and the public the truth. I have no doubt that the opposition will continue to make up stories. However, the bottom line is this: what I ask them to do is simply wait for the completion of the investigation.

Ms Chapman: That is what we are asking; have you tabled the report—

The SPEAKER: Order!

The Hon. P.F. CONLON: I have just told the Ryobi power tool on the other side that I will table whatever I can table. I have absolutely nothing at all to hide. What will happen is that, if I get caught out getting one tiny little thing wrong, they will be all over me. We will not get an apology for the absolute farrago of dishonesty that we have had from them on this issue. You will not get an apology from the member—because remember what his approach is: I do not care how many I get wrong; one day I will get one right. I will keep telling you the truth, I will keep telling the public the truth, and this fellow (soon to be replaced by Alexander Downer) will keep making up stories.

WORKCHOICES

Mr RAU (Enfield) (14:41): My question is to the Minister for Industrial Relations. What concerns does he have about the implications for South Australians with the federal government's breaking its own workplace laws by trying to stop workers speaking out against WorkChoices?

The Hon. M.J. WRIGHT (Lee—Minister for Industrial Relations, Minister for Finance, Minister for Government Enterprises, Minister for Recreation, Sport and Racing) (14:41): On 30 October, the Federal Court fined the Howard Liberal government $30,000 for breaking its own workplace laws, when it told workers that they could not use their hard-earned leave to speak up against WorkChoices. The Federal Court's decision shows that the Howard government broke its own workplace laws by trying to silence workers from speaking up against WorkChoices. There was evidence before the Federal Court that the Howard government's position was as follows (and I quote from evidence referred to in the decision of the Federal Court of Australia):

> Any leave being applied for specifically to participate in the National Day of Action should not be approved. This is the official position of the Department of Employment and Workplace Relations.

So, the Howard government is saying, 'You can only take the leave you have earned if you are going to do something that we approve of.'

The Federal Court judgment also records evidence that the federal minister's office was involved in drafting the directive. Workers were told that they could not take leave, or that they would have their pay docked if they went to the protest against WorkChoices. The Federal Court has found that, by doing that, the Howard government broke its own laws that are supposed to protect workers' freedom of association. The Federal Court also said that the Howard government officials involved knew they were breaking the law when they did it but they decided to do it, anyway. The Federal Court decided that this law breaking was so serious that it said, 'a penalty that approaches the maximum penalty for a single contravention is appropriate'. Not only do the workers involved pay the consequences, but now taxpayers are footing a bill for $30,000, because the Howard government is so desperate to stop people speaking up against WorkChoices.

TRANSADELAIDE COMPUTER SYSTEM

Mr HAMILTON-SMITH (Waite—Leader of the Opposition) (14:44): My question is again to the Minister for Transport. Was the computer system which closed down the train network on 1 November the same computer system which failed in May 2006, when several trains advanced beyond safety points, resulting in drivers being suspended from duty?

The Hon. P.F. CONLON (Elder—Minister for Transport, Minister for Infrastructure, Minister for Energy) (14:44): The computer system that experienced a couple of failures was installed 18 months ago. I will check whether that is the date, but I assume that is correct.

An honourable member interjecting:

The Hon. P.F. CONLON: It was not, I am told. I will check that for the honourable member. I am not quite sure about those dates, but the new system was installed about 18 months ago. I am reliably advised that it is a state-of-the-art system. It is regrettable that it did have problems. It is on the record, it is all there, the computer system failed. And I have told them that I would be really happy if they made sure it did not fail again.

TRANSADELAIDE COMPUTER SYSTEM

Mr HAMILTON-SMITH (Waite—Leader of the Opposition) (14:45): As a supplementary question, given that he has just told the house that the system was installed 18 months ago and is still faulty, why has the minister claimed publicly that it is a new computer system?

The Hon. P.F. CONLON (Elder—Minister for Transport, Minister for Infrastructure, Minister for Energy) (14:45): I have to say—

Members interjecting:

The SPEAKER: Order!

The Hon. P.F. CONLON: —that I wish Alexander Downer had asked questions like this this morning! I'm sorry. Okay—

Members interjecting:

The SPEAKER: Order!

The Hon. P.F. CONLON: If the Leader of the Opposition believes that 18 months old is not a new system, I do apologise to him. I have not meant to mislead anyone into thinking that it was younger than 18 months.

An honourable member interjecting:

The Hon. P.F. CONLON: Well, I know that Greg Kelton thinks there are nine sitting days to go. This is, I think, the fourth or fifth last sitting day they have got for the year, and if this is the best they can do, then bring on Alexander Downer!

Members interjecting:

The SPEAKER: Order!

Members interjecting:

The SPEAKER: Order! The member for Little Para.

TAXATION

The Hon. L. STEVENS (Little Para) (14:46): Will the Treasurer advise the house whether he has received any recent correspondence from the Leader of the Opposition regarding taxation?

The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations) (14:46): Indeed, surprise, surprise, I have. I received a letter from Martin Hamilton-Smith MP, Leader of the Opposition, shadow treasurer, shadow minister for—

The Hon. M.J. Atkinson: Alternative premier!

The Hon. K.O. FOLEY: Yes, alternative premier, shadow treasurer, shadow minister for economic development, shadow minister for social inclusion, shadow minister for infrastructure, shadow minister for multicultural affairs and shadow minister for sustainability and climate change. Do you blokes have anything to do over there? What are you guys doing? He is not the alternative premier; he is the alternative government. I now realise how they will make government efficient: they will not have 13 ministers, they will have Martin, and that will save a lot of money. Clearly—

Members interjecting:

The Hon. K.O. FOLEY: Who dares wins! Who said that? Ivan said that. Who dares wins—well, with loyal backbenchers like that! Just ask Ivan.

Ms CHAPMAN: I rise on a point of order, Mr Speaker. The question was whether a piece of correspondence had been received from the Leader of the Opposition. How that could possibly reflect on the honourable member and his capacity as a member of the house is a breach of the standing orders.

The Hon. K.O. Foley interjecting:

Ms CHAPMAN: Just sit down and wait for a decision.

The SPEAKER: Order!

Members interjecting:

The SPEAKER: Order! I direct the Deputy Premier to turn to the substance of the question.

The Hon. K.O. FOLEY: I apologise, sir. When the Opposition Whip said, 'Who dares wins,' I just thought it was a funny way to reflect on his own leader. I did receive a letter from the shadow treasurer, the shadow minister for economics development, the shadow minister for social inclusion—the shadow minister for everything! He considers that the Liberal opposition—which I take is him—considers that our tax system needs a major overhaul. The letter states:

> We understand how difficult the tax burden has become for business. It is not only about the quantum of tax but about structural reform. It is about eliminating inconsistencies between South Australia and other states and about our tax competitiveness. The Liberal opposition [me] has instigated an inquiry into South Australia's tax system. As part of the first stage of the inquiry we are seeking submissions from stakeholders. I feel certain the government would have a point of view on tax reform. A contribution to this review would be therefore most welcome.

He wants me to tell him how he should reform the state's tax system. Mr Speaker, can this opposition not do anything themselves? They get their questions out of *The Advertiser* and now they want me to write to them telling them how they should restructure tax in this state.

I find that quite extraordinary. But, then again, if members remember that, in the lead-up to the last state election, during the campaign, after years of telling us 'Cut this tax, cut that tax; we tax too much here; we tax too much there', from memory, the only tax policy which they came up with was a land tax cut. They said, 'We will cut $70 million. We do not know who will benefit and we do not know which tax is going to be cut. We will work that detail out after the election.' That is their tax policy. I mean, fair dinkum, what an ordinary outfit this opposition is when it comes to tax policy. I tell members who is on top of cutting taxes: it is this Labor government.

I have plenty of advice for the Leader of the Opposition. This government, going through from 2004-05 to 2010-11, will have cut taxes totalling $2 billion. Payroll tax cuts and interstate harmonisation of payroll tax measures totalling some $533 million. Our latest payroll tax cuts announced in our last budget mean that by 1 July 2008 payroll tax in this state will be 5 per cent, equivalent to that of Victoria and the second lowest in the nation; land tax reform, $420 million; abolition of mortgage duty, $415 million; abolition of debits tax, $367 million; abolition of other duties such as cheque duty, lease duty, rental duty, non-realty conveyances, shared duty, collectively totalling some $182 million; and first home owner stamp duty concessions totalling $55 million. That is the record of a government that is about tax reform. That is the record of a government that is about cutting taxes and, as well as doing that, we have balanced the budget.

We have restored the AAA credit rating. We have increased spending in health, education, transport, law and order. More police than ever on the beat in South Australia. Balancing the books and, with a strong balance sheet, being able to borrow money to reinvest in critical infrastructure for this state. This is a state government that knows how to balance the books. This is a government that knows how to increase spending where it is needed but, most importantly, this is a government that has been about structural tax reform from day one. I simply say to the Leader of the Opposition: tax reform is hard work. You will have to work this one out yourself, but remember this, if you cut a tax, how are you going to pay for it?

Members interjecting:

The SPEAKER: Order!

TRAIN DERAILMENT

Mr HAMILTON-SMITH (Waite—Leader of the Opposition) (14:54): My question is again to the Minister for Transport. Has the government now established the cause of the train derailment on 27 September 2007 and what disciplinary action, if any, has been taken as a result of the accident?

The Hon. P.F. CONLON (Elder—Minister for Transport, Minister for Infrastructure, Minister for Energy) (14:54): I have an interim report on that matter. I will see whether it has been finalised. The Leader of the Opposition labours under a number of massive misapprehensions, including the notion that somehow I am involved in disciplinary matters of TransAdelaide employees. I am not and it would be absolutely improper if I were.

Mr Williams interjecting:

The Hon. P.F. CONLON: The member for MacKillop says I should be.

Mr Williams interjecting:

The Hon. P.F. CONLON: No, that is what you said. Don't back away from it now. That is what you—

Mr Williams: You're not responsible for anything.

The Hon. P.F. CONLON: I'm responsible for keeping you on that side, Mitch. Three of you joined parliament at the same time; three of those Independents. There was the member—

Mr Koutsantonis: The honourable minister.

The Hon. P.F. CONLON: Sorry, the honourable Minister for Water Security, the honourable Minister for Forests and the shadow spokesperson for something.

An honourable member interjecting:

The Hon. P.F. CONLON: Well, I do not do that. I will find out the status of it. My understanding of interim reports I have had is that it was to do with some loose equipment on a piece of rail. I will get an interim report, but understand that your government actually set up a governance structure for TransAdelaide that created a board and a general manager. It's not appropriate—

An honourable member interjecting:

The Hon. P.F. CONLON: I'm not saying it is the board's fault; I am just telling you that, unlike you, I like to have a quaint little attachment to obeying the laws of the land, and your board is created in legislation. Your legislation—it is a law of the land.

Mr Williams: If you didn't like it, you've had five years.

The SPEAKER: Order!

The Hon. P.F. CONLON: I have to say, Alexander Downer is a much more—

Mr Williams interjecting:

The SPEAKER: Order, the member for MacKillop!

The Hon. P.F. CONLON: —polite person, too, than these people.

The Hon. J.D. Hill: He's very well bred.

The Hon. P.F. CONLON: Yes, well bred, well raised—a much nicer person. In fact, he is not only an intelligent debater, he was quite urbane today, I thought. I think in another life we could be friends. We have a great deal in common. Just understand this—

The Hon. K.O. Foley: What have you got in common?

The Hon. P.F. CONLON: He does at least understand a good wine, and that is something that I think is very important in a thoroughly modern gentleman. I will get you a report on the disciplinary action. I do not seek them myself because that is a role for the appropriate person. Could you imagine the question I would get if I got a tram driver into my office saying, 'You're in trouble, son. I'm docking your pay. I'm sacking you.' Mate, that is the way the federal opposition treats workers, not the way I treat workers. But just so that people understand—

The Hon. M.J. Atkinson: No, no, they are still in government.

The Hon. P.F. CONLON: Sorry, the federal opposition in waiting; let's make sure we get that right.

An honourable member: The alternate opposition.

The Hon. P.F. CONLON: The alternate opposition. I will get a report on the disciplinary matter, but I will not interfere with it and I will not oversee it—

Ms Chapman: Because no-one will have it.

The Hon. P.F. CONLON: All I can say is that I will get a report, but please, bring on Alex.

TRAIN DERAILMENT

Mr HAMILTON-SMITH (Waite—Leader of the Opposition) (14:58): Did any injuries occur and have any claims for compensation been made to the government as a result of the train derailment on 27 September?

The Hon. P.F. CONLON (Elder—Minister for Transport, Minister for Infrastructure, Minister for Energy) (14:58): It is my understanding that there were some minor injuries. Whether or not there have been claims for compensation, I do not know. I have been on the record deeply regretting that outcome—we do not want it to happen; we never want it to happen. But I will go back to something you said in your hyperactive dishonesty yesterday about 100 injuries. I will provide the house later with the details of those 100 injuries because, from memory, I think only two of them could be described as anything other than extremely minor. I also have to say that they compare favourably with your last term of government. In the last few years of your term of government, there were actually more door incidents than there are now.

The Hon. K.O. Foley: Oh, really?

The Hon. P.F. CONLON: Yes. What we need—

An honourable member: Was that 'door' or 'jaw'?

The Hon. P.F. CONLON: Jaw, yes. What we need is an opposition that is prepared to deal with basic honesty about these questions, and I repeat what I have said. Since the members for Davenport and Frome have gone, the standard of honesty in the opposition has plummeted.

Ms CHAPMAN: I rise on a point of order, Mr Speaker. That was a direct reflection on members of the house, and I ask that it be withdrawn and apologised for.

Members interjecting:

The SPEAKER: Order!

Members interjecting:

The SPEAKER: Order! It was not a personal reflection, but it was debate and the member is out of order. I call the Leader of the Opposition.

VICTORIA PARK REDEVELOPMENT

Mr HAMILTON-SMITH (Waite—Leader of the Opposition) (15:00): My question is to the Premier. When will the Premier make up his mind about whether he intends to continue with his plans to build a grandstand in the Parklands at Victoria Park and, if negotiations with the Adelaide City Council do not resolve the matter, will he rule out the introduction of special legislation to secure the lease?

The Hon. M.D. RANN (Ramsay—Premier, Minister for Economic Development, Minister for Social Inclusion, Minister for the Arts, Minister for Sustainability and Climate Change) (15:00): I have already made my position perfectly clear in this house on that question. My view is that there needs to be more negotiations to give the new council time to consider the options, and I am a fair person—

The Hon. P.F. Conlon interjecting:

The Hon. M.D. RANN: Which they have invited. People know about my commitment to the Parklands. Let me tell you this: I will be remembered for a number of things, but I will be remembered as the premier who gave the biggest return of the Parklands in the last century. Let me just detail what I intend to do.

An honourable member: That's only the last seven years.

The Hon. M.D. RANN: Including the last century: this century and the last century. It will include hectares of the current SA Water depot, which is down on the western Parklands, which I must say—

An honourable member interjecting:

The Hon. M.D. RANN: Yes, which for some people are the forgotten Parklands—5½ hectares of land which will be transformed from ugly sheds and brick buildings into a beautiful pristine urban forest. There will also be the bulldozing of parts of the Royal Adelaide Hospital—the ugly parts, not the heritage parts; God forbid—as we transform the railway yards into a park upon which will sit a $1.7 billion hospital, which will be porous so that people can walk down to the River Torrens.

Then, finally, of course, if the scheme of a grandstand is adopted, we will see another return of parkland equivalent to about a third of the size of the Botanic Garden. So, we are talking about hectare after hectare of alienated parkland finally returned. I am almost Napoleonic in my intent to liberate the Parklands—the greatest liberation of the Parklands in the last 100 years.

However, can I say this: there are $44 billion worth of projects going on. I do not lay awake at night awaiting the decisions of the Adelaide City Council. Let me go back on some of the history. I was approached some years ago by the Adelaide City Council, which showed me this proposal for this giant dog's tail of a grandstand to be built in the Parklands, and I said, because of my Napoleonic interest in liberating the Parklands, that I could not and would not countenance such a monstrosity being built on the Parklands. In my view, it would damage the vista of almost sunlit uplands.

So, what I suggested was that we needed to look at something smaller in its footprint and also which would see the removal of some of those ugly concrete edifices that currently exist on the Parklands. So, they came up with a scaled-down version, which also involved the liberation of more Parklands by way of exchange. Then, suddenly, when it became public, because previously the approach had been secret, the Adelaide city councillors decided that maybe the smaller one they were offering might actually be too large. So, every single thing the council asked us to change was changed, and it was reduced in size. Then we were told to put it to the Development Assessment Commission, which gave its endorsement.

But it is really important that we embrace a partnership—a partnership and cooperation in returning more Parklands than has ever been seen in the history of this state.

