HOUSE OF ASSEMBLY

Wednesday 18 May 2011

The SPEAKER (Hon. L.R. Breuer) took the chair at 11:00 and read prayers.

SOCIAL DEVELOPMENT COMMITTEE: SAME-SEX PARENTING

Ms BEDFORD (Florey) (11:05): I move:

That the 32nd report of the committee, on same-sex parenting, be noted.

The Social Development Committee was charged with examining how current South Australian laws impact on same-sex parents and their children. The terms of reference for the inquiry were advertised on 5 June last year. In addition, the committee wrote directly to a number of individuals and organisations with a known interest in the subject matter, inviting them to provide a submission. The inquiry generated a significant amount of community interest; in total, 680 written submissions were received. Submissions came from lobby groups, academics, religious groups and the general community. Importantly, the inquiry also heard direct evidence from same-sex couples who have children or who are hoping to establish their families in the future.

In relation to the first term of reference, the committee did not receive any reliable data on the number of same-sex couples with children living in South Australia. ABS data collection on same-sex couples is a fairly recent feature, having been first collected as part of the 1996 census. Accordingly, there is little point in throwing about possible numbers or percentages here. Indeed, the committee heard that what data does exist should be treated with some caution and is likely to underestimate the actual number. In some ways, it is not surprising that the number of same-sex couples living in South Australia cannot easily be measured. The inquiry heard that some people may be reluctant to identify that they are in a same-sex partnership due to community prejudice and discrimination.

Before continuing, I would like to take this opportunity to thank the other members of the committee for their contribution. First, from the other place, I thank the Hons Mr Ian Hunter, Ms Jing Lee, Ms Kelly Vincent and Mr Dennis Hood; from this chamber, I thank Mr David Pisoni, Mr Alan Sibbons and the Hon. Dr Bob Such. It should be noted that the motion to establish the inquiry was moved by Mr Pisoni. I also want to acknowledge and thank the staff of the Social Development Committee for their contribution. Most of all, though, I thank the individuals and couples who were prepared to share intensely personal stories about the challenges they face as same-sex parents.

By way of background, children come into same-sex led families in a number of different ways; some children were born of a previous heterosexual relationship, others through assisted reproductive treatment services or the use of donor sperm in private arrangements. The committee heard that while same-sex parents face similar challenges to other families, the lack of legal recognition of the non-biological parent creates additional difficulties. This was one of the main areas of concern raised during the inquiry.

At present, under South Australian law, if a married woman becomes pregnant through the use of assisted reproductive treatment with donor sperm, her husband is treated in law as the father of the child and his name is placed on the child's birth certificate. This is despite the fact that he does not have any biological connection to the child; in other words, current law already recognises that biology is not necessarily a prerequisite of parental status. Unfortunately, there is no similar presumption of parentage for same-sex co-parents.

The partner of a lesbian woman who has become pregnant through the use of donor sperm is not recognised in law as a parent, even though she may be in a long-term committed relationship, have consented to her female partner having the procedure and expressed a clear intention to co-parent the child. South Australian law does not permit the woman's name to be listed on the child's birth certificate. The inquiry heard that this lack of legal recognition may mean that the same-sex co-parent is not easily able to enrol the child at school or approve school excursions. However, far more concerning is that it may mean they may not be able to legally give permission for the child to be treated in a medical emergency. It may mean that in the event of the death of the biological parent the co-parent may struggle to retain custody of the child.

The committee was told that one of the only ways a same-sex co-parent can establish a legal relationship with their child is by obtaining a Family Court parenting order. However, the inquiry heard that obtaining such an order can be a costly and complicated process; moreover, the

committee heard that parenting orders are generally intended for use when couples separate and there is animosity about where and with whom the child should reside. As such, parenting orders were neither intended nor designed to be used by couples in stable and committed relationships.

The committee has called on the government to introduce legislation as a matter of urgency to amend current parentage laws to recognise the female partner of a birth mother as the child's parent. Such a change would bring South Australia in line with other Australian jurisdictions and prevent the need for lesbian couples to travel to other jurisdictions to give birth in order to have a co-parent legally recognised and placed on the child's birth certificate. In addition, it would help resolve inconsistencies in federal and state legislation which, at present, mean that, in the event of a relationship breakdown, a non-biological same-sex parent is liable to pay child support at the federal level but remain without parental legal status at the state level.

Another issue to emerge in the course of the inquiry concerns eligibility criteria for access to assisted reproductive treatment. In South Australia, laws governing access to assisted reproductive treatment require that a person must have a diagnosis of medical infertility. To date, infertility has been interpreted in a narrow sense within a medical framework. This interpretation has significant implications for same-sex couples, in that it specifically excludes those couples who may not have any medical impediment to achieve pregnancy but whose sexual orientation prevents them from conceiving without some form of assisted reproductive treatment.

The committee heard that some lesbian couples who have been denied access to assisted reproductive treatment in South Australia have travelled to other jurisdictions where laws are far less restrictive, often incurring unnecessary expense and stress. The committee also heard that limited access to assisted reproductive treatment in South Australia may mean that some women will choose to self-inseminate outside the regulated clinical settings.

The committee knows that this may potentially place a woman and her child at risk of disease because the donor is not thoroughly screened for genetic diseases or sexually transmitted infections. On this issue, the committee has recommended that current legislation governing assisted reproductive treatment be amended to incorporate a broadening of the criteria used to define infertility, consistent with provisions contained in Victorian legislation. The committee has also called on the government to improve the capacity for children conceived through the use of donor sperm in private arrangements to access information about their genetic heritage.

The committee received very little evidence in relation to surrogacy. The committee notes that, in November 2009, the South Australian Parliament passed the Statutes Amendment (Surrogacy) Act 2009, legalising altruistic gestational surrogacy in South Australia. This act permits altruistic gestational surrogacy in South Australia, but only to those who are legally married, or have been in a heterosexual de facto relationship for at least three years. The committee does not support the restriction of surrogacy based on this discriminatory criteria and has recommended the law be amended to allow same-sex couples access to this medical intervention, subject to proper assessment.

In relation to adoption laws, same-sex couples are eligible to adopt a child in Western Australia, New South Wales, the ACT and, in limited circumstances, Tasmania. In South Australia, however, same-sex couples are prohibited from adopting children yet they are able to foster children. This double standard should be removed. The committee has recommended that same-sex couples should be allowed to adopt, subject to the same stringent eligibility criteria that applies to opposite sex couples.

The committee recognises that such a recommendation runs the risk of creating false hope for some same-sex couples. The reality is that the number of people who wish to be adoptive parents far outweighs the number of children who require adoption. Moreover, even if legislation is amended to allow same-sex couples to be eligible to adopt under local adoption criteria, inter-country adoption will remain closed to them. Nevertheless, the ability for same-sex couples to apply to adopt the biological child of the other party to that relationship is an important one and a change to legislation to allow this to occur is long overdue.

Contrary to some evidence put before the inquiry, the committee does not accept that affording same-sex couples the same legal rights as heterosexual couples will lead to the social disintegration of the current known family unit. The committee recognises that family units are not fixed entities. They have changed over the years and taken on different forms in different social and cultural settings. Many children are born into, or live in, single-parent families, blended families

or multigenerational families. Fundamentally, no child should be disadvantaged or discriminated against in any way in their lives because of how they were conceived.

In conclusion, the committee heard no persuasive evidence that children are disadvantaged by being raised by same-sex parents. It did, however, hear ample evidence from a significant number of same-sex couples whose lives and that of their children have been, and continue to be, adversely affected by current South Australian legislation.

The committee also heard repeatedly that South Australia lags behind every other Australian state when it comes to protecting the rights of children born to same-sex parents. As such, the committee is keen to see its recommendations acted upon as soon as possible. To this end it has, in accordance with its legislative functions and powers, instructed the Office of Parliamentary Counsel to draft legislation in line with its recommendations.

Finally, while the focus of this inquiry was on what legislative reform the government should implement, the committee notes that the broader community must play a key role in ensuring all children are supported to reach their very best, irrespective of the family formations into which they are born or live. I hope this report and its recommendations go some way towards meeting this aim, and I commend the report of the committee to the house.

The Hon. R.B. SUCH (Fisher) (11:15): I was privileged to be part of this committee. I think it highlights in a general way the importance and the value of committees if people on those committees go about them in a constructive way, without trying to score political points. On the committee we had the Hon. Dennis Hood, who clearly has a different view to the majority of the committee; I respect that. However, the value of the committee process is that you can hear from the community and various groups in the community—church groups or whatever—and they can put their view, and the committee can then weigh up that information and make recommendations.

South Australia, as I recall, is the only state that does not formally recognise same-sex parenting by way of information on birth certificates and so on. We had many same-sex parents who presented to the committee. I think nearly all of them were lesbian parents. The point that came across is that they desperately wanted a child, and, in fact, they already had a child as a result of actions. In some cases they had to pay $30,000 or more to get imported semen from the United States or travel interstate for IVF-type treatments at great cost. To anyone who heard those parents, it was obvious that they really wanted a child.

In contrast, we can say there are many heterosexual couples who do not really want the child they have, and the child suffers as a result. Some people argue that you need a male and a female or a mother and father as parents. If you look at history, sadly, a lot of war widows managed to successfully bring up a child or children in the absence of the father. So, for example, with a lesbian couple where you have two mothers, I cannot see the logic of suggesting that having two mothers is worse than having one, or that it would be less adequate than one mother.

It was quite clear that these couples—the parents—felt they were discriminated against, and in reality they are because, when they travel, they cannot show a birth certificate that carries the sort of information that authorities overseas want. Many of them—contrary to what people think—acknowledged that there had been a donor father, and in some cases they may want that listed on a birth certificate, and I think that is fine.

It was interesting that, contrary to the stereotypes, some of the lesbian parents—some of whom had a son, which some people might see as a bit of a paradox—said to the committee that there was no way they were trying to bring up their son as some sort of female-orientated person. They often brought their children to the hearings, actually. In one case, a boy, who had been provided with dolls and things like that, threw the dolls away to get on with his trucks, cars and so on. So, from the evidence we heard, there is no deliberate attempt to turn boys into girls or to artificially feminise them in some social experiment.

The lesbian parents we heard from made a great effort to ensure that the boy, or boys, had male role models. In some cases, it was the sperm donor, but in other cases it involved the extended family. Many of these people, contrary to what you might think, were active churchgoers and well accepted in their church communities. I think, like any minority group in the community, people tend to stereotype them and discriminate against them and, as I said before, there have been plenty of war widows who have raised children and those people have turned out to be fine individuals and citizens.

The committee, by a clear majority, supported reform. The committee did not want to see a continuation of the discrimination against these people and felt that the system should change so that if they wanted to have the reality of the parents on the birth certificate, then that should happen. I think this is an historic report. It does not accord with the views of a lot of people in the community, and I recognise that, as typified by the Hon. Dennis Hood.

I surveyed my electorate and over 400 people responded. The majority of the ones who responded did not support same-sex parenting. You might ask why I am supporting it. You cannot say that 400 out of 23,000 when it is not done as a proper stratified random sample is scientific, so you cannot categorically say that the majority of the 400 who were against it are typical of my electorate. I do not believe they are and certainly would not be if the situation was explained to them, as was explained to the committee.

I commend this report and all the members on it. It is a good example of how our committee structure can work and does work with fairly minimal resources, and I think the community benefits from that sort of activity by members of parliament working in a constructive way to address issues of concern in the community.

Debate adjourned on motion of Mr Pederick.

SPEED CAMERAS

Adjourned debate on motion of Mr Venning:

That this house establishes a select committee to examine the use and effectiveness of speed cameras and other speed measuring devices used by South Australia Police in South Australia.

(Continued from 4 May 2011.)

Mr PICCOLO (Light) (11:23): I move to amend the motion as follows:

Leave out all words after 'house' and substitute the following words:

has confidence in and supports the efforts of the Commissioner of Police in ensuring the effectiveness of speed cameras and other speed measuring devices used by the South Australia Police.

In support of that amendment—and hopefully the house will support it as a motion—I would like to speak to it. The proposal before this house put by the member for Schubert is in my opinion fundamentally flawed. I have moved this amendment because the entire emphasis and focus of this motion, as it stood, is wrong.

Tackling this important issue of road safety from this skewed perspective ignores the primary concern for motorists, and that is safety. The member for Schubert and his fellow Liberals have, in my opinion, on this matter displayed a reckless indifference to the safety of law abiding road users. The contribution to the debate by the member for Schubert is, in effect, giving a green light to hoons and other lawbreakers and putting the safety of families at risk.

It blunts the thrust and importance of the road safety message. It oversimplifies the serious road safety message facing our community and tries to turn it into a taxation matter. I concede that speeding fines are a voluntary tax, and the government would be delighted not to collect it if it meant that motorists ceased speeding. Speed cameras save lives: that is indisputable.

Government policy is based on the advice of road safety experts, and yet some still cast doubt on SAPOL's speed detection regime and frequently complain that the placement of speed cameras is only about revenue raising. On informed, independent and professional advice from the Centre for Automotive Safety Research based at the University of Adelaide, I can advise the house that the member for Schubert bases his case on a carefully selected portion of information which ignores the body of research evidence linking increased speed to increased crash risk, misunderstands that even small changes in speeds can have enormous effects on the safety of motorists and other road users and takes the position that crashes have single causes, whereas all crashes result from a multitude of factors related to the road, the vehicle and driver behaviour and, in particular, speed.

The member for Schubert also needs to understand that, while lining up high crash rate areas with high enforcement areas is useful for specific deterrence, concentrating on high traffic volume areas and having many areas enforced is more effective for general deterrence; that even without optimum programming there is evidence that cameras work as presented in the recent Cochrane review; and that while road improvements and extra policing are desirable, they are

much more costly for the number of people affected compared to speed cameras, so there is a place for both.

I remind the house that this government has ensured that there are more police on the beat than ever before and also initiated the biggest ever investment in our road infrastructure. The opposition is seeking to undermine SAPOL's speed enforcement strategies by attacking them as revenue raising. It is a political campaign that clouds the simple message that drivers need to slow down and drive safely. Ultimately, all speed fine revenue contributes towards road safety programs through the Community Road Safety Fund—a direct investment back into the road safety awareness campaign and money that, in my opinion, is well spent.