So, I am looking forward to extending Light's vision. I am looking forward to standing next to the statue on the hill and reading a proclamation to the people of the City of Adelaide—surrounded by councillors in robes, no doubt, at the time—at which I will then announce the biggest return of parklands in the history of the state. In the meantime, I will talk to Mayor Harbison, who believes, so he told me some weeks ago, that a compromise could be achieved. I should say that if that fails to happen, I am sure that there will be someone who will stand up and tell us that the concrete monstrosities that currently exist should soon be heritage listed, because apparently things that are built on the Parklands in the past have to remain, even though you cannot build more beautiful things in the future.

I did read a Parklands newsletter which talked about the University of Adelaide illegally squatting on the Parklands as a kind of a trespasser. But on this issue I am going to be even more resolute: I will stand in front of the bulldozers to prevent anyone in the future bulldozing the University of Adelaide.

ADELAIDE CITY COUNCIL

Ms CHAPMAN (Bragg—Deputy Leader of the Opposition) (15:06): My question is to the Minister for the City of Adelaide. Does the minister, as a former Lord Mayor of the City of Adelaide, agree with the Deputy Premier's remark on Friday 9 November 2007 that the Adelaide City Council is a 'small, tin-pot city council'?

The Hon. M.D. Rann: How many voters have they got? How many people voted?

The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations) (15:07): Hundreds. Mr Speaker, I am responsible for my words, not the Minister for the City of Adelaide.

Ms Chapman interjecting:

The Hon. K.O. FOLEY: So what? She probably doesn't.

Ms Chapman: Can't you let her answer?

The Hon. K.O. FOLEY: My guess is she wouldn't.

Ms Chapman: Well, let her answer.

An honourable member: Why don't you let her answer?

The SPEAKER: Order!

The Hon. K.O. FOLEY: They are my comments. I am responsible to this house for my comments, and I am happy to say this: I stand by what I said. I think they were well considered, if not probably best said to a smaller audience than the 3,000 people who were there. You know the real problem when you get in front of these big crowds with a lot of lights: you do not see anyone. You think you are just rehearsing in your office or something and, you know, you muse that I had better stop now in case I get stuck into anyone else who has given me the you-know-whats. People know me. I am somebody who from time to time oversteps just a tad and gets a little frustrated. Diplomacy has never been one of my stronger points.

The Hon. M.D. Rann: But you've never barked like a chihuahua.

The Hon. K.O. FOLEY: That's true.

The Hon. P.F. Conlon: No, never barked.

The Hon. M.J. Atkinson: Never barked in the house.

The Hon. K.O. FOLEY: I have never barked in the house; that's true. I am a politician who at times makes mistakes. Swearing should never occur in public, and I apologise deeply to those people whom I offended. It was not meant to offend those whom it offended, but I stand by my reference to the Adelaide City Council.

PUBLIC WORKS COMMITTEE

Mr PISONI (Unley) (15:09): My question is to the Minister for Transport, Energy and Infrastructure. Why has the government used its numbers in the Public Works Committee to gag an examination of how and why the department is now having to let a multimillion dollar tender to rip up and replace half the tramline laid just two years ago? By statute, the Public Works Committee must consider any capital works project in excess of $4 million and has the authority, under section 16(1)(c) of the Parliamentary Committees Act, to reopen investigations into any project. This morning, at the Public Works Committee, the member for Norwood used her casting vote to prevent any scrutiny of this failed project.

The Hon. P.F. CONLON (Elder—Minister for Transport, Minister for Infrastructure, Minister for Energy) (15:09): That would be terrible if it were vaguely true. If the allegation made by the member for Unley were vaguely true, that they were tearing—

Members interjecting:

The SPEAKER: Order!

The Hon. P.F. CONLON: If the allegation made by the member for Unley were vaguely true, that they were tearing—

Mr Pisoni: Here is the tender.

The SPEAKER: Order! The member for Unley will come to order.

The Hon. P.F. CONLON: Here is the approach of the opposition: say something that is not true and then yell so no-one will correct it. It is the same approach to every question. It is pretty sharp and smart.

Ms Chapman interjecting:

The SPEAKER: Order!

The Hon. P.F. CONLON: This matter has been discussed previously. What occurred when the rail upgrade was done—

Mr Pisoni interjecting:

The SPEAKER: Order! Members will come to order. I warn the member for Unley.

The Hon. P.F. CONLON: It is sad because he is normally such a charming fellow. As Mike Rann would say, he has all the charm of a Changi prison guard. The truth is that at the time of the upgrade it was made well known that a substantial proportion of track was replaced.

Mr Pisoni: It says 25 per cent in here.

The SPEAKER: Order! I have already warned the member for Unley.

The Hon. P.F. CONLON: On advice from the independent consultant at the time—and this matter is already on the public record—it was suggested that some rail should not be replaced but, rather, should be reused because it had substantial life left in it. One does not throw out an asset before it is gone. This notion that it has been done wrongly is just untrue.

An honourable member interjecting:

The Hon. P.F. CONLON: They did throw out Iain fairly quickly. I think they might have made a mistake there. I think he had a few years more life left in him. What has happened is that all the rest of the upgrade has been done. The new materials have gone in and it has been compacted. If members remember the old one and have driven over the level crossing, they will know how superior it is. This is old news. What has emerged is that some of the rail that they thought would last 15 years has lasted only a few more years and it is time to replace it. That means we have had a couple of extra years out of the rail. They will take it up and put it down on the new laid ballast. It is not a problem or an issue at all. It is not something that was done wrongly being torn up—as the opposition leader and the honourable member have said. If you are going to go to the Public Works Committee with a completely dishonest allegation do not be surprised if the vote is against you.

TIGER AIRWAYS

Mr PENGILLY (Finniss) (15:13): Will the Treasurer advise which version of the funding arrangements for Tiger Airways and Adelaide Airport Limited is factual and correct—the hundreds of thousands of dollars version he told a press conference yesterday or the nil, nought, nothing version his office later advised?

The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations) (15:13): The nil, nought, nothing version that my office advised. I made a mistake. I am human. I made a mistake in a press conference. One of the things on which I pride myself is that when I make a mistake I admit it. I made an error.

Ms Chapman interjecting:

The Hon. K.O. FOLEY: I could have made a ministerial statement, I know. We corrected the record with the media as soon as we realised it. The Minister for Tourism and I have been working with Tiger Airways.

The Hon. P.F. Conlon interjecting:

The Hon. K.O. FOLEY: You have had nothing to do with it.

The Hon. P.F. Conlon: I went to one meeting.

The Hon. K.O. FOLEY: Sorry, he went to one meeting; Pat did it. We have been working with Tiger Airways for some time. Initially, we worked with them to get a hub here in Adelaide, to get Tiger Airways hubbing out of the old terminal to try to get them to span out around Australia.

Mr Pengilly: Trying to get them based in Adelaide?

The Hon. K.O. FOLEY: I tried to get them based in Adelaide.

Mr Pengilly: You failed.

The Hon. K.O. FOLEY: Yes, we did fail; absolutely. But we tried with some incentives. What we found—which is what we have found previously—is that the aggressive nature of Tullamarine, in this instance—and previously with Jetstar at Avalon; and I think Avalon charges no landing fees at all because it just wants the throughput—is that, under the Adelaide Airport structure, there is a fixed landing charge which Adelaide Airport must charge any airline under the agreement to build the terminal.

They cannot offer a subsidised or reduced rate to a low cost carrier. They have to charge the same. That in the end worked out to be too high a hurdle for a hubbing exercise out of Adelaide. We tried to meet that, and we did put forward a proportionate bid for that, and obviously in yesterday's press conference I had not sufficiently updated my memory bank on just exactly what, if any, money was put on the table.

But the important thing here is that, notwithstanding that they are hubbing at present out of Tullamarine, they see Adelaide as a serious growth market, and they are putting two flights a day, seven days a week, into Adelaide. And there is no money put forward by the government. I am very hopeful that we will soon see Tiger going to Adelaide and to other destinations. I heard a really, really good piece of ABC Radio this morning, believe it or not, and it was on the Abraham and Bevan show. It was the economics writer for *The Canberra Times*—

The Hon. S.W. Key: Peter Martin.

The Hon. K.O. FOLEY: Peter Martin. I have always liked Peter's assessment. He made a very good point, that the worst form of competition—

Mr Pengilly: You can't remember his name!

The Hon. K.O. FOLEY: Can't remember his name, but I like his economic stuff. Oh well, you'd be surprised how I get my information. What he was saying—and this is not an economics lecture, but what he was saying was that the worst form of competition you get is when you have two major players. He sort of also said that about politics, but we will leave that bit aside. With two airlines you do not really get serious competition. Because really what Virgin has done is pitch its price a bit cheaper than Qantas, or Jetstar, and vice versa. There is not a serious price differential. You need a third entrant to really seriously drive the price of airfares down.

We have also been talking to AirAsia, as well as other airlines, and the Minister for Tourism herself has been aggressively pursuing airlines. What we discover is that Australian travelling commuters are paying far too much for their airfares, even with Jetstar in the marketplace, and even with Virgin Blue. I have met on a couple of occasions Tony Fernandez, the owner and the builder of what is now one of the great airlines of Asia, AirAsia, and he makes the point that Australian consumers are getting ripped off when it comes to the cost of airfares, and whilst there are only two players in the market that is going to happen.

So, we are very excited and encouraged by Tiger's entry into the market. They are a subsidiary of Singapore Airlines. They are not some sort of start-up enterprise without serious backing. Tony Davis, the CEO, is an outstanding CEO, very well experienced, and I am confident that the growth in Adelaide Airport will only continue. The Minister for Tourism should be congratulated for the work that she and her agency are doing in promoting South Australia, and with the new head of Tourism, Andrew McEvoy, our state is very well placed. And I humbly apologise to the media for the error that I made yesterday. It probably will not be my last. But, as I said, I am a humble person and will apologise whenever it is appropriate.

TRAM AIRCONDITIONING

Dr McFETRIDGE (Morphett) (15:19): My question is to the Minister for Transport. Can the minister assure all South Australians that the airconditioning on the new trams will work adequately during the hot weather, and also have any tests for airborne bacteria and fungal activity been undertaken since the last tests in April 2007? Will those tests be accredited by the National Association of Testing Authorities and the Royal College of Pathologists? The last airconditioning tests for microbiological activity were not covered by the National Association of Testing Authorities and Royal College of Pathologists accreditation.

The Hon. P.F. CONLON (Elder—Minister for Transport, Minister for Infrastructure, Minister for Energy) (15:19): It is quite extraordinary. The member has run out of inventions to

make so he is going back to an old one. I cannot believe that the member for Morphett is asking this question. When I was away he was thoroughly embarrassed in the house by the acting minister at the time, the current Minister for Families and Communities, because he had been running around making outrageous claims. From memory, I think he was even talking about legionnaire's disease, or some such. Those claims were shown to be totally unfounded.

I have no idea why he is coming back with another go at this. However, what I will do, knowing the member for Morphett, is go away and get a thoroughgoing answer for him. But if he is once again trying to scare people into thinking that they will catch a disease out of tram airconditioning, it is simply—

Members interjecting:

The SPEAKER: Order!

The Hon. P.F. CONLON: I will be happy to come back and, just once, I would like him to be a little bit embarrassed. Let me stress again what he said his approach was: 'It doesn't matter how many I get wrong; I'll get one right one day.'

TRANSPORT INFRASTRUCTURE

Mr GRIFFITHS (Goyder) (15:20): My question is also to the Minister for Transport, the Minister for Infrastructure and the Minister for Energy. Does he agree with the Treasurer, who recently told an investment forum in Adelaide that governments are not very good at delivering public infrastructure on time and on budget and, if so, why is he drawing into his department further responsibility for the ownership and control of metropolitan transport assets? After the Treasurer told an investment forum in Adelaide on Friday 9 November 2007 that governments are not very good at delivering public infrastructure on time and on budget, he then went on radio that same day and said, 'No-one delivers a public piece of infrastructure worse than government. We are not very good at delivering projects on budget on time.'

The Hon. P.F. CONLON (Elder—Minister for Transport, Minister for Infrastructure, Minister for Energy) (15:21): I am more than happy to tell the member about this, because I do not think there have been two greater champions of the public-private partnership approach than the Treasurer and I in government, for some very simple reasons—and I have said it before. When we go out to procure a piece of infrastructure, we do it by way of a tendering process with companies that know two things: they know that the project will have to be built and they know that we have endless funds.

One of the really important reasons we wanted to go to public-private partnerships, where it is appropriate, is to transfer that construction risk to the private sector, so that it is taking the risk of controlling construction costs. It is a very good model: it has been used in many places, and we have been happy to move to it. However we have also said (and this is the distinct difference between us and the opposition) that some pieces of infrastructure should be owned and operated by the government in the interests of the public—things such as the electricity system, for example. We know that when you set up—

The Hon. K.O. Foley interjecting:

The Hon. P.F. CONLON: Yes, I know.

Members interjecting:

The SPEAKER: Order!

The Hon. P.F. CONLON: It is their time they are burning up—there it goes. We know that, when the previous opposition corporatised TransAdelaide, it was the first step to privatisation. That is why the model was created that way. We have no intention of—

Ms Chapman interjecting:

The SPEAKER: Order!

The Hon. P.F. CONLON: They really are pathetic. There is no other way to describe them: just pathetic.

Mr Williams: You spent most of question time talking about the truth and dishonesty.

The SPEAKER: Order!

The Hon. P.F. CONLON: So, why is that not consistent? It is entirely consistent. We have said that, where we can use the private sector in cooperation—in partnership—to transfer risk of construction costs, it is a very good idea. But we have also said that fundamental government services should be run by government. That is one of the reasons we took the assets back out of TransAdelaide, and I think Kevin and I are entirely consistent on that point.

GRIEVANCE DEBATE

MURRAY RIVER IRRIGATORS

Mr VENNING (Schubert) (15:24): Subsequent to the Premier's ministerial statement today in the house, about drought faced by irrigators, and also by the Minister for the River Murray (Hon. K.A. Maywald) entitled River Murray Water Allocations, I rise today to talk about a serious issue impacting on farmers already suffering as a result of the drought; that is, the length of time it is taking for water transfers to be processed and completed.

On 27 September, the state government announced that it would waive nearly $400,000 in fees to transfer River Murray water allocations. Prior to this, every time a farmer or irrigator wanted to lease their water supply they had to incur a $324 transfer fee. At this time the Minister for the River Murray (Hon. Karlene Maywald) said:

> ...waiving the transfer fee will help to relieve the financial burden on irrigators for costs they would not normally have occurred if water restrictions had not been implemented.

This has not resulted in easing any burdens on irrigators or farmers but has, rather, compounded their problems and increased their stresses. This is due to the length of time the Department of Water, Land and Biodiversity Conservation (DWLBC) is taking to complete water-transfer applications. A constituent of mine has endured untold stress in relation to their attempt to transfer water, on top of the stresses currently impacting on their dairy farming business. A constituent of mine decided to lease their water allocation to others.

They decided that 16 per cent is not enough to grow grass for their dairy cows to eat, and thought that by leasing it to others it would help those with permanent plantings to try to save their trees. Well, the outcome of this gesture has brought nothing but extra stress upon my constituent, the people attempting to buy the water and others caught up in the cycle. My constituent lodged three separate applications, on 13, 18 and 20 September respectively, and still none has been finalised.

The chairman of SAMI was told that water transfer paperwork would take two to four weeks. My constituents (and I am sure they are not the only ones) have now been waiting over seven weeks and their application has still not been finalised. In fact, they were told just last week that one of the transfers is still a minimum of four weeks away. In late September minister Maywald said:

> Irrigators are reminded that the transfer process through DWLBC only begins once an application has been lodged with the department, not when the trade is lodged with the broker.

However, it has come to my attention that DWLBC is not giving the necessary paperwork to the brokers (one large broker said this has been the case for them) in order for the broker to be able to lodge the application with the DWLBC. Because of DWLBC not giving its relevant paperwork to the broker in a timely fashion, the long delay appears to be the fault of the broker and not the fault of the department. The long turnaround time for transfers is not only impacting on those who are selling their allocations but also a flow-on effect to those owed money by farmers and irrigators and those waiting for the water. One of my constituents purchased $32,000 worth of hay to feed their cows, and the farmer is desperate for the money as they had no income last year. The hay was purchased on the understanding that the water transfers lodged would be completed within the month, thereby giving them the money to pay for their hay.

However, despite assurances that the maximum time for a transfer to be completed is four weeks, the fact that they are still waiting after seven weeks is ridiculous. The constituents concerned purchased their hay from people who experienced significant crop failures to try to give them some income. However, as they have not been paid for their water yet, they cannot give any payment to the crop farmer, so the crop farmer continues on with no income.