The Centre for Automotive Safety Research, which, as I said, is based at the University of Adelaide, shows that for every 5 km/h over the 60 km/h speed limit, the risk of causing an accident doubles. Every 5 km/h over the speed limit actually doubles the risk of accidents. The reduction of the speed limit from 60 to 50 km/h has saved lives and reduced casualty crashes on our roads. The evidence also demonstrates that a thorough speed detection regime using both fixed and covert speed cameras provides general deterrence for motorists to speed and reduces casualty crashes.

The opposition also ignores the findings of the comprehensive world-leading University of Queensland study, in the Cochrane Library and published in October 2010, which analyses the work of 35 other in-depth studies into the impact of speed cameras on speeding. The findings reaffirm the fact that speed cameras do reduce injuries and deaths on our roads. In South Australia, speed cameras are deployed in accordance with established SAPOL policy as part of the strategy to reduce speed-related fatal and serious injury crashes. Importantly, the strategy also aims for long-term changes in driver attitude to speeding.

Speed contributes significantly to the extent of trauma suffered by victims of road crashes and even small reductions of just 1 or 2 km/h can result in substantial reductions in deaths and injuries. A bad culture exists among some drivers that it is acceptable to drive a few kilometres over the speed limit but, as research has shown, this greatly increases the likelihood of causing an accident and also serious injury. That is why the government promotes the Stop Creeping campaign to reinforce the message that creeping over the speed limit is dangerous and dramatically increases the likelihood of causing a serious accident.

The member for Schubert suggests in his own media release that it is okay to travel at a speed of 60 km/h in a 50 km/h zone. This is sending the wrong message to drivers and, in particular, to young people. Like other members of parliament, I am sure, I have had and continue to have numerous complaints from constituents regarding speeding in residential streets, and that is why the 50 km/h zone exists. This is exactly why SAPOL has reduced the tolerance levels at which a fine is issued. Motorists are now more likely to be fined for lower-level speeding offences. This is entirely appropriate because creeping just five kilometres over the speed limit significantly increases the force at which a car hits another vehicle or pedestrian.

Any campaign to undermine SAPOL's speed detection regime is irresponsible and undercuts the need to encourage a safer driving culture. The Liberal Party's attack on SAPOL's efforts to make our roads safer is quite disgraceful. This clumsy attempt to grab a cheap headline at the expense of the safety of our families on our roads is a reflection of the policy vacuum that exists within the opposition on this matter.

An irresponsible opposition and an uncritical media is a dangerous mix. It is unfortunate that, in response to the member for Schubert's media statement, some of the media have swerved all over the place and may have done irreparable damage to the road safety message that keeps all of us safe on the roads.

It is rather timely that on the front page of one of my local newspapers today that the horrors of road accidents is a major feature. In an article in the local Messenger newspaper, Elizabeth Police Superintendent, David O'Donovan, emphasised speeding as the number one cause of the recent road carnage, while reflecting on the tragic loss of six lives in his district since 1 January this year. He said, 'There is a ripple effect of pain and suffering through the community,' which is something that we all should pay heed to. I congratulate the Messenger Press for its efforts to promote the value of speed cameras for road safety. The Messenger newspaper campaign to improve road safety has my full support.

Speed cameras form an integral part of any effective road safety strategy. By no means are they the complete solution, but reducing speeds on our roads is the best way to eliminate unnecessary road trauma and to keep our families safe on our roads. For these reasons—

The Hon. R.B. Such interjecting:

Mr PICCOLO: I actually wrote it myself. I am quite capable, thanks very much, member for Fisher, and I also did the research because science is actually better than politics. For these reasons I seek the house's support for my amendment.

The SPEAKER: The member for Schubert; if he speaks, he closes the debate.

Mr VENNING: Madam Speaker, I seek clarification that I can speak to the amendment rather than then forcing a vote on the original motion, because the member has amended it.

Mr Pederick: That is the advice he got.

Mr VENNING: That is the advice I got. Is that correct?

The SPEAKER: As your right of reply, you can, but you will still close the debate.

Mr VENNING: I will not, given that advice.

Mr PEDERICK (Hammond) (11:33): This side of the house supports the member for Schubert and flatly refuses to agree to the amendment by the member for Light. His amendment is essentially a whole new motion from the motion of the member for Schubert, which states:

> That this house establishes a select committee to examine the effectiveness of speed cameras and other speed measuring devices used by the South Australia Police.

Then we go to the member for Light's amendment that the new motion read, as follows:

> That this house has confidence in and supports the efforts of the Commissioner of Police in ensuring the effectiveness of speed cameras and other speed measuring devices used by the South Australia Police.

In my mind, that is a completely new motion. If the member for Light wants to bring a motion to the house, I welcome his introducing it in the appropriate manner.

In no way known do we on this side of the house support hoon driving or reckless driving. Members on this side of the house would do a total of well over the hundreds of thousands, I would suggest, into the millions of kilometres per year in a network right across the state. The members for Flinders and Goyder would both do, I would assume, at least 60,000 to 70,000 kilometres a year on our state's roads. I know that I do close to around 70,000 kilometres a year on the state's roads. We are well aware of issues with the roads and safety, issues involved with people not obeying speed signs, and issues involved with the condition of roads right across the state. We certainly support the men and women of our police force who work right across the state, but what the member for Schubert has asked for is a select committee just to look at the effectiveness of speed cameras.

We are told that they save lives. They may well do, but let me paint a picture which I gave in a speech recently in this house. Recently, tragically—and my commiserations to all the families involved—there were three more deaths on the Dukes Highway from two accidents in very close succession. It was close to the Easter period and it was interesting that, all of a sudden, speed cameras were put in places like Coomandook, Yumali and up around Ki Ki, but it only happened for a brief period.

In no way do I support people speeding but, if people want these things to be effective, perhaps speed cameras should be out there more often instead of after tragic events and then, all of a sudden, being off the map for long periods. It could be months before speed cameras come back onto a road. If this government was serious about road safety issues, it would be looking at the issues we have in my electorate and in the member for MacKillop's electorate, making the Dukes Highway a dual lane each way so that we can do some real things in saving people's lives—people who drift across in front of semitrailers with horrific results.

I know many of my friends who are in the CFS and the local ambulance service have seen the carnage—not just the crushed cars, but the crushed people—when they have to help retrieve bodies and the remains of people from these terrible accidents. It is a shocking thing to have to witness. It is also very tragic for the truck drivers who get caught up in these accidents through no fault of their own, apart from happening to be in the wrong place at the wrong time.

There was an interesting video the other day on Adelaidenow of a truck on the Dukes Highway that obviously had a camera—he must have had it running all the time on his dash—showing a near miss on the Dukes Highway where someone was trying to overtake and a car was

coming the other way. They ended up out in the dirt. They got a bit sideways but, thankfully, it did not fall over. From the video, it did not look like anyone suffered any significant injury.

All we are asking for on this side of the house is that there be a proper investigation, that a select committee be set up to see what devices are used across the world to make sure that the calibration of devices used here in South Australia is accurate. A few years ago, my father got a notice that he was booked by a speed camera. This is how accurate this speed camera was. He checked where his car was that day; it was home in the shed at Coomandook. I have mentioned that in this place before. So, if speed cameras are so accurate, why was my father's car supposedly photographed in the north of Adelaide somewhere, I think, when it was 150 kilometres away? I do not think that is accurate at all. So, issues like that need to be addressed.

There are issues of inadequate signage on roads. We have people turning off 80 km/h roads into another road and, all of a sudden, it is 50 km/h. People who have lived there for many years think it is 60 and they inadvertently break the speed limit. Yes, they should obey the speed limit, but a lot of those incidents are carried out inadvertently.

No-one on this side of the house (in the Liberal Party) is arguing against the managing of speed limits or the use of speed cameras. What we are saying is that there needs to be an investigation into their accuracy and whether the devices are being used for the maximum effectiveness.

In Victoria, they have established an ombudsman to work with this issue. In New South Wales, where police decided to have a nil tolerance—so, if you were one kilometre over, you would get a booking—the government has intervened to overturn that internal policy of the police department.

So, we need to get real in this place. We do not support speeding drivers. People on this side of the house, right throughout the state, throughout our city electorates, throughout our regional electorates, travel all over this state, many millions of kilometres per year in total, and we certainly understand the need for people to obey the law.

The other thing with speed cameras is that there used to be a sign after you had driven through a speed camera to indicate that you had just been photographed. That does not happen any more. At least then you would know, 'Oh, hang on, I have been caught for speeding', but the first time people realise it, is when they get the notice in the mail.

Once again, all we are asking for, and all the member for Schubert has asked for, is to have the appropriate select committee established so that the investigation can be carried out, and so that the law can be managed in the appropriate way for the citizens of this state.

Mr GRIFFITHS (Goyder) (11:41): I wish to make a brief contribution also. I do understand some of the comments from the member for Light. I can appreciate that. I am also grateful for the fact that he has done a lot of investigation that led to the comments that he has put forward. I actually see that his amendment has a very different purpose from what the member for Schubert proposed. I took positiveness from what the member for Schubert put up. I took it as not being a criticism of the police commissioner or, indeed, the operations of police, but as an opportunity for the parliament to carry out a select committee investigation to determine whether there is a better way of doing things. Can we actually improve it?

There is a lot of emotion and terrible tragedies are attached to every accident that occurs on a roadway. Sadly, many of those are as a result of speeding. In 2010, I think, some 112 people tragically lost their lives on our state's roads. All of us in this chamber want to do anything that we can to ensure that that total comes down to zero, if humanly possible. That is never going to be a realistic opportunity but it has to be our vision and our target. Indeed, if the member for Schubert's motion allows this parliament to be better informed, and by association allows the people of South Australia to be better informed about the effectiveness of speed cameras and other speed measuring devices, which can in turn act as a deterrent against speeding, then that should be supported.

I am one of the many people in this chamber who does a lot of driving per year. My wife tells me off because whenever anyone passes me, I say, through her to that person driving the other car, 'Is there a different law in place on this road than what I know it to be?' because I do try and stick to the speed limit. So, when somebody goes past, I know they are breaking the law—clearly they are breaking the law—and those people deserve to have the full weight of the law thrown at them.

So, that is why I say to the member for Light that I see his suggestion of the amendment as having a very different purpose. I extend no criticism to Mr Hyde and his efforts as Commissioner of Police or, indeed, to the operational aspects of police and where they put the speed cameras and how effective they are. There are other members in this place who have personal experiences that bring this into question. I respect that too, but from my perspective it is not about that.

I took the member for Schubert's motion entirely to be an opportunity to improve the driving habits of South Australians by educating us, by giving the parliament an opportunity to determine the effectiveness—if there is an opportunity to improve—and by us going out to our electorates and through the opportunity that the parliament presents in the wider media, to send that message out to young people, old people, every person who has a driving licence, that speeding is an important issue, and that you have to keep to the legal limit to ensure that you reduce the chances of having an accident.

Everyone in this chamber would have a friend or family member who has been a victim in some way of an accident, be it through an injury, be it a quickly recoverable one, a long-term injury or, sadly, a death. I have had friends who have been in wheelchairs ever since having a car accident, which seemed innocent enough at the time but then the consequences were terrible. Equally so, I have seen people walk out of car accidents and when you look at the car it truly amazes you, with the condition that the vehicle is left in, how people survived that.

Speed is a factor in some of these accidents and there is no doubt about that. If we in this chamber could have the opportunity to improve the situation then that is what the member for Schubert is asking for. I took the member for Light's motion to be somewhat of a contradictory one, and if he had moved it in isolation, I probably would have stuck my hand up and voted for it.

Mr Piccolo: You can.

Mr GRIFFITHS: Yes, but it takes away the effectiveness of what the member for Schubert is trying to introduce, which I see only as an improvement opportunity. It is for that reason I cannot support you. I want to ensure that this parliament takes an active role in improving speed measuring devices and delivering a message to the community of South Australia—those probably over one million people who have a driver's licence—to make sure that they obey the speed limits, that they respect the fact that they are there for a purpose, that is, to protect them, and that we get this opportunity to improve. For that reason, I cannot support you, member for Light, but I do hope that, on the basis of your amendment being lost, you move your own motion in your own right.

Mr PEGLER (Mount Gambier) (11:45): I am a little perplexed. I certainly support the motion that the member for Light has put up, but I do not support it as an amendment. I do not support the fact that it is an amendment. As far as I am concerned, it should be treated as a new motion but, in saying that, I certainly support what the member for Schubert is trying to achieve. We heard only a minute ago about some of the great things some of the committees in this parliament can do for our communities. I do believe that a proper investigation into what we do with speed measuring devices, etc., can only enhance the safety of the users of our roads; but I also support the statements made by the member for Light that there has been a lot of good work already done, and we should build on that. I am perplexed because I support both, but I do not support the amendment as it is, so I will be supporting the member for Schubert.

Mr VENNING (Schubert) (11:47): I do thank my colleagues for their support on this. As the member for Mount Gambier said very clearly, I believe this amendment should have been ruled out of order because it is almost the total opposite to the intent of the original motion. I note the member's comments (and he is still sitting in the chamber) and the amendment he has moved, but, as I said, I contend quite clearly that the question could have been asked about whether it was in order. As the member for Mount Gambier just said, most of us would support the amendment but not at the expense of the motion. I contend that somebody could have called that to you, Madam Speaker.

I totally disagree with the amendment in that case because it does cut across what we are trying to achieve. Even though I do not necessarily agree, or disagree, with a lot of the various deductions in his speech, I do object to his comment that I said in a press release that it was okay to do 60 km/h in a 50 km/h zone. I contend that is being totally untruthful—absolutely—because I would never ever have said that: the word 'knowingly' would have been in there. You have taken a very selective quote. I would never have said that.

No-one is condoning speeding—nobody. The question is whether the speed cameras are doing what they are supposed to do: deter speeding and therefore save lives. That is what we are

asking. With your speech, how do you know? You are putting up things you do not know. We on this side are only asking for an inquiry to ask the questions and get the answers—ask the questions, get the answers. You have made many statements. How do you know? You do not know.