What about the injustices to the orchardists? Many orchardists have put their money into the trust account of the water seller and cannot use the water. These orchardists have brought water at hugely inflated prices and they cannot use it to save their permanent plantings. I have been notified that one water broker has millions of dollars sitting in trust accounts while the poor

people continue to watch their livelihoods wither and die as they wait for the necessary paperwork to be completed.

Trees are dying while the state government bureaucrats dither. It is all well and good for the Premier and the Minister for the River Murray to announce today that irrigators will be allowed to use 22 per cent of their allocation from 1 December, but what about this situation? Today the Premier said:

> ...the government must take a very responsible approach to the allocation of water.

I agree wholeheartedly, but I must ask: why does the responsible approach not extend to water transfers? It is just nonsense. I note that the minister is here. She may wish to respond, because I make this speech with every honest intention. The people who are being affected by the department's inefficiencies are those already suffering enormously from the drought—the farmers, the irrigators and the orchardists. When announcing that water transfer fees would be waived, the Minister for the River Murray said:

> The DWLBC Licensing Unit has a huge volume of trades to process, but has been working to improve the turnaround times. Extra staff have been employed.

If this is the case, I want to know why, when one of my constituents phoned the department, they were told that the department currently has more than 800 claims to process, it was too busy and under-resourced and that is why transfers were taking so long.

BEERSHEBA CHARGE

Ms BEDFORD (Florey) (15:29): Following on from the member for Little Para's remarks yesterday, I would like to advise the house of three other significant commemorative events that I was honoured to attend on behalf of the Premier—two last weekend and another the weekend before on 3 November, and it is that event that I would like to remark on first. During that Saturday, the 3rd/9th Light Horse South Australian Mounted Rifles (holders of the oldest surviving military title in South Australia going back to 1840) commemorated the 90th anniversary of the Beersheba Charge.

The actual anniversary is 31 October and it was marked by a ceremony at the Light Horse Memorial—the horse trough that we all know on the corner of East Terrace and North Terrace. People gathered at 6pm to remember what has been called 'a reckless, daring feat', the charge of 500 thirsty men and horses to the water wells at Beersheba. There are many recountings of the charge where, with bayonets drawn, the two South Australian regiments combined together for the first time—and joined, I believe, by horsemen from Tasmanian ranks—to gallop through Turkish machine guns in a do or die effort to reach the wells.

I quote Honorary Colonel Roger Burzacott in an article in *The Advertiser* by Nadine Williams about that battle involving 20,000 men of the Desert Mounted Corps in a battle that had raged all day. Colonel Burzacott said:

> They were country boys born in the saddle with a rifle in their hands. Man and horse were one fighting machine; our tradition is to remember the men and horses who died. This victory opened the way for the great ride to Damascus and the Liberation of Palestine nearly 12 months later. It has been an underrated victory and isn't even written in history books.

More than 100 men and 100 horses died that day—the only battle where enemy colours were captured, and these colours are still in our Australian National War Memorial in Canberra.

On Saturday, the 3rd/9th held a Trooping of the Colour at the Torrens Parade Ground. The current personnel of the 3rd/9th Light Horse South Australian Mounted Rifles went through their paces under retiring commander David Edmonds. The Barossa Light Horse re-enactment group was also present and guns were fired, with assistance from Margaret and Damien Monk, who stepped in to fill the breach, so to speak, at the last moment to help complete the ceremony. Later that night, the South Australian Mounted Rifles Association hosted a dining-in night also at the Torrens Parade Ground at which the association was presented with a genuine 1914 saddle, diligently located by David Edmonds—a wonderful parting gesture. I am indebted to the South Australian Mounted Rifles Association and the 3rd/9th South Australian Mounted Rifles for the opportunity to attend those occasions.

On Sunday 11 November, I attended the ceremony at Centennial Park hosted by the cemetery authority—the site of so many of this state's war graves, each with its own flag for a special day. The ceremony was officiated by military chaplain Carl Aitken, with the assistance of the Scotch College Pipes and Drums, Walford choir, air and navy cadets and a catafalque party by

army cadets, who were superb in the heat. Later that day I attended the launch of the book *Connecting Spirits 2006* at Keswick Barracks. Brigadier Tim Hanna facilitated use of the venue and very fine food was donated by Rosa Mateo, plus her time, with wines from Cockatoo Ridge, all supporting the authors Julie Reece and Chloe Oborn.

All proceeds from the sale of the book will assist future visits by students to World War I battlefields. Featuring a wonderful song written and performed by Eric Bogle, *Lost Soul*, it captures the emotion of the students of Meningie Area School and Birdwood High School on their journey of reconciliation to locate the grave of Private Rufus Gordon Rigney at the Harelbeke New Britain cemetery. Private Rigney was an 18 year old Ngarrindjeri man of the 48th Battalion. He was one of 45 indigenous men who lost their lives at Flanders Fields in perhaps the most horrendous of conflicts of all wars. Julie was one of the teachers on this year's Premier's trip to Europe for ANZAC Day and the final two chapters of the book feature the two winners from the Premier's ANZAC competition. They were Emily Cock from Birdwood High School and Ankur Verma from Mount Barker High School. Both students were present at the ceremony that day, which was well attended. At least 150 to 200 people were present in the room. Rob Kelvin was the MC.

The book is available through the schools. It talks of the amazing debt we owe to the indigenous soldiers who went overseas, who have never been recognised and who, until recently, were never even known of or named. The students gave really moving accounts of their days in the cemetery, and there was not a dry eye in the house as we looked at the CD which they had produced and which is also available. Future tours will be funded by the sale of the book. I commend the book to all members of the house and hope that they will take the opportunity to read it and, if it is not in the library, to purchase their own copy.

NUCLEAR WASTE

Mrs PENFOLD (Flinders) (15:34): Since 3 May 2006, when I spoke of hearing Mr Wilson da Silver on the ABC *Science Show*, I have mentioned in this house the need to take the mineral thorium seriously to help us to take back the nuclear waste safely, particularly plutonium, created from the sale of our uranium. I believe that we are morally obliged to take back these wastes to ensure a safer world, as currently, our uranium, after use, can easily find its way to less stable countries where it could be used to devastate us and the people of the world far more efficiently than climate change ever will.

On 7 March 2007, I recommended the article 'New Age Nuclear' by Tim Dean in the April 2006 issue No. 8 of *Cosmos* magazine. I heard almost nothing about thorium since then until, to my amazement, I opened *The Advertiser* Review of Saturday 3 November 2007 to page 2 under 'Can You Believe It?' with Professor Stephen Lincoln, entitled 'Uranium alternative: A safer, more plentiful nuclear fuel is in our backyard'. In a box headed 'The “other” nuclear fuel' three points were made as follows:

- There is three times more known thorium than uranium. A quarter of these reserves are in Australia.
- Thorium cannot sustain a nuclear chain reaction alone, making it a safer fuel and reducing its usefulness as a weapon.
- The radioactive waste produced by thorium has a shorter life span than normal uranium fuels.

I am delighted that Professor Lincoln is a professor of chemistry at our very own University of Adelaide and I note that he is the author of *Challenged Earth* which I have yet to find time to read. However, I want to quote his article, which was buried on page 2 of the Review, in order to draw it to the attention of a broader audience than it probably found there in the hope that the government (both state and federal) will invest in thorium research. Hopefully, they might reconsider taking back our nuclear waste and help replace nuclear power stations around the world with thorium ones. The article stated:

> Is this too good to be true? A fuel that offers to reduce climate-change gases and consume dangerous weapons-grade plutonium and uranium? Uranium has a new competitor: the dense silvery metal thorium-232. Named after Thor, the Norse god of thunder, the slightly radioactive thorium-232 is three times as plentiful as uranium. Australia has 300,000 tonnes of it in the form of monazite sands, a quarter of world’s known deposits. Thorium-232 is not a nuclear fuel. However, it is very close to being one. Thorium-232, when hit by a neutron, can change into uranium-233, which is a nuclear fuel similar to the uranium-235 used in nuclear reactors now...
>
> When uranium-233 is 'burnt', a neutron strikes a uranium-233 nucleus which splits into lighter nuclei—otherwise known as fission products—and more neutrons. These 'loose' neutrons then go on to strike another uranium-233 nucleus, forming what is known as a 'chain reaction'. As the nucleus breaks apart, it generates heat which may be used to produce high-pressure steam to drive electricity turbines.

However, when the thorium-232-produced uranium-233 is split by a neutron, it does not produce enough extra neutrons to sustain the energy-producing chain reaction. It needs an extra 'injection' of neutrons. This is where weapons-grade nuclear materials come into the picture. Since the nuclear weapons non-proliferation treaty of 1968, the dismantling of nuclear warheads has made redundant hundreds of tonnes of highly enriched weapons-grade uranium-235 and plutonium-239. These explosives must be stored safely to avoid accident and theft. Thorium-232 reactors offer a path to transform these metals into less dangerous materials.

Fuel rods containing mainly thorium-232 can be 'primed' with a smaller amount of either uranium-235 or plutonium-239. This provides the neutrons to transform the more stable thorium-232. These primed thorium-232 rods have another, commercially attractive advantage: they can be used in existing conventional nuclear reactors. Without the weapons-grade plutonium-239 and uranium-235, with thorium-232 reactors will need another source of neutrons. This can be produced by electrically driven linear accelerators. These shoot a 'beam' of neutrons into the thorium-232 to keep it 'burning'. These accelerators can be switched off, stopping the thorium-232 reaction immediately. Because there is three times more thorium than known uranium deposits, it promises a longer-lasting source of non renewable energy. And 'burnt' thorium-232 produces less long-lived radioactive waste than its counterpart.

Time expired.

McLAREN VALE WINE REGION

Mr BIGNELL (Mawson) (15:39): I rise today to congratulate a constituent from the seat of Mawson, Mr Michael Fragos, the chief winemaker at McLaren Vale's Chapel Hill Winery, who last week beat industry allcomers from all around the world to be named the winemaker of the year at London's highly acclaimed 2008 International Wine and Spirits Competition. It was a stunning performance, and for someone from McLaren Vale to pick up this award as the best winemaker in the world is something we are all very proud of in McLaren Vale.

I was at a function on Sunday, where many different winemakers from different companies were in attendance, and everyone was joined as one in their congratulations for Michael and his outstanding achievement. In McLaren Vale, the winemakers do band together. It is a very strong community; there are not the jealousies we see in some other wine regions. People really do see a win for an individual in McLaren Vale as a win for the region. It is a fantastic achievement, and it really helps us in our marketing of the great McLaren Vale wines, not only here in Australia but also around the world.

Of course, it was the latest in a long list of outstanding wins for McLaren Vale this year. In October, at the Royal Adelaide Wine Show, d'Arenburg's 2006 The Last Ditch won the Best Other Varietal White or Rose Trophy. The VISY Great Australian Shiraz Challenge was won by Tatachilla for its 2002 Foundation Shiraz. The Best Restaurant in a Winery Award of the Restaurant and Catering National Awards for Excellence went to Penny's Hill Restaurant.

At the International Wine Challenge in London in September, the Red Winemaker of the Year was Samantha Connew from Wirra Wirra. Again, an outstanding achievement from someone from the seat of Mawson, in the area of McLaren Vale, to be named the best red winemaker of the year on the international stage.

At that same competition, the international cab sav trophy was won by Wirra Wirra for the Dead Ringer cabernet sauvignon 2004. At the International Wine and Spirits Competition in London, Chapel Hill Winery (again, Michael Fragos's winery) won the trophy for the Best Cabernet in Show and also won the Penfolds Trophy for the best Australian red wine, and that was for the 2004 McLaren Vale Shiraz.

In August, we saw the McLaren Vale region pick up *The Advertiser* Wine of the Year Award again. Gemtree Vineyards won it for the 2004 Obsidian Shiraz. In the same month (August), McLaren Vale, for the third year in a row, won the Jimmy Watson Memorial Trophy. It was won by Scarpantoni for its Scarpantoni 2006 Brothers Block cabernet sauvignon. Previous winners were Shingleback Wines last year, and Geoff Merrill Wines in 2005. So, that completed three in a row for McLaren Vale.

As I have said, we are all very proud of the wonderful achievements of McLaren Vale wineries, not only in winning all these trophies but also in the great work they do in producing sustainable wine and doing it in an environmentally friendly way, using recycled water. The grape growers and the winemakers of McLaren Vale continue to do that on a daily basis, and they continue to look for better ways of doing it.

Last week I was in Washington DC, where I met advisers to the first winegrower and winemaker to enter the US Congress since Thomas Jefferson. George Radanovich is a winemaker and a Republican from California and, in 1999, he and a Democrat, Mike Thompson, started up the

Congressional Wine Caucus, which now has 250 members of the US Congress from all 50 states. It is quite a powerful group in that they look at different ways in which Congress and various state legislatures around the US can help the wine industry.

I will be writing to the member for Schubert, who looks after the Barossa Valley, and other members in this place who represent wine regions—

Mr Pengilly interjecting:

Mr BIGNELL: Including the member for Finniss; they make some good wine over on Kangaroo Island. I think it is a good idea that we start up a wine caucus here and that we extend an invitation to members in other states who represent wine regions so that we can go into bat for the winemakers and the wine regions of Australia to help them to remove impediments to what is a fantastic industry—an industry worth hundreds of millions of dollars not only to our state but to our country. So, I will be seeking some bipartisan cooperation, just as they have done in Congress. It will be a bipartisan committee and, if we all work together, the big winners out of it will be the wine industry and, in turn, our tourism industry.

TIGER AIRWAYS

Mr PENGILLY (Finniss) (15:44): I note the member for Mawson's comments with interest. Perhaps we could have some superior wine tastings in the house courtesy of the member for Schubert. I turn to a subject which was raised in question time today and, of course, was an item of some interest yesterday, with the announcement of Tiger Airways coming to South Australia. I am most pleased that this has happened. I have been pushing for this for months. I was greatly disappointed that we did not get Tiger based in Adelaide. However, the fact of the matter is that it will be coming into Adelaide, offering very cheap fares.

The point I picked up today from the Treasurer was that you have got to have three. My concern is that the last thing we need in Australia is another airline failure, and I am not trying to promote that all. However, unfortunately, I have seen it far too often, where airlines have failed, whether they be airlines like Compass or, indeed, airlines that have flown between the mainland and regional parts of South Australia, on the West Coast, Kangaroo Island and other places. So, while I am very happy that Tiger is coming in and I am very pleased that it is going to bring far more people into South Australia, that it will be able to come here and enjoy what we have—

Mr Kenyon interjecting:

Mr PENGILLY: I don't think any airlines fly into Newland. So, that is a good news story and may Tiger Airways be most successful. Last Friday I attended the launch of the Clipsal for next year: a brilliant day with thousands of people in attendance. The Treasurer was there, the Hon. Terry Stephens from another place and myself. It was disappointing that there were not some other members and ministers there. It was a rather big event (to say the least) at the Entertainment Centre. It was free to the public, there were drivers on display, they announced the program for next February and, of course, now you can buy your tickets.

I am a self-confessed petrolhead—nothing gives me greater pleasure than to watch fast cars or, indeed, to drive fast cars. The Clipsal next year is going to be a wonderful event. The announcement about the extended sail to be erected over the grandstand is terrific for two reasons: it will keep people more comfortable and it will also deflect rays from the sun and protect from skin cancer. So, we look forward to that.

Yesterday morning—getting closer to my electorate—I attended a breakfast down at Moana for the Fleurieu tourism organisation, with a promotion by its marketing manager, Roz Becker, on the new Fleurieu branding. I urge all members—and they can take this home to their electorates—to come to the Fleurieu and Kangaroo Island in my electorate of Finniss. The Fleurieu branding exercise was most successful. It really put a focus on the Fleurieu. There is a wealth of experience as far as tourism is concerned across the Fleurieu at all times, extending up to Langhorne Creek, which is in the member for Hammond's electorate, across to Moana and down south, and of course it extends across to the Murray and the Lakes.

The Fleurieu is a wonderful place to visit. I place on the record the fact that despite the state of the River Murray and the flows and everything else, it is still a wonderful experience to travel the Murray. It is still a wonderful time to come down to Goolwa. Everything is there. The people are all there. Everything is open for business, and you can come down there and know that you are going to have a good day. I urge you all to come down and visit the Western Fleurieu, the Eastern Fleurieu, the Hills and the wine area, to taste the food and enjoy yourselves.

Finally, one thing that does concern me is that we are still plumping to put everything on in March. Everything in South Australia happens in March. We have months called September, October and November. You did not have to watch the grand final, you did not have to go to that, but that is another story. October, November and early December are still times when we should be having events in South Australia. I find it ludicrous that we cram everything into four or five weeks, wear everybody out, probably run everybody's credit card up, and just push everyone to the limit, when we should be having some of these events before Christmas in October and November. It makes sense to me and I think we should be doing that.

Time expired.