Particularly today we see a lot of signage, and there are a lot of questions about the removal of speed camera in use signs. It was originally put there by then minister Brokenshire and on the condition that the sign should be in place when a speed camera was in action. That was a motion of the parliament, and it was removed not by the parliament but by the police commissioner, and I think that is wrong. I did take it up with him, but all the answer to me was, 'I had to do it for the protection of my officers.' Well, isn't that a message in itself? So, nobody is arguing.

I just want to thank my colleagues for their contributions and their support on this. It is not my intent with this motion to state as fact that speed cameras are not a useful safety device but, rather, to have an investigation into how effective they are in reducing the road toll. At the end of the day, this is what we should all be about—saving lives and improving road safety for all road users—not revenue raising.

As was referred to during the contributions of my colleagues, it is interesting to note that the Rann Labor government has indicated it wants to raise an extra $44.8 million from speeding fines over the next three years. This illustrates quite clearly that it has used speed cameras as a source of revenue and not just as a road safety device. The Minister for Police indicated that this figure was an estimate of revenue, not a target, but, surely, in order for the Labor government to cite this figure it must have had some details or plans to have led it and its financial staff to arrive at this estimate.

I just cannot understand some examples such as King William Road and Sir Edwin Smith Avenue in North Adelaide. I believe the figures over a 12-month period were that fines worth $1,512,000 were issued to 9,841 drivers. Does that intersection really pose such a high risk to motorists? How many accidents have we had there? How many fatalities have we had there? It is downhill and a major road and people are not aware that it is a 50 km/h zone. They just assume, incorrectly, that it is 60 km/h, and they are penalised when they get to the bottom of the hill.

The Minister for Road Safety was reported in the Messenger of 12 April as saying that camera locations were selected according to crash statistics, with factors such as road alignment and obstructions taken into consideration. He said that the transport department works with SAPOL in the selection process and considers crash types that result in more severe injury or present a higher risk of death as more heavily weighted in the analysis.

Why, then, was there a report in the Messenger in April following the FOI inquiries that, out of Adelaide's top 20 locations for speed and red light camera revenue at 1 November and 31 October 2010, only three of those sites were among the top 20 sites for road crashes? The government needs to check the other states. They have all reviewed their speed camera use. Why don't we? This is solid evidence that a review of speed cameras does need to take place.

The house divided on the amendment:

AYES (23)

Atkinson, M.J.	Bedford, F.E.	Bignell, L.W.
Conlon, P.F.	Foley, K.O.	Fox, C.C.
Geraghty, R.K.	Hill, J.D.	Kenyon, T.R.
Key, S.W.	Koutsantonis, A.	O'Brien, M.F.
Odenwalder, L.K.	Piccolo, T. (teller)	Portolesi, G.
Rankine, J.M.	Rann, M.D.	Rau, J.R.
Sibbons, A.L.	Snelling, J.J.	Thompson, M.G.
Weatherill, J.W.	Wright, M.J.	

NOES (18)

Brock, G.G.	Chapman, V.A.	Evans, I.F.
Gardner, J.A.W.	Goldsworthy, M.R.	Griffiths, S.P.
Hamilton-Smith, M.L.J.	Pederick, A.S.	Pegler, D.W.
Pengilly, M.	Pisoni, D.G.	Sanderson, R.

NOES (18)

Such, R.B.	Treloar, P.A.	van Holst Pellekaan, D.C.
Venning, I.H. (teller)	Whetstone, T.J.	Williams, M.R.

PAIRS (4)

Caica, P.	Redmond, I.M.
Vlahos, L.A.	McFetridge, D.

Majority of 5 for the ayes.

Amendment thus carried.

The house divided on the motion as amended:

AYES (24)

Atkinson, M.J.	Bedford, F.E.	Bignell, L.W.
Conlon, P.F.	Foley, K.O.	Fox, C.C.
Geraghty, R.K.	Hill, J.D.	Kenyon, T.R.
Key, S.W.	Koutsantonis, A.	O'Brien, M.F.
Odenwalder, L.K.	Pegler, D.W.	Piccolo, T. (teller)
Portolesi, G.	Rankine, J.M.	Rann, M.D.
Rau, J.R.	Sibbons, A.L.	Snelling, J.J.
Thompson, M.G.	Weatherill, J.W.	Wright, M.J.

NOES (18)

Brock, G.G.	Chapman, V.A.	Evans, I.F.
Gardner, J.A.W.	Goldsworthy, M.R.	Griffiths, S.P.
Hamilton-Smith, M.L.J.	Marshall, S.S.	Pederick, A.S.
Pengilly, M.	Pisoni, D.G.	Sanderson, R.
Such, R.B.	Treloar, P.A.	van Holst Pellekaan, D.C.
Venning, I.H. (teller)	Whetstone, T.J.	Williams, M.R.

PAIRS (4)

Caica, P.	Redmond, I.M.
Vlahos, L.A.	McFetridge, D.

Majority of 6 for the ayes.

Motion as amended thus carried.

RAIL COMMISSIONER (MISCELLANEOUS) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 6 April 2011.)

Mr GRIFFITHS (Goyder) (12:05): I rise today to confirm that I will be the lead speaker on behalf of the opposition on the Rail Commissioner (Miscellaneous) Amendment Bill 2011. There will be other members who will make some contributions. We do recognise that it is a very short bill in nature, predominantly for an administrative purpose, but I will go into some discussion about it.

I note the presence of Mr Hook in the chamber today. I congratulate him on his appointment as CEO of the Department for Transport, Energy and Infrastructure. I know that appointment will be well received by many people.

The bill was introduced by the minister on 6 April 2011. I am grateful for the fact that a briefing was provided at very short notice, within five days, so thank you to the minister's staff who made that available. I must admit that after reading the second reading contribution I thought,

'What are we here for?' because it did not take very long to discuss the points contained within the bill.

The intent of the bill is to enhance administrative efficiencies by bringing legislation into line following the introduction of the Rail Safety Act 2007. In essence, the hard work was done then; this is just finalising some of the things that have occurred. I also note that it is, as I said earlier, purely an administrative issue and has no impact, as I understand it, on the provision of public transport services within South Australia.

These changes are part of a long-term restructure and integration of the state's public transport functions within the Department for Transport, Energy and Infrastructure. In this case, the bill provides for the Rail Commissioner to have the required accreditation to carry out the functions of the position following the consolidation of TransAdelaide and the Public Transport Division.

The roles of TransAdelaide and DTEI's Public Transport Division have been combined to remove the duplication of those functions, and that was effective as of 1 September 2010. The Rail Safety Act 2007 allowed that to occur. As such, South Australia's public transport functions are now coordinated under one management and business administration structure within the Public Transport Division of DTEI. This one entity is now responsible for the state's trains, trams, bus contracts and taxi services.

In effect, that is a very large responsibility. We in this chamber want to see continued growth in the number of people within South Australia—metropolitan and regional—who access public transport options. The consolidation of this into one structure, I sincerely hope, will improve that; will allow for a continued investment to occur; will allow for continued modification to occur within the services that are available, to make them available to as many people as possible, and to only improve the options available to the good people of South Australia.

I understand that, as part of the previous legislative changes, approximately 1,000 staff transferred from TransAdelaide and are now employed under the Rail Commissioner. I ask the minister if there is an intention for Mr Hook to continue in his role as rail commissioner and also as the CEO, or if that will be a responsibility taken on by another officer within the departmental structure?

The Hon. P.F. Conlon: Continued for the time being.

Mr GRIFFITHS: Continued for the time being, the minister confirms. There are, as I understand it, 200 people (mainly train and tram drivers) who are still employed under a federal award. The three key points of this bill are: to repeal the TransAdelaide Corporate Structure Act 1998, and this ends the formal responsibilities of the TransAdelaide Board. I was advised during the briefing that the board is no longer required, as the responsibility has been transferred to the Rail Commissioner as of 1 September 2010. However, the board was retained until early February 2011, but has not met since 1 September.

I will ask the minister if he can clarify, either in his contribution or, indeed, if there is a need to go into a committee—but probably not—if the board has met at any time since then? What was the need to retain the board from 1 September until a date in February this year? What has its role been in that time or has it been purely in name only and had no function at all? Have any of the board members received any level of remuneration for the continuing representation on the board, even though it had not met for some five months or so? Are those people being replaced in any way with some other advisory board?

The Hon. P.F. Conlon: Has anyone on the board received remuneration?

Mr GRIFFITHS: Yes, since 1 September, has the board met at all? Why was there a need to retain it until February? Has there been any level of remuneration? What has its role been since September until early February?

Another intent of this bill is to amend the Rail Commissioner Act 2009 for the Rail Commissioner to be accredited to run those services. That is not a point that we are concerned about. It is part of the transgression in responsibilities from the 2007 Rail Safety Act and we are certainly comfortable with that. Another intent, which is again an administrative one, is to amend the Rail Commissioner Act 2009 to allow the annual report of the Rail Commissioner to be included within the annual report of DTEI. That will be effective as of 1 July 2011. For the 2010-11 financial year, TransAdelaide will report only on activities between July and August, as I understand it.

The government advises that there has been some consultation with the rail, tram and bus union, and also Treasury and Finance for a costing comment about it. I am advised that it is a budget-neutral exercise. It is only a small administrative process to consolidate changes that occurred from the 2007 bill. If it works on the functionality that it actually improves rail transport and/or public transport options within South Australia, it is one that has to be supported. With those few comments, I confirm the fact that the opposition supports this bill without any need for amendment and looks forward to its swift passage through the house.

The Hon. R.B. SUCH (Fisher) (12:12): I will make some brief comments. I think this is a useful measure because the more integrated our public transport is in terms of management and coordination, I think the better. I was never keen on the disintegration of the bus services under so-called competitive tendering when bus operators do not actually compete with each other. I thought that was a rather strange thing to do. That happened at a time when I was in the Liberal government. However, bringing in (via this bill) better coordination options for tram and train is a good thing.

I have said before and I will say it again: one of the best things (and it will be one of the things this government will be remembered for) is the improvement in the rail system, the electrification. I do not think the government got the kudos for that that it should. It is something that I have campaigned for, via this parliament and elsewhere, for probably 20 years or more. It has been a great initiative and it is still underway, with the electrification of some of the lines. The other great initiative has been the expansion and extension of the tramline. Contrary to some people who do not use public transport, it is a very popular mode of transport.

The Hon. M.J. Atkinson: Very popular! We would not have had one if the Libs had been in power.

The Hon. R.B. SUCH: That is probably true. I do not know what it is but there have been some people in the Liberal Party traditionally who were not great supporters of public transport but, hopefully, the new generation and the new Liberal Party in opposition are a bit more enlightened. The trams shift a lot of people quickly—barring an electrical fault or two. To conclude in support of this measure with the Rail Commissioner (Miscellaneous) Amendment Bill, I would urge the government to again look at the possibility of running the tram and extending it down past what I think will be a new Adelaide Oval development—I think that is pretty well on the cards. I think it makes a lot of sense. I have asked the minister previously, privately, and he has given me a fairly high cost figure for running the tram down King William Street past the oval, but even if it were flagged that that would happen, and then eventually run it out to North Adelaide and Prospect, that would be fantastic because trams, like trains, can move a lot of people very quickly.

We know that parking around the new oval will be a bit of an issue. I was only half listening this morning, but I suspect that a lot of people will come out if there is any suggestion of anyone putting a car on the Parklands; there would be an enormous outcry. However, running the tram down past the oval—or at least, in the interim, to the oval—would provide a fantastic option, and even an alternative to some of the parking which may be required near the oval. I know that money is tight at the moment, and the Treasurer is probably not sleeping too well at night, but no-one would expect it to be built straightaway—the oval extensions will not be built straightaway anyway.

I think what people are looking for is some direction, a vision that will eventually come to fruition. I know this is not a bill specifically about extending the tramline but let us hope that, with a better approach to integration and management of these public transport services, one of the outcomes will be an extension of the tram network—certainly at least to Adelaide Oval and preferably beyond, and likewise out to the eastern suburbs and elsewhere in the metropolitan area.

Rail and light rail (although there is probably not a distinction in calling them light rail), or trams and trains, are fantastic movers of people, but you have to plan for it. They are expensive, but perhaps the Rail Commissioner might be not just a good administrator but also a visionary who is supportive of an extension to the tram network at least, if not the rail network.

Ms CHAPMAN (Bragg) (12:17): I rise to speak on the Rail Commissioner (Miscellaneous) Amendment Bill 2011. One of the matters I wish to reinforce in this restructure is the question of the continued existence of the board. The abolition of the board may or may not be a good thing, but the opposition needs some answers as to why it has continued in this role for so long. We have had a period of legislative reform from 2007 to 2010, and here we are in 2011 having the tidying up legislation. I think the parliament is entitled to some explanation for that, so I am not as generous in

my praise for the restructure. We are yet to see whether the benefits will transpire, and for that reason the opposition supports it.

I, too, add my congratulations to the minister on having the good sense to appoint Mr Hook to take over this role with the department. I think he has shown some considerable benefit with his experience in previous roles he has undertaken for governments of both persuasions in this state, and he is a valuable asset. However, I note that his department is to go into accommodation in the city, in a building which was not good enough for SA Water. It will be cleaned up, on the basis that it gives an opportunity to flog off the Walkerville property. Of course, we heard repeatedly from the former treasurer in this house that there was not room enough, it was not good enough, it was not appropriate to buy out the tail lease on the property, that they had to send SA Water down to brand, spanking new facilities at a cost to taxpayers of over $40 million for the refit alone—the cabling, the carpet and all that.

Clearly, Mr Hook would be advised that this building is apparently good enough for him; he does not need a brand, spanking new building. I think he also needs to be fully aware—and I am sure he is, but we are yet to see how it transpires—that transport, which has enjoyed a high level in the pecking order of cabinet and in departments in this state, will now, as cabinet decided late last year, be under Planning.

Planning, of course, as we know, has now moved to the Deputy Premier's portfolio, and he of course sits second to the Premier. We know that Planning is going to oversee all of the other departments which attend to the vital services and instrumentalities that provide transport, energy etc., to the state. He needs to understand that he is under the pecking order there; nevertheless, they, of course, have a minister in transport and infrastructure, to which he will be accountable, who has been in there before and has come back.

So, what I would like to convey to the minister, in the presence of his CEO, is my continued plea that when the Attorney-General and planning minister has announced to this parliament that he keen to get along with the inner-metro planning plans, and increase the provision of high-density accommodation in the inner ring—and this has the support of cabinet—he understands that, now he is back at the wheel, we need to have Britannia roundabout fixed up. When he was in the job before, he axed the decision of the minister before him—minister White—and decided that we did not need it. Well, let me say that the department has given briefings of—

The Hon. P.F. CONLON: Point of order, Madam Acting Speaker: this is an administrative bill about bringing TransAdelaide back into the department. It has nothing to do with accommodation, nothing to do with planning the metro route and nothing to do with the Britannia roundabout.

The ACTING SPEAKER (Ms Bedford): Yes, I had discussed this with the Clerk—but now that the Speaker is actually back in the chamber, I shall leave the decision to her.

Members interjecting:

The SPEAKER: I will uphold the point of order, and I ask the member to come back to the subject of whatever she is talking about.

Members interjecting:

Ms CHAPMAN: Well, I will make it absolutely clear: this bill is going to completely abolish the TransAdelaide board. I do not have anyone else to complain to anymore. So, the minister is there, and the newly appointed, restructured CEO has got the job, and he needs to hear—under the new restructure that is proposed in this bill—what I have to say about it. And what I have to say about it is: notwithstanding the current minister's decision to cut out the Britannia roundabout program, which had been announced, of about $8 million, but is now languishing in the back rooms of the transport department, if they want to get on with this planning proposal for increased density of housing on the inner-metropolitan route, then we need the infrastructure that goes with it, and that includes an upgrade of the Britannia roundabout. We cannot even get trucks around it at the moment.

I have had briefings—minister, I hope you are listening to this—from the department of transport, who have sent along very good people to keep me briefed about what they were going to do with the buying of Chapley land on the corner of Glen Osmond Road and Fullarton Road, to facilitate what was to be the transport exit out of the state, out of the metropolitan area, along that road and out along the highway out to the east. That is now all axed, and we are now not going to be developing that, but the department of transport has in mind to ultimately go back along

Cross Road—which is a very old project—to link up with the infrastructure of projects going north and south.

That may be a very good idea, but that has clearly left us with a situation where Britannia roundabout and its renovation is hanging in the breeze, and if they want to go ahead with planning proposals, we need to have that issue remedied—amongst other things. So, while he is here, and while you are here, minister, and I do not have a board to complain to about these things, I would like to have this issue resolved.

The Hon. P.F. Conlon: The board does not have responsibility for it—

Ms CHAPMAN: They may not have, but you are axing that board, and you are bringing those issues in-house—

The Hon. P.F. Conlon interjecting:

Ms CHAPMAN: You are restructuring the department, and you are moving them into the Pirie Street office. I gather they have some other offices as well still at Roma Mitchell House—goodness knows whether that is going to continue or not. Who knows? All I know is that Pirie Street was not good enough for SA Water, but it is apparently good enough for your department.

May I also add that, in relation to the other transport projects, I sincerely hope that the new administration, the new structure, will deal with the continuing issues of heavy transport through metropolitan suburbs, including along Portrush Road. Its priority might be more trams or things other speakers have spoken about, but let me say this: more than 2,000 trucks go down Portrush Road, past schools, and continue to pose safety issues to schoolchildren and residents along that major exit from the western and port areas, around to the east and out to the South Eastern Freeway. We need to have these issues remedied, minister. You have abandoned the Glen Osmond Road exit and the refitting or re-appointing of the Britannia roundabout; whatever plan you have in mind, we need to sort these issues out.

I am looking forward, of course, to this year's state budget to see what you are actually going to do for infrastructure and transport. I have read the recent ETSA annual report. They are telling us that they have all sorts of infrastructure projects, via your government, that are supported for the providing of power for the desal plant. I have read SA Water's reports—those that are public, because of course they will not give me the contract or anything else, even under FOI—in relation to the desal plant and what they are going to do for water infrastructure there.

I accept that there are big projects on the go, but unfortunately we have a government that is not very competent at actually managing them financially. Nevertheless, they are in train (pardon the pun), and I want them to be done properly, and I want Portrush Road and Britannia roundabout fixed up.

Mr PEDERICK (Hammond) (12:27): I also rise to speak to the Rail Commissioner (Miscellaneous) Amendment Bill 2011. I note that these changes are part of a long-term restructure and integration of the state's public transport functions within the Department for Transport, Energy and Infrastructure (DTEI). In this case, the bill will provide the Rail Commissioner with the accreditation required to carry out the functions of the position following the consolidation of TransAdelaide and the Public Transport Division. I, too, pass on my congratulations to Rod Hook, who performs his roles admirably.

I note in the discussion from the briefing that the shadow minister (the member for Goyder) received from the department that the roles of TransAdelaide and DTEI's Public Transport Division have been combined to remove the duplication of functions. Legislation was introduced a few years ago to allow this to occur. As such, South Australia's public transport functions are now coordinated under one management and business administration structure within the Public Transport Division. This one entity is now responsible for the state's trains, trams, bus contracts and taxi services.

I need to make some comment about bus contracts, especially in regional areas where there are area rights or route rights in place, when certain companies own stretches of road or areas of towns. This has caused significant difficulties for competition in its purest form to operate in the transport sector. The only way an operator that does not have the area or route right for a certain area can get access is to get what I think is called a 4A exemption. In that, the operator that is operating in that area right has to agree to it.

If the person with the area right wants to dig their toes in, they can renege on access for anyone else into that area. I think that deletes from business opportunity and from how a true

transport system, in my mind, could work in a truly competitive nature. I know that when the contracts were renewed a few years ago on area rights—and I have certainly had plenty of meetings with bus operators within my electorate of Hammond—I went over to the minister and said in an offline conversation, 'Why did you keep up that policy, minister?' He said, 'We would not have enough buses.' I differ from that.

I think plenty of buses would turn up in the competitive market. Certainly no-one is going to invest upwards of $500,000 in a coach if they do not think there is going to be any work around. I think that a truly competitive market would ensure that we could have transport functioning in a far better way—and this is mainly in the regional areas, obviously.

We would not have the angst. I have seen someone, who owns an area, refuse bus companies to go into a town to even transfer students on a school bus. It is absolutely ridiculous. All this had to happen outside the town and they were not allowed access to change students over. It is even where buses, instead of crossing bridges on the river, had to use ferries so that they did not upset the area rights process. I urge the commissioner to have a look at this policy; I urge the government to have a look at this policy. I believe that in the longer term it will be better off for this state for true competition to make our public transport system work in this state, especially in line with buses.

I note that consultation in the bill was undertaken by the government with the rail, tram and bus union and the Department of Treasury and Finance. They were seeking a costing comment—and I can imagine they were because they are pretty nervous in Treasury and Finance, I believe—and the Crown was also consulted. The shadow minister was advised that no concerns were expressed and the changes were budget neutral, so I guess that is a good sign for everyone in this state when we see money getting frittered away. I, too, support the bill and wish it speedy progress through the house.

The Hon. P.F. CONLON (Elder—Minister for Transport, Minister for Infrastructure, Minister for Industrial Relations, Minister for State/Local Government Relations) (12:32): I thank the opposition for their support of the bill. I will answer a few of the matters raised. In terms of the board, the board was in operation until February when their terms expired. Can I say, I think it would be churlish to begrudge them having been kept around to that time. We got great cooperation from the board in effectively what was an operation to wipe themselves out, so I think they did a very good job with the transition from the structure we had to the one we have now. I do not begrudge them finishing the terms they were originally appointed for, but they were gone in February. They will not be replaced.

The whole purpose of this is to bring this back into a government department run by government executives, so we will not have an advisory board. We still do have a number of groups to assist us in some of the responsibilities we have. The Passenger Transport Standards Committee has a large number of people on it, so on specific issues we will still have some independent advice, but there will not be an advisory board.

I can assure the member for Bragg that Rod Hook is not moving anywhere. He has an office near me on the 12th floor, and I would like him to stay there so that I can run through and give him a job from time to time. I like that arrangement. I am not sure about the rest of the member for Bragg's self-indulgent, stream of consciousness, semi-demented rant; I think I will just leave her to it. I can assure her that there is nothing to do with ring routes, higher density, the Britannia roundabout or anything else that happened to pop temporarily into her mind during her discourse. In terms of the points raised by the member for Hammond, I am always happy to keep talking to the member for Hammond about the matters of rural bus services. We do not suggest that what we have is perfect. We believe it is the most workable solution we have found, but we are always happy to continue a conversation about how it could be done better because it is an area where we do expect to see change.

Particularly, I think some of the councils in the area that the member for Hammond represents have been very active in developing plans for future development of the area. I think three councils participated in a plan up there, and I thought it was very good. We are always happy to see what we can do to improve that, and the member for Hammond knows that my door is always open to him if he wants to come and talk about these issues and that is as it should be. I do not think there is anything else.

Can I say in relation to a point that the member for Bragg made about a delay, this is merely the tidying-up of a process that involved decorporatising a very large group of people. The

accountants, I would say, are the people who required the most work on this because it was a matter of shifting large numbers of assets back in from a corporate structure. There were all sorts of issues around that. It did take some time and it was a matter of dealing with people who were facing major change and feel threatened by major change.

I can say that I think it has been a very smooth process in which the department's employees have cooperated strongly and have built a better structure for the delivery of services. If it did take longer than the member for Bragg likes, what I can say is that I think taking the time to do it properly was the best way to do it, and I will defend that and I will defend our performance in that. Without anything further, I thank members of the opposition for their support and commend the bill to the house.

The SPEAKER (12:37): At the conclusion of the debate, may I just say congratulations from the chair to Mr Hook. I think the number of members who actually commented today on his new job shows the esteem this place holds him in. Congratulations.

Bill read a second time.

The Hon. P.F. CONLON (Elder—Minister for Transport, Minister for Infrastructure, Minister for Industrial Relations, Minister for State/Local Government Relations) (12:37): I move:

That this bill be now read a third time.

Bill read a third time and passed.

MINING (ROYALTIES) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 4 May 2011.)

Mr WILLIAMS (MacKillop—Deputy Leader of the Opposition) (12:38): I notify the house that I am the lead speaker for the opposition on this bill. The last time the parliament amended the royalty rates in the Mining Act was back in 2005, and I will come to that in a few minutes, but I was just talking to the minister a moment ago and I am reviewing what I said on that particular occasion.

I refer members to Wednesday 19 October 2005—a very fine speech—and I am reviewing, as I said, my contribution then when I was the lead speaker for the opposition. I will say that at that time I think I did not expect to speak for very long because my concluding comment was, 'I have possibly gone a few minutes longer than I initially intended to.' It may well happen again.

I would like to take a few minutes to put the import of this bill into the context that we find ourselves in here in South Australia and give it a little bit of historical perspective. Notwithstanding that we do have and have seen quite an explosion in the amount of mineral exploration activity in this state over the last 10, 12, almost 15 years—and we are just starting to see that come to fruition and we are starting to see new mines come on board—the reality is that the vast majority of royalty paid to the state from the mining sector comes from the Olympic Dam operation.

The reality is that that will continue to be the case because the enormity of that operation, its sheer magnitude relative to other mining operations in the state, means that it will, for many, many, many years to come, provide the vast majority of royalty revenue to the government from the minerals sector.

We also have had healthy royalty flows from the petroleum sector, historically, in this state. We had thought that that would taper off with the tapering off of production out of the Cooper Basin, but I am pleased to be informed that new technologies which have been developed, principally in the United States in recent years, have seen companies in that jurisdiction using technologies which is extracting a lot more gas from shales. I understand that that technology will more than likely be used in the Cooper Basin, and we will see production out of that area for many, many years to come. I have even been told that there is probably a lot more gas there to be had than we have already taken out of the Cooper Basin, which is good news for both the various operators in that area and for the state and the nation.

I have made the point of the importance of Roxby Downs to the state and to the royalty revenues. I just want to put into a little bit of context what has happened, and I have mentioned the 2005 changes to the royalty. Prior to that, the state had a royalty regime which set the royalties

between 1.5 and 2.5 per cent of the value of the product being mined. In practice, the royalty rate at that stage was 2.5 per cent for all manner of product and had been for many years.

When the Roxby Downs Indenture Bill was ratified (I think it was some time in 1982), when the bill went through the parliament, the royalties were specified within the indenture for the Roxby Downs operation, and they were specified to be set at the rate of 2.5 per cent of the value ex-mine lease of product, which I assume was the going rate then. I am not sure what the going rate at other mines was at that time, but certainly in the 2000s and the late 1990s, it was 2.5 per cent. They were set at that rate for five years and then it was set—and I will read from the indenture:

> After the fifth anniversary of the commencement date and on or prior to the 31st day of December 2005, the royalty herein under this clause reverts to the subsequent basic royalty rate of 3.5 per cent of the value ex-mine lease of that product.

So, the indenture set a royalty rate of 3.5 per cent to run from the fifth anniversary of the commencement of the operation up until 31 December 2005. That is significant for a couple of reasons. The original reason for setting that extra rate for royalty from the Olympic Dam operation was in recognition of the contribution the government had to make towards that particular mine. There were roadworks to be constructed, and there were schools, hospitals and public infrastructure to be put in to support the township of Roxby Downs and, of course, the mine of Roxby Downs. The indenture set out that the royalty rate would be 1 per cent above the going rate under the Mining Act so that the state could recover the money that was going to be expended on that public infrastructure.

When we came to heading towards that date at the end of 2005, the government then wished to protect its revenue stream and changed the act. The government had notified, I think probably 18 months before that time—not in the budget of that year but I think it was the previous year—its intention to increase the royalty rate across the board to reflect the 3.5 per cent which was in the indenture, and that duly happened.

A couple of other things occurred at that same time in the bill that I referred to, that is, the Mining (Royalty No 2) Amendment Act 2005. There was an earlier amendment passed that year which covered the extractive industries. This royalty applies particularly to the minerals sector. That bill, as well as increasing the basic mining royalty rate from 2½ per cent to 3½ per cent in effect, also introduced a new concept of a new mine getting a holiday from the full impact of royalties for the first five years of its operation. That royalty rate was set, at the time, at 1.5 per cent.