FOOD PLAN

Mr O'BRIEN (Napier) (15:50): As the convener of the Premier's Food Council, I thought it appropriate that I keep the house up to date on developments in the new Food Plan 2007-10. The food industry is an important and often underestimated component of the South Australian economy. Gross state food revenue in 2005-06 was a staggering $10 billion—just about equivalent to the state budget in its dimensions. Notwithstanding the current drought conditions, the government considers the food sector as a potential growth industry. It is committed to delivering appropriate assistance to emerging food producers and providing the conditions in which established businesses can continue to flourish.

The headline target of the plan is for 8 per cent annual growth in the total value of finished food. Finished foods are either processed foods or those that have the highest value in their natural state (such as oysters). This debate occurred within the Food Council. There was an initial focus on processed foods, but we realised that aquaculture, in particular, ought to be very much confined within the strategy of the Food Plan, so that is the definition to which we are working and that is where we are expecting to drive our 8 per cent growth.

Having had considerable involvement in the development of this plan, I can inform the house that the strategy was to pick a growth figure that was both challenging yet realistic and then ensure that all aspects of the plan contributed to that growth figure. This is standard business practice and my experience, both as a small to medium business operator and working in the corporate sector, and having done a Masters of Business Administration, has very much convinced me that this is the way in which we ought to be driving the Food Plan. The emphasis on finished food was to ensure the greatest potential value adding was captured here in South Australia.

The Food Plan is broken down into three pillars, namely, industry development, innovation and product development, and market development. The three pillars will assist emerging companies along their total business chain from production capacity—and a lot of this is starting pre farm gate—to production development and, ultimately, to the market. The main vehicle for delivering this assistance on the ground will be five industry development officers (IDOs) who will assist emerging companies to develop business plans and provide information and direction on services available under the product and market development pillars. The IDOs will also act as gatekeepers to state and federal grants and services available to food producers. Most of this work will occur outside the metropolitan area, and I would think it may be of some interest to members opposite.

This role was previously undertaken by 12 government officers (FIDOs) operating across the 12 state regions under the South Australian Strategic Plan. The truth of the matter is that not all the 12 state regions have an equal capacity to develop food industries and government expertise should be channelled into areas that do. The role of the IDO requires a broad set of skills. They must possess business acumen, extensive industry knowledge and contacts, and they must be aware of the broad range of services available at both state and federal levels.

It was the view of the council and the Minister for Agriculture, Food and Fisheries that emerging South Australian food companies would be better served by a smaller number of more highly skilled officers. The pay scales of the new officers have been set and adjusted upward to reflect their higher skills set. The target of 8 per cent growth will be reached only if government support and assistance is directed to the right types of companies.

One problem in the past has been that too much government effort has been expended on people who might best be described as hobbyists; that is, extremely small-scale producers who see their businesses as a hobby or lifestyle choice. There is little benefit to the state in providing resources to mums and dads whose only ambition is to earn a little spending money by selling homemade jams or other products at producer markets. Ultimately, these mums and dads do not

want their time wasted by attending business seminars and having government officials attempting to assist them in developing business plans.

MOTOR VEHICLES (MISCELLANEOUS) AMENDMENT BILL

Second reading.

The Hon. J.D. LOMAX-SMITH (Adelaide—Minister for Education and Children's Services, Minister for Tourism, Minister for the City of Adelaide) (15:55): I move:

That this bill be now read a second time.

I seek leave to have the second reading explanation inserted in *Hansard* without my reading it.

Leave granted.

The Government is committed to improving road safety and ensuring that recidivist drivers are held accountable for their actions. As part of this commitment, the Government has introduced this Bill, the Motor Vehicles (Miscellaneous) Amendment Bill 2007, to improve the operation and administration of the Motor Vehicles Act 1959 and most importantly, to close a number of loopholes which allow drivers to avoid a licence sanction or condition placed on their licence.

In July 2005 the Hon Minister for Transport established a Driver Penalty Enforcement Taskforce, a cross-government committee comprising of representatives from South Australia Police, the Courts Administration Authority, the Attorney General's Department, the Department for Transport, Energy and Infrastructure and the Motor Accident Commission, to review and identify loopholes in the current driver licensing system. In many cases these loopholes only exist due to a technicality in the legislation which makes it possible for drivers to avoid certain consequences or circumvent a rule without actually breaking the law, or may be due to an omission or ambiguity in the law itself. Whether closing a loophole to prevent drivers from manipulating the law, or correcting an administrative anomaly, in all circumstances, the amendments are limited to ensuring that the legislation operates as it was originally intended.

The most significant loophole identified by the Taskforce was one which allowed disqualified drivers to claim that they had never received a licence disqualification notice, thereby avoiding a charge of driving while disqualified. Each year approximately 20,000 of the State's 1,050,000 driver's licence holders face a disqualification for the accumulation of 12 or more demerit points within a 3 year period or for breaching their good behaviour condition, or other licence or permit conditions. The Registrar of Motor Vehicles has previously advised that there are probably 1,500 to 2,000 repeat offenders who are continuing to drive although they have been disqualified. In order to be liable to a licence disqualification, a person must have committed a number of traffic offences or breached a condition of their licence or permit. From a road safety perspective, these are individuals who often place the well being of other motorists at risk.

To ensure disqualified drivers are held accountable for their actions, the Bill proposes a variation to the current procedure, placing more stringent requirements on recipients of a notice of disqualification.

Under the proposed provisions, a recipient of a notice of disqualification issued by the Registrar of Motor Vehicles will be required to attend a Customer Service Centre or nominated agent, for example Australia Post, to acknowledge receipt of the notice. If the licence holder does not respond, a process server will be engaged to serve the notice personally on the licence holder. The costs of introducing these new requirements will be borne by the licence holder and prescribed by the regulations. In particular, a $24 administration fee will be introduced, payable at the time of acknowledgment, to cover the cost of administrative requirements such as verifying the identity of a licence holder, witnessing their signature, and processing and storing source documents for evidentiary purposes. This documentation is essential in enabling SAPOL to prosecute any licence holder subsequently detected of driving while disqualified. Where a process server is engaged, the licence holder will be required to pay a $60 process server fee, in lieu of the $24 administration fee. In cases where the process server cannot find the licence holder, the Bill provides the Registrar with the power to refuse to transact any business under the Motor Vehicles Act with him or her until receipt of the notice of disqualification is acknowledged.

The use of registered mail, which is a cheaper and more convenient means of service, cannot guarantee personal receipt of the notice or provide the proof required by a court. Experience has shown that too many disqualified drivers simply will not accept or collect a registered letter if they suspect it contains a notice of disqualification.

This loophole is considered to offer the single greatest opportunity for recidivist traffic offenders to avoid a licensing penalty. The introduction of personal service for notices of disqualification issued by the Registrar of Motor Vehicles is expected to increase compliance with permit and licence disqualifications and improve enforcement of the Demerit Points and Graduated Licensing Schemes. Following successful prosecutions, recidivist traffic offenders may be less likely to drive until they are legally able to do so, or even better, may modify their driving behaviour to avoid demerit points that accumulate and result in licence disqualification, leading to an improved road safety outcome. While these new procedures cannot guarantee all drivers, whether disqualified or not, will abide by the road rules, it will ensure that those caught flouting the law by driving under disqualification cannot avoid the penalty for driving disqualified.

The remaining driver licensing amendments addressed within the Bill are minor in nature - they address situations that occur less frequently, do not involve as many drivers, and are generally the result of drafting inconsistencies due to successive amendments over the life of the legislation.

In particular, the Bill:

- ensures that, irrespective of when demerit points for an offence are incurred, the penalty for driving offences, applies to the time when the offence was committed, and not when it was expiated or settled in court. This principle is similar to that which applies across other provisions of the Act in relation to demerit points and ensures that the legislation operates as it was always intended. This amendment will prevent drivers, who have delayed payment of an expiation notice or court proceedings for an offence, from avoiding a licence disqualification (where a driver has breached a good behaviour condition), or from avoiding an extension of provisional licence conditions (where a provisional licence holder has incurred 1, 2 or 3 demerit points in respect of offences committed prior to their 19th birthday), even if the offender has already progressed to an unconditional (full) licence.

- ensures that, in all circumstances, a licence disqualification will only commence upon the conclusion of any other disqualification period already in force. This will prevent learner's permit, provisional and probationary licence holders from serving a disqualification for a breach of licence conditions at the same time as another disqualification, which effectively means that they avoid the second penalty by serving it concurrently with other penalties. This provision already exists under the Demerit Points Scheme but has never applied to a disqualification for breaching a condition of a learner's permit or provisional or probationary licence;

- provides the Registrar of Motor Vehicles with the necessary discretion to suspend or cancel a South Australian driver's licence when the licence holder has had their driver's licence disqualified by an interstate authority as the result of an administrative order. At present, the legislation only allows the Registrar to cancel a South Australian licence. This amendment will ensure that the Registrar can give effect to the equivalent of the interstate penalty without the South Australian licence holder being unfairly disadvantaged; and that the impact of an administrative order is the same for a South Australian licence holder as it would be for a licence holder from the other jurisdiction;

- allows foreign licence holders, who have received their permanent residence visa prior to arriving in Australia, to drive on their valid foreign licence for up to 3 months after their arrival, before having to apply for a South Australian driver's licence. While this amendment reflects what was always intended under the National Driver Licensing Scheme, the current provision provides foreign licence holders to drive on their valid foreign licence for up to 3 months from the time of issue of the permanent residence visa. Following advice that the issue of a permanent residence visa may occur well in advance of a person's arrival in this country, this amendment will relieve the burden upon foreign licence holders who were previously required to apply for a South Australian driver's licence upon their immediate arrival in this State and will only have a positive impact upon business and the broader economy.

A transitional provision has also been incorporated into the Bill to ensure these amendments are not retrospective and will only apply to licence holders who commit an offence on or after the commencement of the legislation.

At present, the deterrent effect of licence disqualifications under the Demerit Points and Graduated Licensing Schemes is reduced, as persistent traffic offenders are able to manipulate the law so as not to be held accountable for their actions. These anomalies have already been highlighted in the media and are now well known in the community. Failure to take corrective action is likely to increase the numbers of offending drivers and potentially places the safety of other road users at risk through their driving behaviour.

Closing these driver licensing loopholes and correcting various administrative anomalies within the legislation will improve the effective operation and administration of the legislation, improve compliance with, and enforcement under, the Demerit Points and Graduated Licensing Schemes and will ultimately improve road safety for all road users.

I commend the Bill to the House.

Explanation of Clauses

Part 1—Preliminary

1—Short title

2—Commencement

3—Amendment provisions

These clauses are formal.

Part 2—Amendment of Motor Vehicles Act 1959

4—Amendment of section 5—Interpretation

This clause amends section 5 by replacing the definitions of foreign licence and licence, and inserting a definition of learner's permit. These changes are consequential on other amendments made by the Bill.

5—Amendment of section 81A—Provisional licences

This clause makes a number of minor semantic changes to section 81A to achieve consistency of expression with other provisions of the Act. It also amends the section to ensure that if a person who holds a P2 licence incurs any demerit points in respect of offences committed or allegedly committed while under the age of 19 years and the person would be under the age of 20 years when the prescribed period ends, the P2 licence conditions will be effective until the person turns 20.

6—Amendment of section 81B—Consequences of holder of learner's permit, provisional licence or probationary licence contravening conditions etc

This clause makes a number of minor amendments to section 81B that are consequential on proposed section 139BD.

7—Insertion of section 81BA

This clause inserts a new section to enable P2 licence conditions to be re imposed if a person, while holding an unconditional licence, incurs 1 or more demerit points in respect of offences committed or allegedly committed while the person was under the age of 19 years and held a provisional licence.

81BA—Consequences of holder of unconditional licence incurring demerit points in respect of offences committed while holder of provisional licence

Subsection (1) provides that if a P2 licence is renewed as an unconditional licence and the holder subsequently incurs 1 or more demerit points in respect of offences committed or allegedly committed while under the age of 19 years and held a provisional licence, the Registrar must give the person notice requiring the person to surrender the licence and informing the person that if they comply with the notice, they will be entitled to a refund of a proportion of the licence fee and to be issued a P2 licence (provided they are not disqualified or otherwise legally prevented from holding or obtaining a licence). The notice must also inform the person that if they do not comply with the notice, the Registrar may suspend their licence until it is surrendered.

Subsection (2) provides that the notice may be given by post.

Subsection (3) provides that, subject to the Act, if a person to whom notice is given surrenders the person's licence, the Registrar must, on application by the person and payment of the prescribed fee, issue a P2 licence to the person.

Subsection (4) provides that the conditions applying to a P2 licence issued to a person under this section following the surrender of an unconditional licence are effective for a period equal to the period for which such conditions would have continued to be effective under section 81A if any demerit points incurred in respect of offences committed or allegedly committed while the person was under the age of 19 years had been incurred by the person while the person held a provisional licence.

Subsection (5) provides that if a person fails to comply with a notice given to the person, the Registrar may suspend the person's licence until the licence is surrendered.

8—Amendment of section 81C—Disqualification for certain drink driving offences

9—Amendment of section 81D—Disqualification for certain drug driving offences

The amendments made by clauses 8 and 9 are consequential on proposed section 139BD.

10—Substitution of section 83

This clause repeals section 83 and substitutes a new section.

83—Consequences of certain orders or administrative actions outside State

This section requires the Registrar to take action in relation to a licence or learner's permit to give effect to an order or administrative action that affects a person's licence or other authority to drive a motor vehicle in another State or Territory as if the order or administrative action had been made or taken in this State in relation to the licence or permit. In the case of a foreign order or administrative action, the Registrar has a discretion whether to take action in relation to a licence or learner's permit.

The section also provides that if a person is disqualified from holding or obtaining a licence or other authority to drive a motor vehicle in another State or Territory, the Registrar is required to refuse to issue a licence or learner's permit during the period of disqualification. If a person is disqualified in another country, the Registrar has a discretion to refuse to issue a licence or learner's permit to the person.

11—Amendment of section 97A—Visiting motorists

This clause amends section 97A to allow an Australian permanent resident or citizen to drive in this State pursuant to a foreign licence if the person has not resided in this State for a continuous period of more than 3 months.

12—Amendment of section 98BD—Notices to be sent by Registrar

The amendments made by this clause are consequential on proposed section 139BD.

13—Amendment of section 98BE—Disqualification and discounting of demerit points

This clause amends section 98BE so that if a person incurs 2 or more demerit points in relation to offences committed or allegedly committed while the holder of a licence subject to a condition to be of good behaviour for 12 months, the person is disqualified from holding or obtaining a licence for a period twice that which would have applied if the person's licence had not been subject to such a condition. At present this disqualification is imposed if the demerit points are incurred while the licence is subject to the condition, regardless of when the offences were committed or allegedly committed. The clause also amends the section so that the Registrar can allow an election to accept a licence condition to be of good behaviour to be made up to 28 days after the day specified in the notice of disqualification.

14—Amendment of section 136—Duty to notify change of name, address etc

This clause amends section 136 by including an additional provision requiring the holder of a driver's licence, learner's permit or trade plates, or a registered owner or the registered operator of a motor vehicle, to notify the Registrar of a change of postal address within 14 days of the change. A maximum penalty of $250 is fixed for non compliance.

15—Insertion of section 139BD

This clause inserts a new section dealing with the service of notices of licence disqualification and their commencement.

139BD—Service and commencement of notices of disqualification

Subsection (1) requires notices of disqualifications to be served in accordance with this section.

Subsection (2) requires a notice of disqualification to be sent by post in the first instance.

Subsection (3) provides that the Registrar must, in the notice sent by post, require the person to attend, within the period specified in the notice, at a specified place of a kind prescribed by the regulations to personally acknowledge receipt of the notice, and to pay the prescribed administration fee. The notice must inform the person that if he or she fails to do these things, another notice will be served personally, the person will be required to pay the prescribed service fee and, in the event of personal service not being effected, the Registrar may refuse to transact any business with the person until they pay the service fee and personally acknowledge receipt of the notice.

Subsection (4) provides that if a person fails to comply with a notice of disqualification, the Registrar must issue another notice and cause it to be served on the person personally.

Subsection (5) provides that if an attempt to serve a notice of disqualification personally is unsuccessful, the Registrar may refuse to enter into any transaction with the person until they pay the prescribed service fee and personally acknowledge receipt of the notice.

Subsection (6) provides that for the purposes of the Act a notice of disqualification is taken to have been given to a person when the person personally acknowledges receipt of the notice or the notice is personally served.

Subsection (7) provides that a notice of disqualification must specify when it will take effect in accordance with this section.

Subsection (8) provides that a notice of disqualification receipt of which is personally acknowledged takes effect 28 days after the day specified in the notice. If a notice is served on a person personally it takes effect 28 days after the day of service.

Subsection (9) provides that if, at the time that a notice of disqualification is due to take effect, a person is already disqualified from holding or obtaining a licence or permit, the notice of disqualification will instead take effect on the termination of that prior disqualification.

Subsection (10) empowers the Registrar to reissue a notice of disqualification.

Subsection (11) defines notice of disqualification to mean a notice under section 81B(2), 81B(11a), 81C(2), 81D(2), 98BD(2) or 98BE(2a).

16—Amendment of section 139C—Service of other notices and documents

Clause 16 amends section 139C which enable notices and other documents to be sent to a person at his or her last known "place of residence, employment or business". The term "postal address" is substituted so that documents can also be sent to a post office box address.

17—Amendment of section 141—Evidence by certificate etc

Clause 17 amends section 141 which enables proof of compliance or non compliance with section 136 to be tendered in legal proceedings or arbitrations by means of a certificate signed by the Registrar. This amendment is consequential on the changes to section 136 made by this Bill.

Part 3—Transitional provision

18—Transitional provision

This clause ensures that an amendment to the Motor Vehicles Act made by a provision of Part 2 of this Bill does not apply in relation to offences committed or allegedly committed before the commencement of that provision.

Debate adjourned on motion of Mr Venning.

EDUCATION (COMPULSORY EDUCATION AGE) AMENDMENT BILL

In committee.

(Continued from 13 November. Page 1501)

Clauses 2 to 7 passed.

Clause 8.

The Hon. I.F. EVANS: Minister, can you explain the purpose of the insertion under clause 8—Amendment of section 74, to insert subsection (2), which reads:

For the purpose of this Part, a reference to *participation* in an approved learning program includes a reference to attending at the place or places at which the approved learning program is conducted.

Why does that need to be in there? What is the purpose of it?

The Hon. J.D. LOMAX-SMITH: The current act refers to school age children, that is, those children between the ages of 6 and 15, and they enrol at and attend a specific school, because they are within the domain of compulsory schooling. However, the new provision applying to 16 year olds is about compulsory education, and that is a different class of individuals. They need to accommodate their engagement in learning in a variety of settings, not just within a school. They may be involved in a range of attendance and delivery patterns, and the term 'participation' endeavours to cover a range of scenarios.

Approved learning programs are defined within the bill and cover learning that takes place in a range of settings. So, it might be within a school, of course, but also at a university, because some 16 year olds attend university, or a TAFE college. There might be on the job training, as in an apprenticeship, or online training, or within the community. That was the issue that I described yesterday, when I discussed the opportunity, for instance, for accredited CFS type courses, or St John Ambulance, or those sorts of community learning programs. The issue is that it is an approved learning program, and it is different from just attendance within a school, which is the condition of compulsory education between the ages of six and 16.

The Hon. I.F. EVANS: That is all very nice, but can the minister tell me how you can participate in the program unless you attend it? I do not see the purpose of the clause, because you have to be there to participate. So, naturally, the definition of 'participation' includes a reference to attending. How else would you participate in CFS training unless you attend? To me, there seems to be no purpose for the inclusion of that clause in the bill: it is stating the obvious. How else do you participate unless you attend?

The Hon. J.D. LOMAX-SMITH: You are participating by your attendance, the member is quite right about that, but your enrolment is in an institution, and you might go out to the TAFE or to on-the-job training or to a school-based apprenticeship or online. So, there is a different definition, because there are two categories of individuals. The whole point of this act is that you have to prove that you are attending, but each provider determines what sort of attendance is required and where it should occur. So, it is a more flexible process.

It is quite clear that the intent of this bill is to create two classes of individuals: a compulsory school age child between the ages of six and their 16th birthday and someone involved in engagement in a compulsory education program (or an approved learning program, as it is called), between the ages of the 16th and the 17th birthday. The major criticism in some countries (and there has been some in Australia) of lifting the school leaving age per se is that it is locking children into school who may not wish to be there, who may have become somewhat disengaged, and the only option we have is to be more flexible—retain them as an engaged child or young people, but give them different options. This is a way of developing youth engagement so they do not drop out. We do not want them to be out of school, out of work or out of training because, inevitably, that means putting them at risk; having them at home on the sofa watching television, not doing anything useful. This is about engagement and, therefore, it is not the same as compulsory schooling.

Clause passed.

Clause 9.

The Hon. J.D. LOMAX-SMITH: I move:

Page 5, line 18—

After 'section 75A' insert:

and unless the child is enrolled at a non-government school

As members know, we have had significant amounts of consultation with the stakeholders, and we have tried on all levels to accommodate their wishes. One of the areas that has arisen as a minor concern (not for the Catholic sector, I might add, and not for any of the other stakeholder groups), is that the Association of Independent Schools of South Australia was concerned about the capacity of the Director-General, under subsection 75E(1) to direct a child to go to a particular

school within a zone (I should say that the Catholic sector was less concerned about it than AISSA).

There has never been any intention to direct children, under this subsection, to zone them into private schools. That was not the intention. It has never been used in that way previously and, whilst we have gone to some length to reassure the sectors that that would not be the case, we have drafted an amendment that will allow those sectors to be comfortable in the fact that we will not try to zone them, which seems a reasonable thing to do—not that we would ever want to. So, it allows for the school zones to be prescribed in regulation for government schools, and it fixes what is in some regards sloppy wording, I guess, in the 1986 bill with respect to zones. Whilst we have given assurances, it is a very small amendment, and it will just give comfort to the non-government sector. So, I think it is a reasonable thing to do.

Mr HANNA: My question relates to subclause 9(2) and the offence of (if I can paraphrase it) not ensuring that a child is enrolled. The question that I raised in my second reading speech was: what is the education department policy in relation to prosecution? Has there ever been a prosecution? Who should be prosecuted, and when should they be prosecuted?

The Hon. J.D. LOMAX-SMITH: First, as I said earlier, it is important to understand the compulsory schooling child and the compulsory education young person. At the age of 16, I think it would be punitive to compel and prosecute people to go to school. They are young people who make choices. We would like to have choices and flexibility which would engage young people, but if a child is in trouble for a range of reasons and is disengaging, probably prosecution is not a good option. So, no prosecution or fine is attached to the compulsory education age from 16 to 17.

However, in relation to the younger children, that is, the child of compulsory schooling age (6 to 16th birthday), at the request, I must say, of the parent groups and of the consultation process, there was a general view that $100 was insufficient. We took the advice of the parent groups and suggested that, under the Education Act, there should be the power within the courts in prosecution to extend the fine to $500. The honourable member asked how often it occurs. Very rarely. I must say that some of the children who are poor attendees might be unregistered, home-schooled children—some children who have dropped out of the non-government sector, so it is not a homogeneous group.

For some of those children it is difficult always for the Education Department to recognise that they have dropped out of education. At least with our compulsory education package there is an obligation by the providers to tell us that the child has dropped out. Also, then, a series of departmental officers will be able to seek them out, counsel them and try to re-engage them. That power can be delegated to other education organisations. We would delegate it, for instance, to the Catholic education sector or to the independent sector.

Our argument would be that a child who is enrolled in a non-government school—where they might have paid fees—also has the right to be educated, and there should be some follow up in that system as well.

Mr HANNA: The minister has gone some way to answering my next question, which is: what do you do with a 16 year old who simply does not want to comply with the legislation; who would rather covertly pursue criminal means of surviving; who does not want to live at home; who does not want to attend school; and who does not want to attend the kind of employment that is envisaged under the act? Will any additional support structures be in place to lead these people to a better path?

The Hon. J.D. LOMAX-SMITH: Thank you; that is indeed a good question. We have benefited from four or five years of re-engagement programs and social inclusion school retention and action plans around attendance and re-engagement. As the honourable member would know, those programs have been spread across a spectrum of departments and activities. We have some run by police and some run by corrections, and we have activities organised by Families and Communities. We have a focus on the most at-risk children in that group—the most difficult ones to re-engage.

What has impressed me has been the effectiveness and the success rate in these re-engagement strategies. From memory, our School Retention Action Plan Group is getting close to 80 per cent re-engagement for the most difficult children. When I say 're-engage', they do not go straight to five difficult SACE subjects. When I say 're-engagement', they go back into schooling, they go back into training and they might get into apprenticeships. Of course, there will be a spectrum.

Some members opposite were confused by the numbers and whether there were 1,200 or 2,000 students whom we might engage in this process. We think that the number will be 1,200 but, within that spectrum, there will be the relatively easy to manage young people who just need to be told they should be at school and they will stay on for an extra year. They will probably re-engage in routine school work, Monday to Friday, and not be much different from the majority of other young people. We would, of course, be funding them through our normal per capita funding, and we recognise that there will be more children in schools and there will be more per capita funding. We appreciate that.

Other children will be at risk, and they would benefit from the mentoring programs that we have had before and this range of very complex programs. At the easy end—the low-hanging fruit, if you like—of the school retention engagement spectrum, some young people will be just teetering. One of our programs for year 12 students identified the cohort who dropped out between Easter and August.

To have almost 1,000 young people in South Australia dropping out of school between Easter and August is almost unthinkable, because these children are not highly at risk. They are not recidivists, they are not drug abusers and they are not homeless. They do not have any of the major risk factors. Generally, they are good kids who made it to year 12 but who teeter. They teeter on the brink very often because they fall behind with their assignments, they have stress from working too many hours or they might have domestic issues. There are a range of issues in young people's lives.

The experience we have gained from them through our retention activity over the last five years has been that they require close mentoring. Our program worked with just over 800 of them and resulted in more than 50 per cent completing SACE. The rest got into jobs, apprenticeships and TAFE courses. Out of that whole cohort I think we lost fewer than 10. With very little activity, those who are at the easier end can be re-engaged.

At the more extreme end, those children have walked with their feet already. They have been involved in a range of life experiences which are stressful and risky and which range from homelessness to drug abuse—many maybe foster children—and they are really disengaged. For those children we have a range of packages. Of course, we have specific programs for specific problems. For instance, we have had specific programs for young mothers to help them re-engage, and some of that is done through our children's centres. In fact, Cafe Enfield has a particularly good program called Cafe SACE, where young mothers learn parenting skills, learn to trust the carers in the childcare centre and then get bussed into a school to re-engage.

That is a really inspirational program, because those young people complete SACE. In fact, I celebrated with seven or so last year who had gone back to school to complete SACE. Those programs are more difficult. Very often we must use a different funding package because the children are not at school full time. If, through this program, we register them, we recognise that we must use a very flexible funding model so that we have the funding that partly goes to the school, because it has the duty of care and it must monitor and follow the children, the young people; but also giving money to some registered training organisations and some TAFEs. Some of them involve police support and help, as well.

I think the program that we ran very closely with the police around the Port Pirie area had a profound impact because it not only impacted on the lives of the young people involved but also dramatically decreased the rate of petty crime in the neighbourhood, because they were engaged and actively doing something productive. I am trying to say that there is a spectrum. We have the experience now to know how to target each of the groups.

The very easy ones will just slot into the system; slightly more risky ones will have mentoring and support; and then the high risk end will be more challenging, I admit. Some of them will have exited from the juvenile justice system and some of them will need very significant literacy and numeracy support, but in that respect I think our year 9 testing will also be helpful, because we will be providing personal learning programs for them.

I am very optimistic that, with our more flexible SACE, our trade schools, our experience with social inclusion, our flexible funding models and the experience we have gained with a whole range of cohorts over the past five years, what we will offer will be something different, because if we keep going with what we are offering so far, we will get the same results, and that is just not good enough. I meant to tell the honourable member about the numbers. I understand that the statistics are very difficult around this because you have to break up the cohorts.

There are 18,000 16 year olds in school and 2,000 of those are either not in school or part-time at school. Of the 2,000 who are not at school, we believe that 800 to 1,000 are in the VET sector, which brings us back to about 1,000 to 1,200 who are our target group, whom we want to re-engage because they are the ones at risk, who are not at school, who are not at work and who are not in training. If the honourable member thinks that the numbers are a little rubbery, the reality is that we do not have a really effective database.

Mr Hanna: That's a worry, isn't it?

The Hon. J.D. LOMAX-SMITH: It is a worry. What we have done is to introduce a unique identifier so that each child who enters the education system receives a number, and we then record their achievements, their attendance and all the good and bad things that occur to them, not because we want to be big brotherish but, over time, we want to track these children more accurately. Certainly with the new SACE system, we will have more power to do that. Eventually, if we could track them through to university and the VET programs, we would really be able to identify young people at risk. The data is the key to achieving success in these areas, and that is why we have made such an effort to ensure that we have the capacity to collect data and to track young people, because the honourable member is absolutely right: you have to be able to measure it, if you are to manage it.

Mr HANNA: I hope that it has not occurred to anyone in the education department to seek fee recovery by selling that sort of data to potential employers—and I say that facetiously. On another topic, what is the minister doing to clarify the apparently common misconception that we need stand-alone trade schools in order to provide vocational training to our young people? I say that given my knowledge of programs such as the Pathways program at Seaview High School and the vocational training that they are doing at Hamilton Secondary College. In other words, so much vocational training is being done in the best of our public secondary schools, why is there this constant demand from members of parliament—even ministers—that we need more trade schools like we had in the 1950s? Why can we not enhance what we are already doing in our public schools?

The Hon. J.D. LOMAX-SMITH: That is not directly related to the bill, but the honourable member will understand that this government believes in a more modern version of the trade school, not going back to the future. That is because the old trade schools served us well but they had a limited suite of offerings. There has been exponential growth in industry sectors and job opportunities which was not there in the past. They might be in hospitality, catering, IT, engineering, manufacturing—a whole range of opportunities. It is barely possible for any stand-alone institution to manage to cater for all those skills. Our government has chosen to look at trade schools for the future under a hub model where groups of schools work together.

There is a central area, but the most important issues are counselling and brokering, because with the massive number of job opportunities, you have to ensure that people get into the right career path. We will have job brokers and links with local businesses. There will be opportunity in the areas around the air warfare destroyers and ship building. There will be mining in the Mid North because there is a massive job boom in those areas. We will have to cater in other schools for the electronic industries, health professionals and a whole range of specialist areas. We believe that young people are best served based in a genuine school. The reason for that, as the member for Unley said yesterday, is that no-one has the same career for life, and whilst you might be a tradesman in one part of your career, you might go on to train through a diploma course or university later on.

We believe that staying at school to get a SACE gives you that flexibility and that is why we prefer to have our young people based in a school, involved in an approved learning program if they are moving out of the school and gaining the flexibility that a SACE will give them in terms of a TER and moving on in the future.

The Hon. I.F. EVANS: I want to ask some questions in relation to clause 9, particularly the section dealing with section 75(7)(b) which talks about the prescribed rules. This probably goes to the nub of the bill, to a degree. I want to get some clarity, minister, as to what is intended to be defined as full-time. Yesterday, the minister used a figure of 25 hours, which I took to be 25 hours in the concept of the volunteering aspect that she mentioned. Can the minister confirm to the committee that it is 25 hours of volunteering, whether that be for the CFS, St Johns, or whatever is the accredited course? Is it full-time work? Will you classify 25 hours as full-time? If 25 hours is going to be the magic figure, why not put it in the bill itself rather than leave it open as prescribed in some rule?

Also, can the minister expand on how this is going to work in relation to someone who at the start of the year is employed and then becomes unemployed? I assume they will get a tap on the shoulder and say, 'Now you are unemployed, come back into the system.' Can the minister also confirm for me what happens with welfare payments?

If I am getting unemployment benefits at age 16, under this bill I will now be required not to be unemployed, therefore, I assume I will lose my unemployment benefits as a result of this bill because I would be breaking the law by not being in an approved learning program. I assume that the minister has consulted the commonwealth on this. What happens to the welfare payment of a 16 year old who is currently unemployed and who is getting a welfare payment when this bill becomes law, because then they will have a legal obligation to be in an approved learning program?

The Hon. J.D. LOMAX-SMITH: I think that the member's question is in two parts. When we talk about the number of hours, it depends on the program. As in any VET course, there are a number of hours you take to do something. There will be no prescription within the act relating to the course. In relation to the number of hours, we based our decision on advice from the interagency advisory group as to what full-time education might be. A young person who is of compulsory education age will be considered to be full-time when he or she is enrolled and participating in an approved learning program, and that is deemed by the provider to be full time. So, the provider decides.

The Hon. I.F. EVANS: Minister, just to clarify that, I understand the university course. I remember doing a full-time course at 12 hours a week. I understand TAFE courses—

Ms Fox interjecting:

The Hon. I.F. EVANS: I did one. I understand TAFE courses and they define it as full time. I understand the VET courses; they will define what is full time. I understand the courses. Go to the question of employment. Who defines what is full-time employment? Is that up to the employer or is there a definition that is adopted or that is going to be adopted? At what point does someone become full-time employed for the purposes of this act?

The Hon. J.D. LOMAX-SMITH: The issue of employment relates to an exemption because every one of the age of 16—that is, someone who is deemed to be of compulsory education age—should be enrolled for an approved learning program through, say, a school, although they might be going to TAFE or all sorts of other things, but they can get an exemption from schooling. For instance, you might have completed your SACE. Clearly, if you have a SACE completion and a TER, we are not going to compel you to go back to school to be involved in another program because you might be going to university.