The bill before us today changes the game quite considerably. It introduces a new concept. It makes a differentiation between mineral which is mined and then refined on site and mineral which is mined and simply processed to a concentrated form and then exported for refining. It sets a differential in the royalty rates between those, and it also changes the royalty rate for those new mine operations I have just referred to. Basically, the bill before us would have the fundamental royalty rate for a mining operation which mines within the state and exports the mined product, without going through the final refining processes, increased from 3½ per cent to 5 per cent. It maintains the 3½ per cent for those mines that mine the ore and then refine to the finished product.

That principally occurs in the gold industry. I think just about every gold miner in the country refines the product pretty well on site; that is done simply because it is the cheapest way to do it. You have to shift a lot of ore—and gold is mined at the rate of only a couple of ounces per tonne of ore—and you would not be able to shift the ore to a different place to refine it. So, pretty well every gold mine refines to pure gold, or 99-point-something per cent pure gold, on site. Roxby Downs has historically refined its copper on site, and that copper will continue to be refined on site into copperplate. In the future, if this bill is successful in getting through the parliament, copper bar will still attract a royalty rate of 3½ per cent.

Our understanding is that, with the impending expansion of the Olympic Dam mine, a significant amount of the ore produced there will be concentrated and shipped out of Australia as copper concentrate. One of the reasons that the operators—and Western Mining was the original operator at Roxby Downs—built the copper refinery there was that, intermingled with the ore, obviously, in that ore body, there is uranium. Certainly, way back in the early eighties it was hard enough to get the mine established because the uranium was there, but it would have been impossible to export that as a concentrate and lose control of the uranium.

Interestingly, governments of the Labor persuasion in Australia today, both federal and state, seem to have moved a long, long way in recent years and do not seem to be concerned

about our exporting concentrate that contains uranium. The reality is that the original operators built the copper refinery there simply because they had to go through that process to separate the uranium from the copper. That is why, generally, we find that copper mines will not, in the modern world and certainly in large operations, have a refining process on site. That is certainly the case with the more recent Prominent Hill copper mine, which exports concentrate from the mine.

The concentrate from that sort of mine will attract the royalty rate of 5 per cent. The refined material—say, the copper from Roxby Downs—will attract a royalty rate of 3½ per cent, as will gold, which is produced and refined on site, and silver, similarly.

The other change that is mooted, and we are still not sure of the final detail, is that the commonwealth government has moved to get its hands on royalties from the mineral wealth of this nation. This is a really interesting concept, and the South Australian state government has made very little noise about this, unlike some of the other state governments, particularly Western Australia. Even the former Labor government in Western Australia was very vocal in its opposition to the commonwealth government imposing a resource rent tax across the board, and I suspect that the new Liberal government in Western Australia will be even more vocal in that opposition and will fight that.

The previous Labor government in Western Australia was, I think, making noises about challenging any such move in the High Court. I am surprised that the South Australian government has not made any noise about this. One of the things that we have found at the state government level is that, over the years, our tax base, apart from the GST (and I will come to that in a moment), has been, if not eroded, pretty static. One of the significant tax bases available to the states is mining royalties and that is a very significant revenue stream for the large mining states, particularly Western Australia and, to a similar extent, Queensland. That is why those states will fight the change to having the commonwealth step into that space.

One of the changes that has been made is that the commonwealth realised that it was fighting a losing battle in the run-up to the last federal election, and it took some significant steps backwards away from the imposition of an across the board resource rent tax, and has now restricted it to a couple of significant products, principally iron ore and coal, which, at this stage, do not form a large part of South Australia's mining activity. I think that will change in the future. My understanding of the proposal from the commonwealth now is that it will seek to impose a resource rent tax on coal and iron ore exports from operations which have an annual turnover of over $50 million per year.

There is still a fair way to go on that but one of the questions that I will certainly put to the minister and his departmental officers—and this was part of the debate when it was announced in South Australia that we were considering increasing the royalties—is: what impact the resource rent tax would have, and would the commonwealth rebate these increases to the mining companies concerned, because the original concept of the commonwealth was that it would fully rebate miners for the royalties that had been imposed to that point, but would not rebate for any increases?

I have been told by the minister's departmental officers that the commonwealth has now agreed to fully rebate, including any increases in royalty. I hope the minister is in a position to be able to confirm that in his summing up of the second reading. That is an important issue for South Australia, particularly as iron ore will become a significant part of our mining sector. There are a number of companies apart from OneSteel. We now have Cairn Hill exporting iron ore. We will have companies like Centrex and a number of others that have very good prospects, particularly on Eyre Peninsula, that are moving towards getting into the mining phase and the exporting phase. In time, I think a number of those will go over the $50 million a year threshold and then become a part of the proposed commonwealth resource rent tax. That is an important issue for the state to consider as well.

The opposition, as is convention in this parliament, as this is a budget matter—it was announced in the budget—is not of the mind to oppose this. We will not be opposing the changes. There are some question marks. Having been the shadow spokesperson for mineral resources for some time over the last six or seven years, I have been a passionate supporter of the mining sector.

I am well aware that to discover and then to extract mineral ores in South Australia is at least as difficult—if not more difficult, and therefore more expensive—than doing the same thing in

other states. As such, I question the sensibility of setting our royalty rates exactly the same as those in other states, such as Western Australia.

The reality is that mining houses quite often have various decisions in front of them. They quite often have the choice of whether to invest in, say, South Australia, Western Australia or some other part of the world, or another Australian jurisdiction, and they always look at the return on their investment. When you get to 5 per cent of the mine gate, royalties become a significant issue in that decision-making. If it costs a couple of per cent more to find an ore body and then establish a mine in South Australia, we may put ourselves out of the race for future investment.

The other thing we need to understand is that those people who are sitting around boardrooms today in the major mining houses—even the not so major ones—by and large have history and background in other states and, because of that, have some sort of affinity for those states. So, we are behind the eight ball to some extent even before we start, because I think naturally there would be a chance of some bias towards investing in, say, Western Australia rather than South Australia, all other things being equal, simply because the members sitting in the boardroom more than likely have a greater affinity with Western Australia because of the historical nature of their life's work.

So, we need to be careful in simply saying that we are putting the royalty rate in South Australia the same as it is in other states, because it may be too high. On the other hand, I fully appreciate that the people of this state expect and deserve to get a fair and full return for the mineral wealth that is being exploited on their behalf by mining companies. I urge a word of caution: we do not want to discourage exploration and/or investment in mining activities. As I said, the opposition will not be opposing this measure. I sincerely hope that the mining industry is not in any way disadvantaged by this.

I wish to make one more comment for the minister's benefit. The minister has not been in the portfolio for long, and I know that he will enjoy working in the portfolio. When I contacted the South Australian Chamber of Mines and Energy a couple of weeks ago to get feedback on this particular matter, they were somewhat surprised—I will put it in those terms—that they had not been briefed. They were not aware that the bill was imminent and that it had been put to the parliament.

They told me that they had been consulted many months ago (I think it was prior to the budget), but the information I got was that they were unaware that the bill was in the house. I am sure that that is not deliberate, and I am also sure that the minister wishes to get off on the right foot with SACOME and the mining industry. In fact, I was only reading SACOME's latest journal last evening, where there was quite an extensive article about the new minister.

The Hon. A. Koutsantonis interjecting:

Mr WILLIAMS: I have read it now. With that comment, I will conclude my remarks.

Debate adjourned on motion of Ms Chapman.

[Sitting suspended from 12:59 to 14:00]

PAPERS

The following papers were laid on the table:

By the Minister for Mineral Resources Development (Hon. A. Koutsantonis)—

Rules made under the following Acts—
Gaming Machines—
Expiations—Notice No. 3
Social Effect Inquiry Process and Principles—Notice No. 4

LEGISLATIVE REVIEW COMMITTEE

Mr SIBBONS (Mitchell) (14:02): I bring up the 24th report of the committee.

Report received.

QUESTION TIME

MINISTER FOR POLICE

Mr WILLIAMS (MacKillop—Deputy Leader of the Opposition) (14:03): My question is to the Premier. Why won't the Premier ask for the resignation of the Minister for Police, given that the minister has previously agreed to resign from parliament if his colleagues want him to?

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) (14:03): It is really interesting that—

Members interjecting:

The SPEAKER: Order!

The Hon. M.D. RANN: It is really interesting that yesterday we heard in court a lawyer, one presumably with legal qualifications, talking about some sort of police force or whatever, but the point of the matter is that the thesis behind your argument is that someone should resign from the ministry—

Members interjecting:

The SPEAKER: Order!

Mr WILLIAMS: If that is the end of the Premier's question—

The Hon. M.D. RANN: No. It is very interesting—

Ms Chapman interjecting:

The SPEAKER: Order!

The Hon. M.D. RANN: You would know about standing orders.

Members interjecting:

The SPEAKER: Order!

The Hon. M.D. RANN: If you are saying that if someone is assaulted they should resign, then what does that say about your understanding of the legal system in this state?

Members interjecting:

The SPEAKER: Order!

The Hon. M.D. RANN: No wonder you seek qualifications.

MINISTER FOR POLICE

Mr WILLIAMS (MacKillop—Deputy Leader of the Opposition) (14:04): As a supplementary: if the Premier won't request the resignation of the Minister for Police, will the Premier ask Peter Malinauskas or Don Farrell to tell the minister that it is time to go?

The SPEAKER: Order! That is not a supplementary question.

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) (14:04): It is very interesting—

Members interjecting:

The SPEAKER: Order! I cannot hear the Premier.

The Hon. M.D. RANN: The member for Norwood and the member for Stuart want to be on the front bench, and they know that you got only three votes. But that is about democracy reigning in the Liberal Party.

Members interjecting:

The SPEAKER: Order! Point of order, member for Unley.

Mr PISONI: Point of order: 98, relevance, Madam Speaker.

The SPEAKER: I think the question was off beam, anyway. I will not uphold that point of order. Have you finished, Premier?

The Hon. M.D. RANN: Yes.

The SPEAKER: Member for Bright.

ADELAIDE OVAL

Ms FOX (Bright) (14:05): My question is to the Premier. Can the Premier update the house on his visit to the offices of the Stadium Management Authority to see the latest designs for the redevelopment of Adelaide Oval?

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) (14:05): I was delighted to visit the oval office the other day—this is the Stadium Management Authority offices—and speak to the team of 70 design professionals—interior design, external design, people looking at wind movements for engineering—

The Hon. P.F. Conlon: No French aspect to it?

The Hon. M.D. RANN: No, it wasn't really French. I know that the Leader of the Opposition recently gave an extraordinary speech saying that her vision for South Australia was sort of 45,000 French villages, so maybe in order to get the Liberal Party's support for the oval we might have to call it the equivalent of the Stade de France.

Members interjecting:

The SPEAKER: Order! Point of order, the Deputy Leader of the Opposition.

Mr WILLIAMS: There is no relevance to the question.

The Hon. K.O. Foley interjecting:

Mr WILLIAMS: You're the one who has lost relevance, Kevin.

Members interjecting:

The SPEAKER: Order! The Premier can answer the question as he chooses, but I will listen carefully.

The Hon. M.D. RANN: I am told she has been wandering around the corridors singing *Je Ne Regrette Rien*, or probably more likely Abba's *Voulez Vous*. But, anyway, we will get back to that. Last week I visited the oval office and spoke to the—

Members interjecting:

The SPEAKER: Order!

The Hon. M.D. RANN: —team of 70 design professionals who are working hard to ensure the Adelaide Oval project is construction-ready by the end of the year. I announced on that day that the state government would be advancing $12 million from the $535 million allocated to the redevelopment to enable that work to continue following the overwhelming vote of the SACA members in support of this project. This money will enable the work being carried out by this team to complete all of the design and documentation necessary to take it to the construction contract phase. The design work that I saw at the offices last week demonstrated to me that South Australians have every reason to be excited about the redevelopment of Adelaide Oval.

Just to remind the members opposite, the new stadium will provide shade and protection from the elements to 77 per cent of seats that will be under cover. So 77 per cent of the seats will be under cover, which compares favourably with other stadia in Australia. That is greater than the MCG, where 75 per cent of seats are under cover. It is greater—

Members interjecting:

The SPEAKER: Order!

The Hon. M.D. RANN: —than the SCG, where 68 per cent of seats are under cover; and it is a design that will protect the key heritage elements of the current oval. The northern mound will remain. The heritage scoreboard will be retained. The Moreton Bay fig trees will continue to provide shade for spectators on the mound, and views of St Peters Cathedral will be retained. The future and the heritage part of the project will perfectly complement each other in a spectacular setting, with world-class facilities.

Today we reach D-day for the Liberals and the Leader of the Opposition. They must tell the people of South Australia what they intend to do about Adelaide Oval. How will they vote?

Members interjecting:

The SPEAKER: Order!

The Hon. M.D. RANN: Where do they stand? Do they support this development, or don't they? They said they were going to listen to the voice of SACA members, because they believed that they would not get the 75 per cent. So, suddenly, when they get 80 per cent plus, where do they go now? Where do they run? Where do they hide? Eventually you are going to have to come out and say where you stand. You also have to say what you mean and mean what you say, just for once. There is no more je ne sais quoi. There is no dodging or weaving.

Members interjecting:

The SPEAKER: Order!

The Hon. M.D. RANN: The public of South Australia have a right to know, and the time for your fence-sitting is over. This issue has become, of course, a cause célèbre for the Liberals, but I warn them now that the time for the leader—

Members interjecting:

The SPEAKER: Order! Point of order, member for MacKillop.

Mr WILLIAMS: Madam Speaker, it is question time; it is not time for the Premier to be giving warnings to anyone.

The SPEAKER: There is no point of order in that one. Sit down, member for MacKillop. Premier.

The Hon. M.D. RANN: He got three votes for the deputy leadership and he does not even know whether he voted for himself! I know that I have quoted the former foreign minister Alexander Downer before, but I just want to remind those opposite again of his wise words, because it is time. If they won't listen to me, listen to John Howard.