Similarly, if you go to university, you will not be compelled under this legislation either. Clearly, if you have a job and any 16 year old who is not going to participate full time in an approved learning program will need a partial or full exemption. A full exemption will mean that they are going to university or doing some meaningful employment. But the circumstances for which an exemption will apply will include full-time work with a minimum of 25 hours—

The Hon. I.F. Evans: Sorry, I missed that.

The Hon. J.D. LOMAX-SMITH: A minimum of 25 hours a week.

The Hon. I.F. Evans: Full-time work?

The Hon. J.D. LOMAX-SMITH: Yes. Grounds for exemption would include individual personal circumstances which may mean that a child is required to work part time to support the family or have carer's responsibilities which prevent them from full-time participation in an approved learning program or they may be involved in home schooling. We have exemptions that we believe should cover every reasonable eventuality, but there is the capacity to apply for an extension.

The Hon. I.F. EVANS: Just to clarify it, the word 'employ' does not include looking for work, and can you please clarify for me my previous question on the matter of what happens to their social security payment in the event of this bill becoming law? Will 16 year olds who are currently unemployed and receiving unemployment benefits lose their unemployment benefits because they have an obligation under this bill to be in an approved learning program?

The Hon. J.D. LOMAX-SMITH: My advice is that Centrelink has advised us that they will not be affected.

The Hon. I.F. EVANS: Will the minister table that advice for the purposes of the house? You can send it to me in between houses.

The Hon. J.D. LOMAX-SMITH: We are happy to table that.

Amendment carried; clause as amended passed.

Remaining clauses (10 to 19) and title passed.

Bill reported with amendment.

Bill read a third time and passed.

MINISTER'S REMARKS

The Hon. I.F. EVANS (Davenport) (16:30): I seek leave to make a personal explanation.

The DEPUTY SPEAKER: Does the member claim to have been misrepresented?

The Hon. I.F. EVANS: Yes.

Leave granted.

The Hon. I.F. EVANS: Yesterday, Madam Deputy Speaker, you invited me to make a personal explanation if I thought I had been misrepresented. You may recall that I asked you to read the *Hansard* to see whether, in your view, I had been misrepresented. I now take the opportunity to clarify for the record what was said yesterday, because I believe the minister misrepresented what I said. During the debate on the bill we have just passed, I said the following:

> I have to say that it is my experience in life that it is a person's energy, determination and attitude that actually will determine their station in life. Education plays one part in that.

The minister then said, in referring to my comments, as follows:

> What was his line? They don't have the energy, therefore, perhaps, we should just abandon them. These people are not good enough; they don't have the energy.

That is one point on which I called the minister a liar, Madam Deputy Speaker, and you made me retract. I think that in any fair reading of the *Hansard* I did not say that the students did not have energy, and I did not say that we should abandon them. At no stage did I make those comments. I made an observation that it is a combination of things, not just education, that helps people get to their station in life. Then there was a second issue, Madam Deputy Speaker. I made the point that:

> One of the approved learning programs is volunteer work and, when we get to the committee stage, I would be interested to see how volunteer work fits into this particular program.

The minister said in her answer:

> There have been criticisms of the sorts of approved learning programs we should have with—shock, horror—they might be volunteering.

There was no criticism in my contribution, Madam Deputy Speaker, and I just make the point—and I stand by the comment I made—that I believe that I was misrepresented. I have appreciated the opportunity to correct the record and, if the minister wishes to correct the record at any stage, she can do so.

The DEPUTY SPEAKER: Order! The member's last comments were not necessary. The member for Davenport has made his point.

CONSULTANTS AND CONTRACTORS

The Hon. J.D. LOMAX-SMITH (Adelaide—Minister for Education and Children's Services, Minister for Tourism, Minister for the City of Adelaide) (16:32): I seek leave to make a ministerial statement.

Leave granted.

The Hon. J.D. LOMAX-SMITH: As I indicated earlier, I believe there was an error on page 336 of the Auditor-General's Report. I have been informed by DECS that the reported consultancy expenditure for 2007 of $257,000 is the total of two separate consultant contracts, not one as indicated in the note to the financial statements. The number of consultants recorded in the DECS financial statements should have been two, not one.

The first was $244,000 for the provision of advice and assistance for the public-private partnerships associated with the six new schools. The consultant is Connell Wagner. A further

smaller amount of $13,000 was expensed on completing a consultancy from the SA Centre for Economic Studies. There is a printing error on page 336 of the report. The columns labelled 'DECS' and 'Consolidated' should, in fact, read '2006' and '2007', respectively.

SANTOS LIMITED (DEED OF UNDERTAKING) BILL

Adjourned debate on second reading.

(Continued from 24 October 2007. Page 1340.)

Mr HAMILTON-SMITH (Waite—Leader of the Opposition) (16:34): I indicate that, although I am speaking first on this matter, I am not the lead speaker, and I will make a brief contribution. The lead speaker will be the member for Morphett.

This is a very important bill, and I urge all members of the house to give it their most careful attention. It is a bill to give parliamentary sanction to a deed of undertaking made by Santos Limited in favour of the Premier for and on behalf of the Crown in the right of South Australia; to repeal the Santos Limited (Regulation of Shareholdings) Act 1989; and for other purposes. The bill will overturn a 1979 action of the Corcoran Labor government, which introduced an act to place a 15 per cent shareholding restriction on Santos to prevent a hostile takeover.

At that time, the threat was from Mr Allan Bond. The concern was that he would strip the asset and cash out, leaving a reduced investment here in this state, which might then flounder to our disadvantage. The act protected South Australians from such a hostile takeover, and the effect has been a positive one. Since that time (1979), Santos has spent billions of dollars on further investment in the Cooper Basin and has substantially improved the infrastructure bases for mining, energy, transport and in a range of other ways, particularly in the Mid North and the Far North, but also right down through the state to Adelaide and beyond.

At the time, the Tonkin Liberal opposition did not support the bill. I am not going to go over the full history of the bill—I will leave that to the member for Morphett, who will be our lead speaker on this bill—but I want to make some remarks to the bill as Leader of the Opposition because I think it is such an important bill that it warrants my contribution from the outset. This bill will essentially mean that Santos as we have known it for all of its life will be at risk, and it will be at risk once the cap is lifted from a potential hostile takeover.

Of course, there is an alternative future for Santos, and that is the one which I know the company prefers and which I understand, from the second reading explanation—and I will listen to the government's contributions—that the government also prefers. That is, that Santos, once the cap is lifted, will be free to grow, possibly to acquire, certainly to revalue itself in the share market and it will be, as an entity, more flexible, more mobile and more able to grow as a publicly listed company based here in Adelaide. There are those two alternative futures for Santos, as we know it, once this bill becomes an act. The bill will become an act because, as an opposition, I am indicating to the house today that we intend to support it.

For those reasons I think it is very important that members give this their careful attention, because if Santos grows and prospers here we will all be better off for it, and if the lifting of this cap enables the company to be even more prosperous and creates more jobs and opportunities for South Australians and for South Australia than we have seen already, then good. But if this bill sets the foundation for a savaging of Santos that would ultimately see a predator strip the company, perhaps leaving only the Cooper Basin asset here and those people linked to the Cooper Basin asset investment only here, then Santos, as we know it, would no longer be the headquarters of a large publicly listed company with investments all around Australia and all around the world.

In fact, what would quite likely be the case is that all those functions not linked to the Cooper Basin might be taken away to another corporate headquarters by an acquiring party to become part of its entity in Melbourne, Sydney or overseas. There could be, down the track, significant losses to South Australia in terms of job numbers, future investment and head office status for what is probably our principal publicly listed entity here in this state. So, the risks linked to this bill are quite prominent and profound.

As a Liberal, let me say that I am not encouraged towards the sort of interventions that occurred in 1979 where a cap was imposed. I think at that time, and in that context, it was the right thing to do, but at heart, as a Liberal, my view is that Santos should be free of this constraint. It should not be subject to an imposition to which no other public company here in this state or, to my knowledge, anywhere else in the country is subject. At heart, I think the spirit of the bill to lift the cap should be embraced and supported.

Having said that, I am very aware that in this house, as members of parliament, our stakeholders, our shareholders, the people we represent, are not as one with Santos. Santos must, and is bound to, represent the interests of its shareholders. We are bound to represent the interests of ours, and ours are the people of South Australia. If one were to take a completely self-interested view of this one might argue that this cap is here and it keeps Santos as a publicly listed company here in Adelaide. We might argue, as our predecessors in this place have argued, that the cap should remain in place and that Santos should be kept here, against its will.

I am hoping, therefore, that the debate will convince not only the house but the people of South Australia that the benefits for them are there in the bill. That is to say, that the government ought to be able to convince us during this debate that Santos will grow and prosper here, that at least it is convinced that the company is right to adopt the view that it will grow and prosper here, that the lifting of this cap will free it up, that the benefits will flow to South Australians, and that it will not be savaged and taken over.

I note that Santos today is a very different company than it was in 1979. Back then, sales revenue was around $25 million: it is now $2.769 billion. The net profit after tax back in 1979 was about $6.2 million: it is now $643 million. Total assets back in 1979 were $109 million; it is now $6.9 billion. The number of shareholders back then was just short of 8,000: it is now 80,000. The enterprise value back then was $391 million: it is now $10.3 billion. Interestingly though, back in 1989 it was a top 10 company on the ASX and now it is a top 50 company, which gives you an indication that, although Santos has grown, so too has Australia and the marketplace. I acknowledge and accept that Santos is a different animal today than it was back in 1979 and that, therefore, we must review this cap.

Santos argues that the cap is a brake on the company's full growth potential, and it argues that it is an impediment to Santos's objective of becoming a leading international oil and gas company based in Adelaide. Santos argues that removal will enable the company to use its shares to fund acquisitions and to raise capital for major development projects in a manner that is currently not possible and that use of shares in this way is an essential growth tool available to our competitors but not to Santos. In a fiercely competitive and costly international industry, the company argues that removal of the cap puts Santos on a level playing field with its peers.

I seek an assurance from the government that it concurs with those arguments from the company. I agree with them, but I am not the proponent of the bill. The proponent of the bill is the Premier and he must take responsibility for any outcomes that flow from it. It is Mike Rann's bill to lift the cap on Santos and, if it proves to be a benefit to the people of South Australia, I am sure he will seek the credit. The point I am making is that if the company is savaged he should and will receive the odium for having brought this matter to the house, having opened the door for the demise of Santos as we know it as a publicly listed South Australian-based company with multinational operations.

I move to the question of the deed. Of course, it is the deed that this bill seeks to enforce and uphold. I am intrigued that it is a deed between Santos and the Premier, not a deed between Santos and the government. In fact, clause 4.1(a) of the deed provides:

> The company undertakes that, unless otherwise approved by the Premier, the company's South Australian Cooper Basin assets head office and operational headquarters will remain in South Australia for the term, including without limitation, direct management and key supporting functions for the SABC assets identified in clause 4.1(b) for as long as those functions are carried out.

The key words are 'unless otherwise approved by the Premier'. In effect, this deed is meaningless should the Premier decide for whatever reason to otherwise approve a change. The Premier, with the stroke of a pen, without reference to the cabinet, the parliament or anyone—it could be done over a cappuccino or a five-star dinner and a glass of Grange—could simply walk away from the deed, or most of it. I find that a curious situation and I think it is unacceptable.

I think it would be better if at least the cabinet on behalf of the people of South Australia and its government was required by the deed to approve any change to the deed. Essentially, it is a request by the Premier individually on behalf of the Premier of the day—it may not be this particular premier. He is asking the parliament to give him carte blanche to decide without reference to anyone else whatever he feels appropriate in respect of this deed in the future. I find that of concern.

For example, if one looks at the details of clauses 4.3(3) and 4.4 of the deed, one finds that the provisions that the Premier describes as 'compensation requirements' should Santos wind back its assets here drop away in the 10 years that follow the passage of this bill. Santos is supposedly

required to pay a certain amount one year out, should it leave and take with it all its assets, but as each year unfolds the amount it has to pay in what the Premier describes as compensation reduces. It is curious. It seems to suggest that the government at its heart feels that Santos, including a lot of the Cooper Basin jobs linked to it, will go; it is just a matter of time. So we will have these provisions up front, and in a few years they all can go because the compensation provisions are wound away.

Of course, the carte blanche approval being sought by the Premier through the government by the device of this act gives the Premier the right to waive those compensation provisions should he see fit. It is a considerable power that the Premier is seeking by virtue of this bill and one that, in effect, renders the deed meaningless. It is a public relations exercise. The Premier does not want to wear responsibility if Santos is savaged almost immediately upon passage of this bill, notwithstanding the 12 months provision which the bill provides in the way of protection for an immediate acquisition. He does not want to wear the responsibility should it all go pear-shaped, should it all go wrong. I assure the Premier that he will wear the responsibility if it all goes wrong. This is Mike Rann's bill to lift the shareholding cap. If, shortly after its passage, certainly at the end of 12 months, there is a feeding frenzy as sharks pull Santos apart limb by limb and deconstruct it, then it will have been at the behest of the Premier himself.

Having said all that, I draw to the attention of the house that the former Liberal government did raise this proposition in 2000. The reason that it was not proceeded with was that the then government—we Liberals—was convinced that the Premier (the member for Ramsey), the Treasurer (the member for Port Adelaide) and the member for Elder would run a scare campaign. They would go out there, beat the drums, fly the flags and flash the lights; 'This is outrageous. You are selling off the farm. Santos will be taken over.' They would run a huge scare campaign as they have on so many occasions to whip up public hysteria—the word the Minister for Transport likes to use—and I hope he has checked the *Hansard* after his threat yesterday to introduce privileges matters; he might find frequent reference to the word 'hysteria'.

The Hon. P.F. Conlon: You told a lie.

Mr HAMILTON-SMITH: I have a point of order, Mr Speaker. I ask that that be withdrawn.

The SPEAKER: The Minister for Transport must withdraw.

The Hon. P.F. CONLON: I will withdraw for being told a lie.

Mr HAMILTON-SMITH: I have a point of order, Mr Speaker—without qualification. There is no need for debate.

The SPEAKER: Order! Both members will take their seat and be quiet. The Minister for Transport has withdrawn.

Mr HAMILTON-SMITH: We will not do as an opposition what the Labor Party did when they were in opposition, which was be irresponsible.

The Hon. P.F. Conlon interjecting:

The SPEAKER: Order!

Mr HAMILTON-SMITH: They were regularly and frequently irresponsible, and they would have been irresponsible with this matter had we proposed it. Now they are in government they see things differently. Well, that's fine, but I just want to expose the ruse. We will do the right thing. I actually believe this cap should be lifted, and we on this side of the house are of the view that it should be lifted. We think it is the right thing for the company. We recognise the risks. However, on balance, we are of the view that the bill should pass. We could have taken the view that we would run a scare campaign. We could have got together with Independents in the upper house and we could have blocked this measure.

We could have stopped the matter from proceeding, and that would have been the end of it, and Santos would labour under the cap for some years to come. But we have decided not to do that. We are going to support it because it is the right thing to do. I accept the company's argument in good faith that they are focussed on growing and prospering here and doing what they can to resist breakup and takeover, but, rather, that they will go on and acquire, go on and grow, and go on and build their investments here.

A careful reading of the deed shows that the provisions of it only apply to the Cooper Basin assets, in any event, and that a good part of it could go, but that notwithstanding it is a bill that we think is worth supporting. But I just say to the Premier, it is his bill, it is his initiative, it is his

measure—accept the credit, but also be prepared to accept the responsibility if it goes pear shaped and does not unfold as we all might hope. With those remarks, I commend the bill to the house.

Members interjecting:

The SPEAKER: Order! I call the member for Morphett.

Members interjecting:

The SPEAKER: Order! If members want to bicker, take it out of the chamber. I will not have it happening across the chamber while another member is trying to address the house. The member for Morphett has the call.

Dr McFETRIDGE (Morphett) (16:57): Thank you, Mr Speaker. I indicate that I am the lead speaker on this bill and the Liberal opposition will be supporting the bill, as we did in 1979. We would love Santos to be unfettered. However, I understand that the circumstances have changed considerably since 1979 when the Corcoran Labor government introduced the legislation to place the 15 per cent shareholding restriction on Santos. It makes very interesting reading to read the address by Hugh Hudson back in May 1979, and also to read the reply by the then leader of the opposition, the late Hon. David Tonkin. His comments are still quite relevant today.

The opposition is supporting this. I have had a look at the presentations that have been put to the government by various groups, including the South Australian Chamber of Mines and Energy, Business SA, and the Australian Shareholders Association, who are all supporting the lifting of the cap. I did note that there is one particular shareholder who expressed strong concern. He was concerned about the loss of another head office. I do not believe that is going to happen. I sincerely hope not. He believes the reasons for stopping bonds are still valid for other predators. There certainly is that risk, but with a 12-month transition period that should bring some order to the market, and Santos, from our discussions with them, certainly are looking to expand, and for them to be the ones that are taking over other companies, not becoming a takeover target.

This chap also says he cannot see any benefits to the shareholders of the state from the removal of the cap. Well, I think the shareholders will be more than happy to see their share prices go up. I think that is what will happen, because this company will be able to expand and fulfil its full potential. The state certainly will benefit from an expanded company.

The thing that I tried to do today was to phone the Hon. Don Laidlaw, but I was unable to contact him. Back in 1979 it was a fairly traumatic time for Don Laidlaw. He actually supported the then government in getting this bill through the upper house, and it was with the Hon. Don Laidlaw MLC, the Hon. Jessie Cooper MLC and the Hon. Dick Geddes MLC. They crossed the floor, they voted with Labor and they enabled the passage of the bill. Jessie Cooper and Dick Geddes are deceased, unfortunately. Don is still alive. I do know that he wrote to the then minister for minerals and energy, the Hon. Wayne Matthew, and expressed some concerns about the lifting of the cap. This was in the year 2000, but my reading of a copy of the letter is that Don was mainly concerned about the loss to the state of the philanthropy that was clearly being shown by Santos, and is still going to be shown by Santos.

In fact, under the deed of undertaking Santos's willingness to increase its assistance to South Australia is going to increase quite significantly. But Don did give credit, even in 2000, to the fact that $25 million was given by Santos to create a chair in petroleum engineering at Adelaide University, and certainly in the deed of undertaking there are a number of other areas that will benefit from the social bottom line that Santos has availed itself to.

In 1989 the original act was repealed and replaced by a new act, as the early act was considered potentially ineffective. The new act sought to make effective the objects of the old act. It was more a technical change, as I understand. At the time, the state government assumed responsibility for negotiating major gas sales contracts, and owned significant gas industry assets itself. South Australia was the only jurisdiction exporting gas interstate.

In 2000, the gas market in south-east Australia was undergoing a period of rapid change, and the new competition policy induced changes in the structure of the electricity and gas markets, which resulted in a far more competitive, expanding and more volatile energy market. Major gas contracts with the Cooper Basin joint venture were approaching completion, and the Cooper Basin gas fields were declining and increasing in maturity, leading to increasing costs to achieve future gas deliverability.

New sources of gas supply were required within a five-year time frame, and South Australia was looking forward to the provision of a supply from south-east Australia as well as the north-west shelf, the Timor Sea and Papua New Guinea. The 15 per cent shareholding cap was reviewed by the Liberal government and the then energy minister, Wayne Matthew, in 2007, as I have said, and the November 2000 review was undertaken by Mr Ian Kowalick. The Kowalick report made a number of important recommendations to cabinet, if cabinet were to consider removing the cap.

Mr Kowalick recommended to cabinet that an orderly market entry of Santos should be ensured, and that will be achieved through the transition period that is contained in this bill. There should also be an act of parliament to ensure that the wants and desires of the people of South Australia are achieved. The need to not restrain Santos was at all times paramount because, as Liberals, we do not want to see companies restrained by regulation, particularly if it is an individual company.

At the time, the Liberal cabinet decided not to adopt the recommendations and maintain the cap, as the public benefits of the 15 per cent restriction on shareholdings were believed to outweigh the costs of the restriction. At the same time, the SEA Gas pipeline was in operation. So, we were not purely reliant on the supplies from the Cooper Basin.

On 1 May, Premier Mike Rann announced that the state government would be reviewing the 15 per cent shareholder cap and that that review was to be undertaken by the Economic Development Board, and the Minister for Energy introduced a bill into this place on 24 October. I have had discussions with Santos about the deed of undertaking. It is more than comfortable with that deed of undertaking, and I will not repeat the comments that have been made by the leader. He made some salient points and, certainly, there is no way that this Liberal opposition will get in the way of Santos being able to achieve what it may have been able to do in the past had we looked at this under different circumstances years ago.

The thing that we need to do today is to make sure that we get this bill through the house in a timely fashion. The opposition supports the initiatives in the deed of undertaking, and I will quickly read the nine categories. There will be $60 million over a 10-year period (it is interesting that they are already putting in about $30 million during that time). The following are the areas of particular endeavour: scientific endeavour and research; indigenous employment and training; vocational and industry development; environment, sustainability and climate change; health and safety; education and training; youth affairs; arts and culture; and other community benefits.

There will also be $10 million to support indigenous employment, training and education initiatives; $10 million towards education initiatives, which support Adelaide as a university city; and $35 million for organisations or projects that have mutual benefits for both Santos and the state. That is obviously not in addition to the $60 million; it is part of that.

The deed has some reporting requirements. At the moment, there is absolutely nothing that would restrain a company from coming in, if it was to take over Santos (or just Santos in its own regard), and moving the head office interstate. At least we will have a head office here in South Australia with Santos. It has just put $100 million into a new office, so I would be surprised if it moved, However, that could happen if it was taken over, and that is a possibility; that is business today.

I know the Deputy Premier has said that it is not about who owns it: it is about the merit and the equity and the return to the state. I think Santos will be here for a long time and, from what I have been told at various briefings from Santos executives and their staff, it will be aiming to expand and improve and return not only a financial dividend to its shareholders but also, certainly, a financial dividend to the people of South Australia—and, more importantly, that social dividend that we see in the deed of undertaking.

I do not know whether you can drive a truck through that deed, as some people have said. I am not a lawyer: I am open to opinion on that. However, certainly, I am convinced by the goodwill of Santos and the fact that it has been here for a long time and that it expects to be here for a long time. Also, like most businesses in South Australia now, it has arms overseas and international investments. Santos has some very exciting international investments, which will make it an even more powerful company that will, hopefully, become a takeover opportunist, not a takeover victim. I wish the bill a fast passage through both houses.

Mr PEDERICK (Hammond) (17:05): I rise today to speak briefly about the bill. In 1979, legislation was passed in this house capping the number of voting shares that a person could own in Santos. This helped to ensure the security and development of the Cooper Basin and Santos'

obvious interests in South Australia, Queensland and around the world. With this bill, we are assured that the South Australian head office will stay in Adelaide. Key functions will include: executive general management, geosciences expertise and development, engineering, oil and gas exploration, maintenance, operations planning and Moomba carbon storage, which will be interesting as it develops in the future and as we all work on minimising the effects of climate change.

There will also be other functions, including finance, accounting, legal procurement, IT, human resources and, of course, gas marketing. I congratulate Santos on the main commitments offered by the company as part of this deed of undertaking. The benefits of the deed—

The Hon. P.F. Conlon interjecting:

Mr PEDERICK: I am sure you will speak for yourself, minister. South Australia stands to benefit from the guarantee that 90 per cent of the roles currently based in this state will stay here. That involves approximately 1,700 people in this state and includes all roles at its major sites. Santos's provision of a legally enforceable compensation structure amounting to $100 million is aimed at covering contingencies should there be a significant reduction in its corporate presence.

The company's sense of social responsibility is clearly demonstrated by its establishing a Community Benefits Fund of about $60 million over 10 years, providing a number of sponsorships and including support for various indigenous programs and educational scholarships. Nine categories are covered in this plan. They include scientific endeavour and research, indigenous employment and training, vocational and industry development, environment sustainability and climate change, health and safety, education and training, youth affairs, arts and culture, and other community benefits.

These funds will directly benefit the Australian School of Petroleum at the University of Adelaide, the Royal Institution of Australia and the Santos Stadium at Thebarton, as well as assisting education initiatives in the state's energy sector and the development of Adelaide as a university city. My experiences in the Cooper Basin commenced in March 1982. I secured a job up there working with Peter and Yvonne Bennett Earth Moving. I worked on this job for 12 months, and it was very interesting. I will never forget as a 19 year old flying over the Cooper Basin and into Moomba for the first time. I looked out the window and wondered what the hell I had landed myself into.

Looking out the window it looked like a scene from *Mad Max,* just to see the gas plant working away and nothing much between that and Adelaide—about 1,000 kilometres with only the stations, Lyndhurst, etc. There is not a lot between there and Port Augusta, let me put it that way. It was a bit of a culture shock. Back then I was working for a contractor, and dozens of contractor companies work under Santos. A lot of the operation work in the field is done by Santos itself, but a lot of the other work done directly on the drilling rigs and service companies is done by contractors.

Companies were very well looked after, even when we had to go out to far-flung fields and swag it on occasion because we were the first ones there after the guys had been through checking out where the oil and gas reserves were. It was quite an interesting time. I can remember a problem in the plant. We were in the old contractors' camp right next to the plant at Moomba. A lot of gas had to be flared off, and the whole place was vibrating.

I met a lot of good people up there. One person I can remember on the earth-moving job was Bob Bain. He was one of the bird dogs (we called them) who made sure we were doing our job building sites for the oil rigs, roads and airstrips. I remember Peter Bennett. You would be sitting on a D6 bulldozer and he would fly over in his light plane, drop your mail to you and he would just about land it on you in the cab. Following that 12 months using the dozers and scrapers, I worked for a company called Gearhart Australia doing wire-line work, testing flow production of wells and shooting wells through the casing once they had been run with what were called armour-piercing guns.

I was very fortunate. They said that it was pretty distressing if one went off on the surface but, thankfully, they all worked underground. It was very interesting work. You cannot see too much going on because it is all happening 10,000 feet down. Another experience in that job (and I am not sure, I am guessing a bit from memory) involved Big Lake 27, I think it was. It was a wild well. Various companies could not contain it. In the end, after all the work had been done on opening up this well (perforation and that sort of thing), we got sent in to fill it up with cement and block it up. We did that successfully, but I was up in the basket on the end of a crane with an engineer. We were on the way down. We were still about 20 feet above the well head and the crane operator let

the clutch out, or something, and dropped us. You can imagine what we thought as we bounced off a well head in the Cooper Basin. Thankfully, we both survived.

The Hon. R.B. Such interjecting:

Mr PEDERICK: Yes, exactly. We bounced a bit. I can remember the engineer. His name was Louis Buffone. He was a Canadian/Italian who was in a rigid position at the back of the cage instead of bending his knees. I think he felt it for a while. There have been lots of experiences up there. Santos has had a pretty good safety record. Obviously there has been work right throughout the basin, not just on the South Australian side but through to the Queensland side. Delhi Petroleum was one of the main operators on the Jackson field when that opened up and crude oil was being trucked through to Brisbane.

I had not been back to the basin until a couple of years ago. I took my family through to Birdsville and came back that way. It was interesting to see the facilities Santos has put in for the staff at Tirrawarra field. I certainly could not have played tennis in the days I was up there like they do now. It is a place where you need to look after your workers to keep them interested in the game, and it is good to see that Santos is doing that. With those few words, I wish Santos every success in the future. I support the bill.

Ms CHAPMAN (Bragg—Deputy Leader of the Opposition) (17:14): I indicate that I will be supporting the passage of the bill. As previous speakers have traversed a number of the important historical reasons as to why this previous limitation of 15 per cent shareholding was imposed and the change of circumstances, I will not go through the principal reasons for support. I wish to place on the record my appreciation as a South Australian of Santos's valuable work both in industry and as a benevolent contributor to South Australia during its history. I consider that to have been significant and look forward to our state having a continued association with the company and its employees. However, the two matters I wish to traverse relate to the two initiatives announced by the both the Premier and the Minister for Transport in his second reading contribution on 24 October.

I remind the house of the two features to be imposed pursuant to a deed of undertaking enforced by this legislation (which have a $1 million legally enforceable compensatable mechanism): firstly, there will be 'guarantees that effectively 90 per cent of the current South Australian-based roles'—that is in respect of employment—'stay here'—referring to South Australia—which includes all the roles at our major South Australian operational sites; and, secondly, a social responsibility and community benefit fund of some $60 million over the next 10 years. This addresses the concerns of the Hon. Don Laidlaw as expressed in his commentary over time on occasions when there has been an attempt to remove the cap and as one of the original surviving parties who voted to support the act (as it currently stands) and when the bill was canvassed in the 1970s.

Having viewed the deed of undertaking, I wish to place on the record that I do not see that there is any guarantee that the current workforce will be in South Australia. What is clear in the deed of undertaking is that the company is giving guarantees that the current position of the company in respect of its employees is: firstly, 90 per cent of its workforce is currently South Australian based; and, secondly, effectively 100 per cent of its role is directly associated with the South Australian activities.

When you combine those two features there are some 1,700 jobs in South Australia. That does not guarantee that 90 per cent of those roles will stay here. What it says, though, is that, if there is a breach of 4.1 or 4.2 of the deed, which is that it will keep its headquarters, its direct management and its key supporting functions (which are subsequently defined in 4.2 and which are bound under this undertaking) in South Australia, this situation will continue. It does not guarantee 90 per cent of its workforce staying in South Australia. I make that point.

If the company continues to operate the sanctioned areas of enterprise under this undertaking and does not reduce its workforce to carry that out, then the effect is that it will maintain a workforce of some 1,700. However, members should not be under any illusion that this is a guarantee that 90 per cent of the workforce that it currently has here will stay here and that it will have a corresponding penalty as a result. It is clear that the enterprises which it carries out as defined are extensive and that they are valuable contributors to the Santos enterprise and profit line, and therefore one could only hope that that will continue.

The second aspect relates to the donations. I am a little concerned that we have some trade-off really to the purchasing of legislation. I think that is a poor precedent. I think that the company has demonstrated its willingness to make magnificent contributions to charities and

organisations which have benefited from its donation. Its history speaks for itself and is to be commended.

It may be that, in the scheme of things, a $60 million commitment over 10 years is a drop in the ocean when it comes to the anticipated contribution that it would have made, anyway, but I do not like to see this type of impost being employed as part of a mechanism to ensure the passage of legislation as a sort of term and condition. I point out that, pursuant to the deed of agreement, the $35 million contribution has to be 'organisations or projects in South Australia which the company can reasonably demonstrate have mutual benefits for both Santos and the state'.

Quite frankly, that could be any organisation. As long as Santos can say that this benefits us and the state, then there is no limitation on to whom or what it can contribute. That may be intended. Again I point out that, although there is a qualification by the definition of 'social responsibility' and 'community benefit'—and it lists a whole lot of very important categories of organisations that it can sponsor or donate to and they are all very admirable—the last one under 4.3(b)(9) is for 'other community benefits'.

Again that is a very broad definition and I do not think that will add much constraint to Santos signing up to this deed of undertaking, nor frankly is the amount of money relative to the turnover of this enterprise. It is hardly surprising to me that Santos has agreed to the terms which have been imposed by the government and about which the Premier has been so grandiose in his description to South Australia. It is not those reasons—that is, the compensatable clause or the obligation to contribute to funds for charity or community benefit—that persuade me to support this bill. I highlight that the Premier's description of this is far from what the reality will be.

I also indicate that I had the opportunity to be thoroughly briefed by Santos representatives, as I am sure did other members of the house. In recent times, I took the opportunity to travel to Moomba to look at its current operations. I viewed the determination of some weeks work on Well 179 at the time, which I am subsequently informed has been a successful drill and is an important aspect of the work that continues to be undertaken in relation to gas production, which is a major part of its South Australian operation in the Cooper Basin. So, I think there are important reasons and that the circumstances have changed sufficiently to change the law, but I have not been persuaded by virtue of the rather grandiose description of the Premier as to what safeguards he claims he is providing for South Australia.

The Hon. P.F. CONLON (Elder—Minister for Transport, Minister for Infrastructure, Minister for Energy) (17:23): I thank the opposition for supporting the bill, but I cannot help but observe two startling things: one, how the opposition has cast about anywhere to find something wrong or some criticism, particularly of the Premier; and, two, the division that it has in its approach. The Leader of the Opposition says that he is concerned that the Premier, on a nod and a wink, is just going to let the obligations slide; I think that is a fair paraphrasing of his complaint.

The Deputy Leader of the Opposition says that we should not be asking them for these gifts at all. When we, the government, present to the opposition something that is a win for both Santos and the people of South Australia, they just have to cast around for something. They can never accept that their biases run so deep. They never accept that we have just done something good; they just cannot bring themselves to say that.

The criticism of the Leader of the Opposition that there is a clause that will allow the Premier to absolve the company from the obligations of the deed is there for a very simple reason and that is: should the company come to the Premier with an offer superior to that contained in the obligations—and do not forget the obligations in the deed are imported into the act and they have the force of law by virtue of a provision of the act—it is open to the premier of the day to accept that. The comments of the Leader of the Opposition indicate that the opposition has real doubts about there ever being a Liberal premier at any time in the next 10 years, because obviously he has been talking about what Mike Rann will do.