Members interjecting:

The SPEAKER: Order! Point of order. Member for Finniss.

Mr PENGILLY: Standing order 98. The Premier is clearly debating the issue.

The SPEAKER: It was a very broad question, so I can't uphold that point of order.

The Hon. M.D. RANN: Alexander Downer, the longest serving foreign minister in the history of Australia, the grandson and great-grandson of premiers in this place and also immigration ministers and a high commissioner to London, your superstar from the Adelaide Hills, said this:

> Whatever your preference, the election's over. Labor won and so the Adelaide Oval redevelopment it is. This is a project which transcends politics. It is a project which lays down a challenge to South Australians. Do we want to move forward or do we want to fester in the inertia of petty disputes?

So, Alexander Downer, John Howard, John Olsen, Rob Kerin, Christopher Pyne: why don't you listen to them? The time, you cannot—

The Hon. P.F. Conlon interjecting:

The Hon. M.D. RANN: Jamie Briggs!

The SPEAKER: Order! Point of order. Member for Finniss, point of order.

Mr PENGILLY: Standing order 128, ma'am. The question was related to the stadium management, not a lot of waffle and God knows what else about Alexander Downer and his comments.

The SPEAKER: Sit down. I again point out it was a very broad question. I have looked at the question, and the Premier can answer it as he chooses. Are you finished? The Leader of the Opposition.

POLICE MINISTER, ASSAULT

Mrs REDMOND (Heysen—Leader of the Opposition) (14:11): My question is for the Premier. Is it fair that the Minister for Police uses parliamentary privilege to further his personal agenda relating to his alleged assault, when other alleged victims of crime do not have that privilege?

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) (14:12): He actually had the courage to make his statement outside of parliament and I would have thought that your media monitoring would have picked that up. The fact of the matter is, in terms of parliamentary privilege, there are people who use and abuse the privilege of the courts to smear people, and we have parliamentary privilege where we are required to tell the truth, the whole truth and nothing but the truth.

Members interjecting:

The SPEAKER: Order! Member for Ashford.

The Hon. P.F. Conlon interjecting:

The SPEAKER: Order, Minister for Transport! Member for Ashford.

APPELLATION SCHEME

The Hon. S.W. KEY (Ashford) (14:13): My question is for the Minister for Food Marketing. Can the minister inform the house about his recent announcement about proposing an appellation-based scheme for food made in South Australia?

The Hon. J.R. RAU (Enfield—Deputy Premier, Attorney-General, Minister for Justice, Minister for Urban Development, Planning and the City of Adelaide, Minister for Tourism, Minister for Food Marketing) (14:13): Some weeks ago I had a meeting with a number of people who are prominent in the food industry here in South Australia and we discussed a number of issues of interest to them. One of the issues that emerged was that they felt that there was a need for some additional protection to be given to the very good name that some of the regions in South Australia have for their fine produce, as already happens in many cases in relation to wines. I know the member for Schubert knows a great deal about this, as do the member for MacKillop and others.

Last week, we announced down in the Central Market that we would be looking towards an appellation scheme for South Australia, directed towards protecting the very high value brands that we have in South Australia.

An honourable member: Isn't that a French word?

The Hon. J.R. RAU: It is a French word, yes. We had people from Kangaroo Island. It might interest members to know—the member for Finniss in particular—that somebody who does a lot of work on Kangaroo Island was there and made the very good point that, because Kangaroo Island canola is GM free, they have a market for that canola in particular in Japan, where they get a premium price for that canola. Part of what we are looking at here is how we can get premium prices for great produce from regional South Australia and put more money into the pockets of people in those regional centres.

Of course, there are many areas of South Australia that look very much like candidates for this sort of scheme: McLaren Vale; the member for Schubert's area, the Barossa Valley; and the member for Finniss and the member for Bragg, both of whom are well known for their great support for that jewel—Kangaroo Island.

We need to have a bit of imagination about this because there are many opportunities. I did a bit of research today to give some examples. People may not realise that in Italy and France a number of products have names which are derived from the place from which the product comes. For example, in the world of cheese, members opposite might know of Beaufort. My pronunciation is not very good, by the way, and I might make a mistake on some of these. I think the member for Schubert is well known to like a nice camembert—'Camembert', you see? All these names are familiar to us.

I don't know, but I think even the member for Unley might like one of the famous goats cheeses which is called—

Mr Pisoni: Don't tell me what to do!

The Hon. J.R. RAU: Wait for the name!

Members interjecting:

The SPEAKER: Order!

The Hon. J.R. RAU: I think your favourite is Crottin de Chavignol! Anyway, there is also roquefort, and I don't know who over there would like that one. There are opportunities coming up all the time, and I hope to see a very good debate about this. We are putting out a discussion paper about this, and I would encourage particularly those members opposite—

Members interjecting:

The Hon. J.R. RAU: We discuss things, we consult, and we are consulting on this. We look forward to the community views and the industry views. I think, member for Finniss, member for Schubert, we would very much like to hear from you about this because you have, in your areas—

Members interjecting:

The Hon. J.R. RAU: Yes, very good. You have in your areas some magnificent producers of great products and they deserve to have those great names protected and enhanced to get them a premium price in the marketplace.

MINISTER FOR POLICE

Mrs REDMOND (Heysen—Leader of the Opposition) (14:17): My question is to the Premier. Does the Premier have confidence in the Minister for Police's ability to undertake his duties?

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) (14:17): A lot more confidence than some of your backbenchers have in you.

Members interjecting:

The SPEAKER: Order!

The Hon. M.D. RANN: I know that Paris meant a lot to her; I know that. She went there and discovered, during her taxpayer-funded overseas trip, that Paris had a Metro (it is an underground railway), so she comes back with this information. Now 45,000 French villages will be created here. We are all waiting for this moment when, of course, we will have an EU subsidy for anyone who owns more than two pigs!

Members interjecting:

The SPEAKER: Order! Point of order. Member for Unley.

Mr PISONI: The Premier was asked whether he had confidence in the police minister, and he has refused to answer. He has refused to say yes.

Members interjecting:

The SPEAKER: Order!

The Hon. M.D. RANN: I love the fact that she relies on the testimony of Martin Anders, who does in fact have a law degree, even though he is not—

Members interjecting:

The SPEAKER: Order!

The Hon. M.D. RANN: —quite up to the standard of 'The Mullet', or bikie lawyers like Craig Caldicott or David Edwardson.

Members interjecting:

The SPEAKER: Order! Somebody will go out if you keep going like this.

Members interjecting:

The SPEAKER: Order! Order, members on my right, also!

COORONG, LOWER LAKES AND MURRAY MOUTH REGION

Mr BIGNELL (Mawson) (14:19): My question is to the Minister for Environment and Conservation. How is the government helping to ensure the long-term sustainability of the Coorong, Lower Lakes and Murray Mouth region?

Members interjecting:

The SPEAKER: Order!

The Hon. P. CAICA (Colton—Minister for Environment and Conservation, Minister for the River Murray, Minister for Water) (14:20): I thank the honourable member for this very important question. In 2008, near the height of the worst drought we have experienced, the basin states signed an intergovernmental agreement on Murray-Darling Basin reform that included $610 million for South Australia's priority projects under the Murray Futures program.

One of those projects is the Lower Lakes and Coorong Recovery Program, which enables us to put in place measures to build ecosystem resilience in responding to future periods of low water flows. In order to secure commonwealth funding, the state government developed a long-term plan for the Coorong, Lower Lakes and Murray Mouth region, the plan being simultaneously released in June last year with the announcement of $21 million of funding for early works, which aim to commence a number of actions in the region. Of course, those actions militate against further degradation of this iconic area.

Today, I was pleased to announce, along with the federal minister for the environment, the Hon. Tony Burke, down at Clayton that the Australian government has confirmed they will provide more than $118 million to support projects and other actions outlined in the long-term plan. The Australian government's contribution to recovery projects now totals more than $167 million, including $39.7 million previously allocated and $9.32 million set aside for the removal of the Goolwa Channel regulators, which is the subject of an ongoing assessment and negotiation.

I am also pleased to inform the house that, whilst my colleague and friend, the Hon. Tony Burke—the federal minister—and I agree that it has taken longer than we otherwise would have liked for the total removal of those regulators, quite simply it has been a delay that is going to be remedied by very quick action to remove those regulators as soon as practicable.

Members interjecting:

The SPEAKER: Order, member for MacKillop!

The Hon. P. CAICA: If the deputy leader and the very strong member for Hammond had kept digging whilst they were down there that day, instead of using it for a photo opportunity, it might almost be out now. I am also pleased to say that, in visiting the area today, as I understand it, a significant portion of the Narrung bund has been removed during the first phase of removal. Whilst we expected that to be out on or around 8 July, it will now be by the end of July, and we will work and start work soon on the Clayton regulator.

Getting back to the specifics of the question, combined with the South Australian government contribution, a total program commitment to the region now totals $186 million, with key elements included in the latest funding announcement being: a $39 million—

Mr Williams interjecting:

The SPEAKER: Order, member for MacKillop!

The Hon. P. CAICA: —vegetation program to stabilise the ecological decline of the region and to deliver a healthy and resilient wetland and community; up to $57 million to reset salinity levels in the Coorong, subject to technical feasibility and environmental management triggers.

An honourable member: We need to reset salinity in Lake Albert.

The Hon. P. CAICA: I just can't understand why they would complain about money being contributed to—

Mr Williams: Because nothing has been spent; you are just talking about it.

The SPEAKER: Order!

The Hon. P. CAICA: There is $7.9 million to build capacity in the region by supporting the Ngarrindjeri Partnerships Project. There is the continuation of the hugely successful lakes

community hubs at Milang and Meningie, and the establishment of a regional community advisory panel.

Members interjecting:

The Hon. P. CAICA: What, you're saying you don't want to include the local community? Do you want to include the local community? They are your constituents.

Mr Williams: I know what they want and so do you.

The Hon. P. CAICA: He doesn't know anything. How can he know what they want; he doesn't know anything. The goal, of course, of the long-term plan is for the Coorong, the Lower Lakes and the Murray Mouth areas to be a healthy, productive and a resilient wetland system that maintains its international and local significance, consistent with the Ramsar listing.

The plan envisages that the Lower Lakes remain fresh water and operate at variable water levels, that the Murray Mouth remains open, that salinity in the Coorong is reduced, that the ecology of the area is protected and that there is water to sustain local communities. Of course, achieving this can only be done directly with the support of the economic, cultural and social wellbeing of these communities and it will directly support those. I was down there today.

Mr Williams interjecting:

The Hon. P. CAICA: I was down there visiting the local community today while I assume that the Deputy Leader of the Opposition was reading *The Advertiser* to get his questions set for today, but I will restate this: of course, achieving this will directly support the economic, cultural and social wellbeing of communities in this region with whom the government, both federal and state, has developed strong partnerships.

The government is particularly committed to working in partnership with the traditional owners of the area, the Ngarrindjeri, having cemented that commitment through an agreement with the Ngarrindjeri Regional Authority in 2009. This agreement provides a framework for the active participation of the Ngarrindjeri people in this significant project.

Whilst rainfall has improved the situation down there and flow conditions in the River Murray system—it has brought a welcome relief to the Coorong, the Lower Lakes and the Murray Mouth region—it needs to be borne in mind that it will take a sustained collaborative effort and further strategic action to properly rejuvenate the area to ensure its survival against the impacts of a changing climate and future periods of drought.

Ms Chapman: It survives despite you.

The SPEAKER: Order!

The Hon. P. CAICA: It survived because of us.

Ms Chapman: Despite you.

The Hon. P. CAICA: Because of us. On behalf of the government, I thank everyone involved in the planning and everyone involved in the negotiating and delivering of these important projects, which are not only for the benefit of the people living and working in the local area but they are also significant for the long-term interests of all South Australians save and except, it would seem, the opposition.

Mr Williams: I can tell you, the voters don't thank you, Paul.

The SPEAKER: Order! Member for MacKillop, you are very vocal today.

Mr Williams interjecting:

The SPEAKER: Order, the member for MacKillop.

POLICE MINISTER, ASSAULT

Mrs REDMOND (Heysen—Leader of the Opposition) (14:27): My question is to the Attorney-General. Does the Attorney-General believe it is an abuse of process for the Minister for Police to comment on a private matter before the courts under parliamentary privilege, and is that why the Attorney sought to counsel him during question time yesterday?

The Hon. J.R. RAU (Enfield—Deputy Premier, Attorney-General, Minister for Justice, Minister for Urban Development, Planning and the City of Adelaide, Minister for Tourism, Minister for Food Marketing) (14:27): I believe the answer to that question is probably no.

Members interjecting:

The SPEAKER: Order! The member for Mitchell.

The Hon. P.F. Conlon interjecting:

The SPEAKER: Order, the Minster for Transport!

DEFENCE INDUSTRY

Mr SIBBONS (Mitchell) (14:28): Can the Premier update the house on the health of the defence industry in this state in light of recent reports of a downturn in defence spending and jobs?

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) (14:28): I am absolutely delighted to report to the house that the defence industry, contrary to reports that may have been run in some sections of the media, is alive and well and on track to deliver more jobs than were actually targeted in the South Australian Strategic Plan.

I was interested to see last Friday the opposition's defence industries spokesman, the member for Waite—the once and future king—demanding that the state government commission an independent study into our defence industry. He made the remarkable claim that 'Labor's false promises on defence projects were made for elections, with no intent to deliver.' What a dodgy and ridiculous statement that was. If he tried to make a statement like this in the house, people would say he was misleading. Anyone who believes that about our defence industry must be walking around blindfolded with earplugs inserted.

We do not need to waste money on independent consultants to tell us that there is a huge amount of work going on at Techport Australia down at Osborne, on our $8 billion air warfare destroyer program which is annually contributing about $292 million into our economy and directly and indirectly will employ some 1,783 workers. The brilliant new shipbuilding facility is working full steam ahead. We do not need to waste money on an independent study to tell us that, out at Edinburgh in the city's north, more than $600 million has been invested in new facilities to support the new 7RAR Battle Group, which commenced operations at Edinburgh in January. So, just go out and have a look at what has been constructed.