I say to the Leader of the Opposition in his desperate attempt to find something wrong: why would a Premier go out and negotiate such a good outcome for South Australia only to let it slide? Santos was not of the view that it had a nod and a wink agreement. These were quite robust discussions and, as I understand it, the Premier does not apologise for that. The Premier has done a good thing for Santos, and it is quite appropriate that he should also get a good deal for South Australia as well.

The other thing that I could not help noticing was that the Leader of the Opposition said that they would have done this when they were in government but they were frightened of a scare

campaign by me and the members for Port Adelaide and Ramsay. Wasn't that a good government! They would not do the right thing because they were scared of us. That says a lot about why they were not much of a government at all. They had a heart like a split pea, obviously.

Mr Koutsantonis: Unfair on split peas.

The Hon. P.F. CONLON: A bit unfair on split peas, as my colleague says. The bill is a good outcome for Santos. It is a company that, as everyone recognises, is not in the position that it was in when we protected it from corporate bandits like Alan Bond. There is a very significant redundancy, mostly created during the lifetime of this government, in our gas supplies into South Australia now, and this bill constitutes a good way forward for Santos. It has been supported with far less qualification by Senator Nick Minchin and, from memory, the Hon. Alexander Downer, so we appreciate the support of those individuals in what we seek to do. It is a good outcome for the company and it is a good outcome for South Australia.

Bill read a second time and taken through its remaining stages.

STATUTES AMENDMENT (YOUNG OFFENDERS) BILL

Adjourned debate on second reading.

(Continued from 13 November 2007. Page 1568.)

The Hon. G.M. GUNN (Stuart) (17:28): I will speak briefly to this bill. I strongly support the provisions contained in the bill. For a long time I have been very concerned about young people who have no regard for people's privacy or property and who have been acting in an irresponsible manner, terrorising my constituents at Port Augusta and elsewhere. There has been a revolving door. They have gone to court, yet they have been let out on bail, having no regard for the fact that it is a privilege to be given bail, and they have continued on their merry way to terrorise and annoy the community.

In my view, if they are given bail and they breach bail once, the time has come when they should be locked up until they are dealt with by the courts. My good friend the member for Mitchell went to some lengths to talk about young people who are before the courts, but he did not seem to have a great deal of regard for the innocent victims who have had their houses broken into or who have had people crashing into their motor cars. So, I think we need to place the emphasis on protecting ordinary South Australian citizens who are lawfully going about their business.

I once read a book about criminals called *Scallywags and Villains*. I certainly think these people have earned the right to be called scallywags and they are certainly vandals. I am sure that my—

The Hon. M.J. Atkinson interjecting:

The Hon. G.M. GUNN: I do not care what section of the community is involved in antisocial behaviour, which generally affects decent, hard working citizens. It is the responsibility of this parliament to take decisions to protect them. My good friend the Mayor of Port Augusta has made a lot of statements in relation to—

The Hon. M.J. Atkinson: May she recover.

The Hon. G.M. GUNN: Yes, and I am sure the whole house would wish her well and that she make a speedy recovery from the recent surgery she had at the Port Augusta Hospital.

The Hon. M.J. Atkinson interjecting:

The Hon. G.M. GUNN: Well, notwithstanding the quite irrelevant contribution by the Attorney-General. He has spent a great deal of his time trying to manipulate the affairs in the electorate of Stuart, and he has failed dismally every time. I put to him that, were he to try again, he would fail again. The Attorney may need to give his star performers, who were providing the money for that campaign, some legal advice.

Mr Pederick: Perhaps they could set up the Office of the North again.

The Hon. G.M. GUNN: Well, I think they have already done that under a different heading. But we will talk more about that in the future; that is still to come. We are fully aware of what is going on there and what they are doing. They have one public servant there, and they have another lined up, and that is good.

Nevertheless, these matters that are before the house need to be taken seriously. I believe the time has come for us to ensure that, when people go before the courts and they are given the

privilege of bail and they breach that bail, there should be no further leniency shown to them. I have brought before this house on couple of occasions legislation called the children's protection act, which set out to do some of the things in this legislation.

The Hon. M.J. Atkinson: Fortunately, enough of your colleagues didn't support it.

The Hon. G.M. GUNN: Like yourself?

The Hon. M.J. Atkinson: No; your Liberal colleagues.

The Hon. G.M. GUNN: Like the Attorney-General; he didn't support it, either, and nor did former attorney-general Chris Sumner.

The Hon. M.J. Atkinson: And you voted against it in 1990.

The Hon. G.M. GUNN: No, I didn't.

The Hon. M.J. Atkinson: I've got the records.

The Hon. G.M. GUNN: As usual, the Attorney-General has a rather limited memory—and only when it suits him. It is like his involvement in a number of other matters: his success rate is not particularly good in relation to dealing with me.

The Hon. M.J. Atkinson interjecting:

The Hon. G.M. GUNN: Well, Chris Schacht failed to get rid of me, and so did you. So, I'm a couple up on you. Chris Schacht farewelled me on one occasion, and I have had the last laugh on him.

Members interjecting:

The Hon. G.M. GUNN: He has well and truly gone into history.

The Hon. M.J. Atkinson: You have seen a lot of people off, actually, Gunnie.

The Hon. G.M. GUNN: That's dead right, and I am looking forward to your continued skirmishes with Ralph Clarke. I think that, before it is over, you will have more problems with him.

The Hon. M.J. Atkinson: Well, now that he has moved in and is sharing an office with the poisonous pixie, Anne Moran—

The DEPUTY SPEAKER: The member will return to the subject at hand.

The Hon. G.M. GUNN: I always have difficulty getting to my feet, Madam Deputy Speaker. I have been somewhat distracted. I intended to make only a brief contribution, as I regard this as an important measure. As someone who is sick and tired of having their constituents mistreated by these—

The Hon. M.J. Atkinson: Villains.

The Hon. G.M. GUNN: They are worse than villains, and they should be firmly dealt with—these people who have had their motor cars stolen and vandalised and their homes broken into and various other misdemeanours inflicted upon them. Then, when these people go to court, the victims are amazed that they are given bail and are free to roam the streets to repeat the whole process again. Now the time has come to deal firmly with them. A lot of these young people have a total disregard for the law, and the quicker legislation is passed to make sure they are properly restrained so that they cannot inflict further pain on innocent people the better it will be. I support the bill.

The DEPUTY SPEAKER: The member for Fisher.

The Hon. R.B. SUCH (Fisher) (17:36): Thank you, Madam Deputy Speaker.

The Hon. M.J. Atkinson: Hear, hear! As heard on the Leon Byner show.

The Hon. R.B. SUCH: Sponsored by Leon Byner. No; I'm only joking. That was a commercial break. I support this measure. I see it as possibly helping the situation. We know that it is targeted at the so-called Gang of 49, which is an unfortunate term but it is the term used by the media and others.

This bill is the result of recommendations by Monsignor Cappo in his report 'Break the Cycle'. His report was largely based on the select committee on youth justice, which I chaired in 2005. It was an excellent committee, which produced a lot of useful recommendations. Sadly, they

have not been adopted, in the main, but I hope the government will revisit the recommendations of that select committee. That committee outlined, in 10 major themes, the following:

- the need to provide appropriate custodial and residential facilities for young offenders;
- making parents and children accountable for their offending behaviours through the introduction of parental responsibility orders;
- providing targeted and therapeutic support to assist children and young people to make change;
- creating safe communities by ensuring early intervention through targeted care and protection strategies;
- placing significant focus on reducing the overrepresentation of indigenous young people by increasing their access to diversion and increasing and supporting family and community participation in finding sustainable solutions to youth offending;
- better and timelier intervention with young people who offend;
- ensuring young people's connection to community by preventing truancy and enabling engagement in constructive education and training options;
- ensuring the system works better by emphasising collaboration, good information exchange and joint ways of working across all parts of the youth justice system;
- aiding court processes by ensuring the understanding of everyone engaged in the system;
- and for providing appropriate and sufficient post-release support.

The government has acted partially only on a limited number of those recommendations, and I would urge them to revisit that report, in conjunction with the Cappo report.

The Cappo report essentially—and it is reflected in this bill—seeks to strengthen the requirement that the issue of public safety is taken into account when sentencing serious repeat offenders. It highlights the fact that there is concern about public safety and there is a need to deal with those youth who do not respond to the cautionary and diversionary measures which exist in the youth justice system, and also a provision to deal with adults who commit crimes in the presence of young people, and the bill provides for tougher penalties in those situations.

My concern has always been to keep young people out of the juvenile justice system. We know—and members of the select committee on youth justice will well recall—that it is something like 94 per cent of young people (thereabouts) do not ever have any serious problem in relation to breaking the laws of the land, but there is a hard-core recidivist group; not just Aboriginal but overrepresented by way of the Aboriginal youth who make up that recidivist group.

Members might recall, and this has come out in relation to some of the so-called Gang of 49, some examples I will quote. Of the offenders referred to in that category some have got up to 93 convictions. One 18 year old had 93 convictions, his first offence committed at 12; and there is a 17 year old having 91 convictions and was aged 11 when he committed his first offence.

The select committee on youth justice was told by people in the Aboriginal community that there is a lot of offending going on by young people under the age of 10. They cannot be charged with a criminal offence because they are not considered to be capable of having criminal intent. The committee was well aware that the system needs to intervene early, rigorously and vigorously. I notice in yesterday's paper a report that the government had brought people from the UK to give advice and their advice, surprise, surprise, was early intervention, which was essentially the strong message of the select committee on youth justice.

I do not know how many times people have to keep saying that the approach has to be one of early intervention. By early intervention, it means addressing issues reflected in inappropriate behaviour from the very earliest years, even before a child has gone to school, Likewise, for those under the age of 10, whilst they are not and we did not suggest that they be punished in the normal way, the committee felt that there should be vigorous intervention to try to steer those ones under the age of 10 away from serious antisocial behaviour. That should be accompanied by a very rigorous approach to ensuring that those children, and those older, attend school, because it was put to us by magistrates and judges that many of those appearing subsequently in the Youth Court were unable to read or write, could not do basic mathematics and, therefore, were largely unemployable.

In terms of what this bill is directed at—and it is not specifically or exclusively directed at young Aboriginal offenders—what we need to acknowledge is what I would call the lost generation, those young Aboriginal people who do not know their own culture, are basically heading nowhere, have little direction, the family system that they are part of, if they are part of one, is often dysfunctional and you are left largely with a group of grandmothers and mothers desperately trying to hold things together and are frequently having to weep at the death of members of that lost generation.

Some of the things that I think we need to look at—and it is particularly in relation to these recidivist offenders—is whether or not the age at which someone is treated as an adult is lowered generally to 17. This bill, in a way, does that partially, but I think it is pretty hard to argue that someone at the age of 17 does not know that they are committing an offence when they bash up someone, steal a car or rob from a premises. I just do not believe it. We allow people to drive a car at that age and people can join the military as an apprentice, so it is a pretty hard argument to sustain that someone at the age of 17 does not know right from wrong. I think the system has pussyfooted around for far too long and treated 17 year olds as if they are little children when, in fact, they are obviously not.

I would suggest—and these are not recommendations out of the select committee, these are my own views—that maybe we need to look at creating a separate Children's Court to deal with the young teenagers and the Youth Court to deal with those in the upper group of 15, 16 and 17. The Youth Court would be taking a much more rigorous approach than the Children's Court: the Children's Court dealing with the very young teenagers or pre teens. I think repeat offenders, Aboriginal and otherwise, should be involved in work camps—I have argued strongly against boot camps because I do not think they achieve a lot—rigorous, constructive, daytime environmental and other work, coupled with evening behaviour modification sessions designed to help change attitudes and inculcate positive values.

Recently, I spoke with the Attorney-General and the Minister for Families and Communities. I have written to them both, as well as the Minister for Youth Affairs, to see whether it is possible to reinstate a program which was very successful years ago and which, in effect, was a mobile work camp. A specially equipped vehicle took young Aboriginal people at risk out of places such as Port Augusta and elsewhere to work on environmental projects. The program was run by Aboriginal people. At night they would sit around a campfire and listen to Aboriginal elders talk about wisdom. I believe that approach needs to be resurrected. The alternative is to buy something like a sheep station (which is a much more costly option), but the mobile environmental work camp is something that ought to be and should be considered for non-Aboriginal young people at risk, as well as those who have offended in the minor categories.

I mentioned earlier children under the age of 10. I think the system at present is too wishy-washy when it comes to dealing with them. We do not subject them to the rigour of the criminal justice system, but there needs to be more active intervention. I do not make any apology for suggesting that the system acts rigorously and vigorously in relation to those aged under 10 to ensure that they do not go down the path of their older brothers or, sometimes, sisters.

The bill may help. People say to me, 'Why don't we publish the names of those who offend as juveniles?' I think the system has always been based on the premise of a second chance—not to jeopardise the future of a young person. Something that could be considered in relation to certain offenders is that they lose that anonymity which gives them protection. The other thing which the select committee on youth justice was concerned about was the fact that the wider community does not know the penalties which are imposed on young offenders, so the feeling in the community is that nothing happens to young people who break the law. The committee suggested that from time to time in a suitable format some examples of the types of offences and punishment could be published or reported, maybe on the internet or in some other way, to inform the public, so that the public is aware of what happens to juvenile offenders; and that, therefore, they would have more confidence in the system.

Another thing that needs to be considered—and this bill touches on it—is the question of deterrence. The youth justice system traditionally has avoided any concept of deterrence applying to a young person or making an example of a young person. In serious cases maybe it is warranted to have an offender and the particular circumstances used as a deterrent because young people will get the message that they will be dealt with severely if they go down that pathway. At present, because of the lack of focus on deterrence, that message does not spread throughout the community. In a sense, this bill (by taking account of public safety) is moving towards that approach.

I return to my original point. It is my wish to keep young people out of the justice system. Often we look at the offenders, but we also need to look at those who do not get into trouble with the law and ask the question, 'Why don't young people get into trouble with the law?' I do not think the reasons are all that complex. The reason most young people do not get into trouble with the law is because they are achieving. They have a sense of achievement, they are in a family situation where they feel wanted, they have a sense of dignity and respect, and they understand their place in society. They are some of the characteristics that do not apply to many of these Aboriginal young people. They are adrift in society, they are unguided missiles, and they will continue to cause problems until we tackle the root cause of the issue; that is, to give them a sense of self-esteem and possible achievement.

Many of them have nothing to lose by breaking the law. The select committee spoke to some of them and many of them see going to Yatala as a natural progression and an achievement; that is their career path. We need to give them something that gives them the opportunity to achieve in life and see something beyond the fact that their progression is from Cavan to Yatala.

Sometimes that means being rigorous with them, putting them into mobile work camps and subjecting them to behaviour modification where they are challenged in terms of their behaviour and their achievements, and I believe—in relation to the report of the visiting UK experts—into sport, which is one of the issues I raised through the committee. Why can't some of these young offenders who have committed minor offences be required to participate in a sporting club or activity as a way of giving them some sense of achievement and belonging?

This measure that we are dealing with tonight is a small step. I hope that it does something. However, I am not convinced that it will tackle the core issues, because they have been deeply ingrained over a long period of time, with young people alienated from the rest of society. I see nothing in this measure that will address the fundamental issues: the fact that many of them are illiterate, they have no sense of belonging, they know nothing about their cultural origins and, essentially, they do not believe in themselves or in anything other than probably challenging a system that they have traditionally seen as being hostile to them.

I was pleased to hear recently that the Aboriginal Legal Rights Movement has apparently changed its attitude in regard to young Aboriginal people being involved in the family conference model. The irony of not participating is that it was an indigenous model extracted from New Zealand; a Maori model. However, until recently, as I understand it, the Aboriginal Legal Rights Movement would not allow young Aboriginal offenders to participate in that program.

Instead, it provided a lawyer and got the young people to attend court and plead not guilty, which I think is counterproductive, because the court would often be dealing with an issue months and months after the alleged offence. For young people, that is not the best way to deal with alleged offending—they would probably have forgotten much about the alleged offence, anyhow. However, I was pleased to be informed that the Aboriginal Legal Rights Movement seems to have changed its stance and now sees merit in young Aboriginal people attending the family conference model.

I hope that this measure does something positive. It is certainly not a solution to all the ills, but it grieves me to see young people, whether Aboriginal or non-Aboriginal, wasting their lives and being incarcerated in prison in a situation that is lose-lose for everyone. I think that, as a society and as a state, South Australia should lead in some of these areas, because punitive measures, in the end, will not work. People used to be executed and transported, but it did not stop criminal behaviour—the execution might have stopped the person involved, but people will still break the law for a whole lot of complex reasons and, unless we address those reasons, people will keep on breaking the law, and the same thing will happen with these young Aboriginal people and also with young non-Aboriginal people.

Bill read a second time and taken through its remaining stages.

At 17:56 the house adjourned until Thursday 15 November at 10:30.