When the 1,100 personnel battle group reaches its full establishment at Edinburgh by 2014, they are expected to inject $100 million into our state's economy and support 1,675 jobs on an annual basis. Nearly 700 personnel and their families have relocated here so far.

We don't need an independent study to tell us that each year 1,407 direct and indirect jobs are involved in the multibillion dollar, through-life support contract for the Collins class submarines, which is injecting $150 million into our state economy every year; or that the $1 billion AP-3C Orion sustainment contract is well underway, generating 1,023 direct and indirect jobs, and contributing $80 million annually into our economy; or that the $1 billion Customs Project Sentinel contract, the world's largest fixed-wing, civil maritime surveillance program, makes an average annual contribution of some $20 million and 126 jobs to the state's economy.

Combined, these four projects alone contribute more than $500 million and 4,000 jobs to the state's economy each year. With the exception of the AWD build program, which is yet to reach its peak, these major projects will continue to have relatively stable and long-term spending and employment profiles.

While the defence budget has identified an underspend of some $1.6 billion in the Defence Materiel Organisation's current year budget, I am told that this is due largely to significant delays in a number of major acquisition programs that are based interstate and overseas. South Australia's defence industry, on the other hand, has every reason to be optimistic about its long-term future, and with good reason.

Defence is still on track to replace 80 per cent of its war-fighting assets, but what I prefer to call peace-keeping assets, over the next 15 years. Back in 2003—and here is the nub of it, back in 2003, and I am sure that this is going to be run with a great deal of fanfare in the media because it is the sort of news about industry in the state that they would welcome—back in 2003,

South Australia's defence sector employed 16,000 people. As at 30 June 2009, the last data collection, the defence sector employed 24,766 people—from 16,000 to nearly 25,000.

That is Labor's record on defence in this state. In fact, projections are that we will exceed our Strategic Plan target of 28,000 jobs by 2013, by at least 2,000 jobs. When we announced what our ambitious target was, oh no, no, no, that was far too embarrassingly a mirage down at Techport, but instead we will exceed our target by 2,000 jobs.

Mrs Redmond interjecting:

The Hon. M.D. RANN: The Leader of the Opposition, merci beaucoup for that interjection. She says that we are going backwards. So, I am not sure how going from 16,000 to 25,000 is going backwards, but maybe that says more about what she thinks about our state.

Ms Fox interjecting:

The Hon. M.D. RANN: I am informed that defence employment is projected—I am pleased I am getting support from our French-speaking Francophile, member for Bright here. She is my coach, by the way, if anyone wants to know where I get such eloquence. I owe everything to her. I think she is going to make a privilege motion now.

Ms Fox: I am.

The Hon. M.D. RANN: You should hear what the Premier of Quebec said about my French, it was even worse. I am informed that defence employment is projected to reach 30,487 people by 2013-14. This figure takes into account industry expectations as well as projected expenditure by the Defence Materiel Organisation in South Australia. So, the defence industry, in other words, is showing no signs of slowing down and is, in fact, building every year.

Members interjecting:

The SPEAKER: Order! The Leader of the Opposition.

EASLING, MR T.

Mrs REDMOND (Heysen—Leader of the Opposition) (14:35): My question is again to the Attorney-General. Will the Attorney-General explain why the government does not comment on allegations made against defamation victim Tom Easling, a matter which is not before the courts, but the government does comment on allegations against alleged assault victim, the Minister for Police, a matter which is before the courts?

Yesterday, the Attorney-General, in answer to a question directed to the Minister for Families and Communities about defamation victim Tom Easling, stated, 'It is inappropriate in those circumstances to be examining this matter.'

Members interjecting:

The SPEAKER: Order! The Attorney-General.

The Hon. J.R. RAU (Enfield—Deputy Premier, Attorney-General, Minister for Justice, Minister for Urban Development, Planning and the City of Adelaide, Minister for Tourism, Minister for Food Marketing) (14:35): I thank the honourable member for the question. As the honourable member would be aware, we understand that there are matters before the court, or shortly to be before the court, in relation to proceedings which were issued—

Mrs Redmond interjecting:

The SPEAKER: Order! You have asked the question.

Mrs Redmond interjecting:

The Hon. J.R. RAU: Well, the honourable member has information that I don't. My understanding is—

Mrs Redmond: What, you're saying there is no application before the court?

The SPEAKER: Order!

The Hon. J.R. RAU: No. Can I, Madam Speaker, just answer the question please?

The SPEAKER: Yes.

The Hon. J.R. RAU: The point of it is basically this: when you issue proceedings and judgement is signed, and somebody says, 'Look, I am challenging the signing of a judgement,' that matter is before the court, because the–

Mrs Redmond interjecting:

The Hon. J.R. RAU: Let me explain—because the issue about why and how that matter came into being is a matter which will be agitated before the court—

Mrs Redmond interjecting:

The SPEAKER: Order!

The Hon. J.R. RAU: I understood the statement that the honourable member made yesterday was to the effect that she had given instructions for that to occur.

Mr Pisoni: What she says and what she does are two different things, John; you know that.

The SPEAKER: Order!

The Hon. J.R. RAU: I'm not even going to—

Members interjecting:

The SPEAKER: Order!

Members interjecting:

The SPEAKER: Order, members on my left!

The Hon. J.R. RAU: If you want me to—

Mr Williams interjecting:

The SPEAKER: Member for MacKillop, you're warned!

The Hon. J.R. RAU: No; actually, I was thinking of all the people in this chamber to interject with that who better but the member for Unley? As far as I am concerned, I intend to say nothing about any proceedings that are in the court, or being foreshadowed to be before the courts, and, as I said yesterday, the statement that was given to the house yesterday, which was before question time, was to the effect that instructions had been issued to solicitors for the honourable member. Now—

Mrs Redmond interjecting:

The SPEAKER: Order! You have asked your question.

The Hon. J.R. RAU: As far as I'm concerned that's where the matter finishes.

Mr Williams interjecting:

The SPEAKER: Order!

Members interjecting:

The SPEAKER: Order! The member for Torrens.

OLYMPIC DAM

Mrs GERAGHTY (Torrens) (14:38): Can the Premier tell the house when the indenture negotiations on the Olympic Dam expansion will begin?

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) (14:38): I appreciate that question, because it is a very important one for our state, which is why I have such confidence in the Minister for Police and why I have such confidence in the Minister for Defence Industries—

Members interjecting:

The SPEAKER: Order!

The Hon. M.D. RANN: —and why I have such confidence in the minister assisting me in the Olympic Dam negotiations—

Members interjecting:

The SPEAKER: Order!

The Hon. M.D. RANN: —because of this: a $1.4 trillion resource—

Members interjecting:

The SPEAKER: Order, members on my left will be quiet and stop this yelling! Premier.

The Hon. M.D. RANN: Yes; and for the benefit of the member for Unley, a trillion dollars is a lot more than 1,000; it is not a Eureka moment. The negotiations for the Olympic Dam expansion indenture have begun this week. That is the process that we are doing, in parallel with the assessment on the environmental impact statement, with the federal government right through until September if we can clear every hurdle.

We will also be negotiating the indenture, negotiating the royalties for our state for the next 100 years, and we will be negotiating to ensure that the maximum amount of processing is done here in South Australia, and we will be negotiating on how we can maximise the best number of jobs we can for jobs in this state, not offshore, and contracts and subcontracts for business and small business in this state.

Members interjecting:

The SPEAKER: Order!

ADELAIDE OVAL

Mr GRIFFITHS (Goyder) (14:40): My question is to the Minister for Infrastructure. Minister, which position do you hold on the need for legislation on the Adelaide Oval redevelopment: your position of two weeks ago when you said you did not need legislation or your position today that you do need legislation? Which one is it?

Members interjecting:

The SPEAKER: Order!

The Hon. P.F. CONLON (Elder—Minister for Transport, Minister for Infrastructure, Minister for Industrial Relations, Minister for State/Local Government Relations) (14:40): Member for Goyder, I am quite happy to answer any question on Adelaide Oval at some length, but I need to point out that the member for Goyder's question is based on an erroneous estimation of the facts. I do warn him about taking his factual basis from radio reports.

Mr Williams interjecting:

The SPEAKER: Order! Member for MacKillop, you haven't got the floor.

The Hon. P.F. CONLON: The member for MacKillop fails to find me credible: the only man in the history of Westminster parliament to be installed by hissy fit rather than democracy. He believes I lack credibility. We have the former leader of the opposition who got—what was it?—seven votes; we have this bloke who got three votes; he got to be deputy leader, and I lack credibility?

Members interjecting:

The SPEAKER: Order!

The Hon. P.F. CONLON: His credibility is sound everywhere, particularly in Darwin, not quite as good in Penola.

Mr PEDERICK: Point of order, Madam Speaker: relevance, 128. The question was clearly about Adelaide Oval.

The SPEAKER: Then I think your member should stop interjecting across the floor.

The Hon. P.F. CONLON: It is no doubt that the question in my mind is based upon something said by those two inveterate campaigners against Adelaide Oval, David Bevan and Matthew Abraham. It was fascinating to see Mr Howe, who did at least have the decency to put the cue in the rack, when he did put the cue in the rack, go on their program and thank him for being the only people that supported him.

In fact, I was on that radio program pointing out that I would be bringing legislation to the parliament for Adelaide Oval. They said something along the lines that, 'if you are going to take the precinct off the Adelaide City Council'. I said, 'I do not believe it will be necessary to legislate to do that.' Can I advise those on the other side that, as recently as last night, the council has not decided its position on what I have asked them to do and that is to agree to allow us to license some car parking there.

They may find that amusing, but what I find is that this far down the track with legislation to be before the house that I will introduce this afternoon, this far down the track what we know is this: 80 per cent of SACA members want this to happen, all of football want it to happen, the Adelaide City Council wants football at Adelaide Oval. As of last night, regardless of what one councillor says, they are still considering the proposition put to them, which is why I said I did not think we would need legislation to take anything from them, and that option is still open to us.

What I will be doing is licensing sports to have some car parking on the oval, and it is not a matter I have made a secret of that they would need to have car parking there. Will you recognise on that side of the house that the Adelaide City Council has a far more intelligent and progressive view than the opposition has on this project? Will you go with John Howard, John Olsen, Rob Kerin, Alexander Downer, Christopher Pyne—and, of course, that giant of the Liberal Party, Jamie Briggs, at the behest of the Leader of the Opposition, as I understand it, who came out against it because they had to get some Liberal that was not them to oppose it, even if no-one has heard of him—but will you go with John Howard, Alexander Downer, Rob Kerin, John Olsen? Will you go with all of those people? Will you go with the Adelaide City Council which wants football at Adelaide Oval? Will you go with the people of South Australia? Will you go with your former leader Martin Hamilton-Smith?

Mr MARSHALL: Point of order, Madam Speaker.

The SPEAKER: There is a point of order. The member for Norwood.

Mr MARSHALL: Standing order 98: debate. The minister is clearly debating the fact. He always wants to tell us that the opposition is trying to delay the project.

The SPEAKER: Order! You are now debating the point of order. Sit down.

Mr MARSHALL: The simple fact of the matter is he hasn't even brought the legislation—

The SPEAKER: Sit down. Minister, have you finished your answer?

The Hon. P.F. CONLON: No. What I will say is that I told that radio program that I would need legislation. I told this house that I would need legislation. I brought that legislation. We have put our cards on the table. We have been as good as our word. We have kept all of our undertakings. Now, please tell us what you are going to do. Please tell the people of South Australia what you are going to do. And will you stop that demented fellow at the back annoying me?

Members interjecting:

The SPEAKER: Order! There will be no quarrels across the floor.

Members interjecting:

The SPEAKER: Order! I am glad there are no schoolchildren in here today—there are some. Member for Florey.

HEALTH SERVICES, NORTH-EASTERN SUBURBS

Ms BEDFORD (Florey) (14:46): My question is to the Minister for Health. Can the minister update the house about improvements to health services in the north-eastern suburbs of Adelaide?

The Hon. J.D. HILL (Kaurna—Minister for Health, Minister for Mental Health and Substance Abuse, Minister for the Southern Suburbs, Minister Assisting the Premier in the Arts) (14:46): Thank you, Madam Speaker, and I thank the—

Members interjecting:

The SPEAKER: Order! Minister for Health.

The Hon. J.D. HILL: I am trying, Madam Speaker.

Ms Chapman interjecting:

The SPEAKER: Member for Bragg, you are warned.

The Hon. J.D. HILL: I thank the member for Florey for her question, and I acknowledge her very strong advocacy for her constituents, particularly regarding the Modbury Hospital which is in her electorate. Since the release of the SA Health Care Plan in 2007, which guaranteed the future of Modbury Hospital as one of Adelaide's general hospitals with a 24-hour emergency department, the member for Florey, I can inform the house, has written to me 114 times. That is not quite as many times as the member for Fisher, but it is well up there at 114 times, that is to say, more than once a fortnight, and that includes 47 letters in relation to the Modbury Hospital on behalf of her constituents. In addition to this formal correspondence, the member and her office are in constant—

Members interjecting:

The Hon. J.D. HILL: The member for Florey is a very strong advocate for her constituents and their interests. If I judged the merits of the case, I would like to go through the files—

An honourable member interjecting:

The SPEAKER: Order!

The Hon. J.D. HILL: Things must be perfect in your electorate because I don't seem to recall any letters from you in recent months or years, but that is another point, so don't reflect on the member for Florey. Just be aware that the member for Florey is a very strong advocate for her constituency, and I know she has been accused in other places of not being so. She has contacted me many times. She is a very strong advocate for her community.

She has particularly taken an interest in ensuring that new mothers in the north-eastern suburbs are well served, with antenatal and post-natal care continuing to be offered at Modbury, while delivery, of course, is undertaken at a state-of-the-art maternity service at the Lyell McEwin or Women's and Children's, if women in that area choose to go there.

I am also delighted to announce today that the state government will invest more than $5.9 million this financial year to undertake 14 projects at Modbury Hospital. This funding is part of a $12 million allocation over six years announced in the 2007-08 budget for minor works at Modbury such as plumbing, air conditioning, hot water, energy efficiency, sewerage and asbestos remediation.

The 14 projects being announced today include: replacement of automated control systems to provide better cooling and heating, reduce energy consumption and provide alarm and plant monitoring; a new generator to provide additional essential emergency power to the hospital; installation of solar assistance systems to provide at least 60 per cent solar contribution for the generation of domestic hot water; and maximising capture of rainwater and making use of the water to save mains water. We are not only investing in new infrastructure for the hospital but also making sure it has a very green focus.

In addition, the government is funding a $46 million redevelopment at the hospital and the development of a master plan for this is nearing completion. This significant project will include a major redevelopment of the hospital's emergency department, with 25 new treatment cubicles, 36 new single rooms for rehabilitation and also a new rehabilitation centre. We anticipate that building works will start later this year and be finished in 2013.

Ms Chapman interjecting:

The SPEAKER: Member for Bragg!

The Hon. M.D. RANN: The Modbury Hospital is part—

Ms Chapman interjecting:

The SPEAKER: Order, the member for Bragg!

The Hon. J.D. HILL: The Modbury Hospital project is part of this government's commitment to rebuild or redevelop every single Adelaide hospital plus the majority of the major country hospitals as well. That is in addition to building a brand-new Royal Adelaide Hospital in the city of Adelaide.

Modbury Hospital has a very strong future under this government. As members would know, we brought it back from the private sector. It had been privatised by the other side and we brought it back into the public sector. This government and South Australia's Health Care Plan are

guiding the provision of health services in our state. The hospital is being developed as a general hospital with a 24-hour emergency department and a very strong elective surgery focus. In fact, I think in the last year about 15 per cent more elective surgical procedures occurred at that hospital.

We know that 60 per cent of patients who visit the hospital are over the age of 65, and that number is projected to increase significantly over the next decade as that part of our population in those north-eastern suburbs ages. That is why the provision of acute geriatric medical services, rehabilitation services and palliative care will be such an important part of the hospital's future.

Alongside these developments, the $25 million Modbury GP Plus Super Clinic, which is a partnership between our state and the federal government, will provide primary healthcare services in that community. The Modbury clinic will operate from two sites, at 77 Smart Road, Modbury, and Gilles Crescent, Hillcrest. Some services, including GP services, I am pleased to say, are already running from the Modbury site. The Hillcrest clinic will be opened later this year. The Modbury GP Plus Super Clinic will provide a comprehensive range of healthcare services to help the local community to stay healthy and to manage their chronic health conditions.

Services there will include intervention and prevention, chronic disease management, counselling, general practice, public dental services, nursing and allied health, and specialist clinical services, such as diabetes, wound, heart failure, respiratory and orthopaedic. These significant investments in healthcare facilities in the northern suburbs will help us better care for people in that community. I think the member for Florey can be pleased about those achievements, and I acknowledge that she has organised—and other members as well—

Ms Chapman interjecting:

The SPEAKER: Order, member for Bragg!

The Hon. J.D. HILL: She just interrupts all the time, Madam Speaker. She is a very naughty member of this place. The member for Florey should be pleased, and I acknowledge that she and the member for Newland are having a public meeting to discuss this issue this weekend.

ADELAIDE PARKLANDS

Mr GRIFFITHS (Goyder) (14:52): My question is for the Premier. Will the Premier rule out the building of any structures on the Parklands to be used for car parking, given his comments as then leader of the opposition on 8 December 2000, and I quote, 'We want Adelaide to be known as a city in a park, not a city in a car park'?

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) (14:52): We are liberating more Parklands than any government before, including, with this development, more Parklands being handed back.

Members interjecting:

The SPEAKER: Order! Member for Goyder.

ADELAIDE PARKLANDS

Mr GRIFFITHS (Goyder) (14:53): My question is for the Minister for Infrastructure. Is it the case that Adelaide City Council will be provided with further government funding for the redevelopment of Victoria Square in exchange for the council handing over the Parklands surrounding Adelaide Oval and, if so, will the contribution be additional to the government's $535 million for Adelaide Oval?

The government has announced $535 million for the Adelaide Oval redevelopment, but has also confirmed there will be a further $38 million for the Torrens footbridge, and an undisclosed amount for car parking, and now we understand a further amount will be paid to the Adelaide City Council for an upgrade of Victoria Square.

The Hon. P.F. CONLON (Elder—Minister for Transport, Minister for Infrastructure, Minister for Industrial Relations, Minister for State/Local Government Relations) (14:54): I will start by helping out the member here: the proposition that the Adelaide City Council's agreement to this proposal has been brought about in exchange for funding for something else is offensive to this government and offensive to the Adelaide City Council. It is utterly untrue and it is this sort of abuse—these guys talk about abuse of process—they make of this process here.

Mr Williams interjecting:

The SPEAKER: Order, member for MacKillop!

The Hon. P.F. CONLON: If I were a bit more open! Let me say this: in that previous question, the leader of our government, Mike Rann, wonderful man, was absolutely correct. We are not taking Parklands away. An underground car park will be constructed under Adelaide Oval, under the current built form—400 car parks. That is under the current built form of the oval. I do not see any problem with that. We are proposing to license sports to park where parking already occurs. We are proposing to leave other car parking in the hands of the council. The only additional area for car parking will be, as the Premier points out, the possibility of using some land that we will return to open space from the former rail marshalling yards; that is, return to parkland the capacity to park on what is now an unremediated, unattractive sight. We don't apologise for any of that.

What we do know from this question—I think we are starting to get an inkling of the opposition's attitude to this redevelopment. They are going to smear it, they are going to undermine it, and ultimately they are going to have to decide whether they support or oppose it. What we see here is a smearing of the Adelaide City Council and a smearing of us.

Mr Williams interjecting:

The Hon. P.F. CONLON: You are just asking; no, you're making—you're just asking!

Members interjecting:

The SPEAKER: Order!

The Hon. P.F. CONLON: Let me just ask then: what were you doing in Darwin when you should have been in Penola with your constituents—I am just asking!

Members interjecting:

The SPEAKER: Order!

The Hon. P.F. CONLON: Let me tell you this: two full meetings with the full council and on no occasion did a councillor raise with us the prospect of swapping something for funding, and on no occasion did we offer that to them. We have had discussions with the council about Victoria Park, about the city, on a range of issues. We have been on the record being supportive of improvements to Victoria Park, but you are not just asking a question, you are slurring the council and you are slurring us, and that is all you have got to offer. That is all you have to offer on Adelaide Oval.

Members interjecting:

The SPEAKER: Order! Member for Davenport.

CARBON TAX

The Hon. I.F. EVANS (Davenport) (14:57): My question is to the Treasurer.

Members interjecting:

The SPEAKER: Order, Minister for Transport! Order!

The Hon. I.F. EVANS: My question is to the Treasurer. Has the state government submitted a request for South Australian exemptions from the federal government's carbon tax, given that the Queensland government has already done so? If not, why not? If so, what has an exemption being sought for?

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) (14:57): I am happy to answer.

Members interjecting:

The Hon. M.D. RANN: You criticise me when I don't answer questions; you want me to answer the questions. I have spoken to a number of federal ministers in relation to the carbon tax. I have certainly raised issues relating to companies such as OneSteel and Nyrstar.

EASLING, MR T.

The Hon. I.F. EVANS (Davenport) (14:57): My question is to the Minister for Families and Communities. Does the minister stand by her department's letter to me, dated 25 March 2010, that her department accepted the Ombudsman's finding that the department held no documents

relating to any report of a public servant having attended the residence of Tom Easling and found semi-naked boys in his bed?

The Hon. M.J. Atkinson: Boys, plural.

The Hon. I.F. EVANS: The Attorney quite rightly interjects, 'Boys, plural'.

Members interjecting:

The SPEAKER: Order! The Minister for Families and Communities.

Members interjecting:

The SPEAKER: Order! The member for MacKillop and the Leader of the Opposition, you are both warned.

The Hon. J.M. RANKINE (Wright—Minister for Families and Communities, Minister for Housing, Minister for Ageing, Minister for Disability) (14:58): There has been a concerted push by the member for Davenport and Mr Easling and his lawyers to have an inquiry into the investigation that was conducted by the Department for Families and Communities Special Investigations Unit. The Crown Solicitor undertook a comprehensive review of all the issues and complaints raised by Mr Easling and his solicitors on the basis of whether a further inquiry was warranted.

The conclusion of the Crown Solicitor's review was that neither trial evidence, nor the submissions of Mr Easling's lawyers, provide any basis for any further inquiry into the objectivity or propriety of the investigation, the decision to prosecute or the conduct of the prosecution.

The SPEAKER: Order! Point of order.

Mr WILLIAMS: This is totally irrelevant to the question, which was: does the minister stand by the correspondence that her department wrote to the member, or does she not?

The SPEAKER: Order! The minister can choose to answer it how she chooses. If she considers this is part of her answer then I uphold that.

The Hon. J.M. RANKINE: Thank you, Madam Speaker. This goes to the crux of the questioning that has gone on in this place over some considerable amount of time. There was—

Members interjecting:

The SPEAKER: Order!

The Hon. J.M. RANKINE: There was an extensive inquiry by our Crown Solicitor who found that there was no justification for any further inquiry into—

Members interjecting:

The SPEAKER: Order!

The Hon. J.M. RANKINE: Mr Easling has now issued defamation proceedings and all of those issues, I expect, will be canvassed during that process.

Members interjecting:

The SPEAKER: Order!

AUTISM SERVICES

Mr PICCOLO (Light) (15:01): My question is to the Minister for Families and Communities. Can the minister tell the house how the state government is helping South Australian families stay living safely together?

The Hon. J.M. RANKINE (Wright—Minister for Families and Communities, Minister for Housing, Minister for Ageing, Minister for Disability) (15:01): I thank the member for his question and appreciate his ongoing advocacy on behalf of South Australians with a disability. The rate of autism spectrum disorder within our community is on the rise. As part of our 2010 election commitment to provide support, we committed an extra $4.2 million over four years to increase assessments and provide additional early intervention services.

The first $1 million of this is being delivered this financial year and will be directed in two main areas: an additional $500,000 per year to SA Health for a multidisciplinary assessment team to work across the Women's and Children's Hospital, the Lyell McEwin Hospital and the

Flinders Medical Centre; plus an additional $500,000 per year funding to Autism SA for assessment and early intervention services.

The extra funding for Autism SA will achieve the following: a statewide autism services project as part—

Ms Chapman interjecting:

The SPEAKER: Order!

The Hon. J.M. RANKINE: Keep going. Where is the tally?

The Hon. P. Caica: 79 so far.

The Hon. J.M. RANKINE: Madam Speaker, so far today the member for Bragg has interjected 79 times.

Members interjecting:

The SPEAKER: Order!

The Hon. J.M. RANKINE: Generally, every time she opens her mouth she gets it wrong. Single-handedly—

Members interjecting:

The SPEAKER: Order!

The Hon. J.M. RANKINE: —lost the election for her colleagues.

Members interjecting:

The SPEAKER: Order! Members on my left will behave.

The Hon. J.M. RANKINE: Every time she opens her mouth—and it's often; on average, every 69 seconds in question time. Yesterday, it was 51 seconds and today she is running at about every 45 seconds.

Members interjecting:

The SPEAKER: Order!

The Hon. J.M. RANKINE: Don't measure the length of them, measure the length of the silences; it's not very long. A statewide autism services project as part of a partnership with Disability, Ageing and Carers. Autism SA will receive a total of—

Ms Chapman: Blah, blah, blah.

The Hon. J.M. RANKINE: Again; 'La, la, la' the member for Bragg says in relation to, again, important disability services. She thinks it's a joke. She wants to be the minister for ageing and the minister for disability and all she does is poke fun. All she does is poke fun about important services for people—

Members interjecting:

The SPEAKER: Order!

The Hon. J.M. RANKINE: —with disabilities in South Australia. Autism SA will receive a total of $357,000 to manage the project across—

Mr Pengilly interjecting:

The SPEAKER: Member for Finniss!

The Hon. J.M. RANKINE: —non-government sectors. It will look at the current scope of services for children and adults with autism spectrum disorder and develop recommendations for improvement in services. In addition, Autism SA has committed $30,000 of commonwealth funding to this project. The recommendations arising from the project will inform the ongoing allocation of additional $500,000 recurrent funding after June 2013.

Autism SA's diagnostic assessment service will also receive an additional $513,750 over two years and this will clear its current waiting list and boost the availability of its diagnostic services across a range of ages. Importantly, it will allow Autism SA to develop a new visiting country diagnostic assessment service which is—

Ms Chapman interjecting:

The Hon. J.M. RANKINE: You don't think it's interesting to know about diagnostic services in the country?

Members interjecting:

The Hon. J.M. RANKINE: In the country? You don't want to know about it? That's fine.

Members interjecting:

The Hon. J.M. RANKINE: You don't want to know about that either. This will free up Country Health's capacity—

Members interjecting:

The SPEAKER: Order, the member for Bragg!

The Hon. J.M. RANKINE: I didn't lose the election for my team. I didn't lose the election for my team. I didn't get moved right down there.

The SPEAKER: Order! The minister will sit down.

The Hon. J.M. RANKINE: I didn't lose the election.

The SPEAKER: Order! The minister will sit down.

Members interjecting:

The SPEAKER: Order! I'm calling this question time to a halt. We won't continue with the answers.

Members interjecting:

The SPEAKER: Order!

GRIEVANCE DEBATE

KERNEWEK LOWENDER

Mr GRIFFITHS (Goyder) (15:06): After that rather interesting completion to question time, it is a pleasure to stand before the house today and talk about a positive thing, that being Kernewek Lowender, which is a celebration of the Cornish heritage that exists within the Copper Coast, which as we all in this chamber would realise is part of the Goyder electorate.

The first Kernewek Lowender was held in 1973 and it is held every two years, so I had the great pleasure of taking part in many activities in what was the 20th Kernewek this last week. I do recognise in the chamber those members who attended: the member for Croydon was there on Sunday; you, Madam Speaker, were there on Saturday at Moonta; the Minister for Families and Communities was there on Sunday also; the member for Fisher was there on the Friday; and the member for Schubert was there on the Sunday. A variety of members of parliament took the opportunity to go up there and help celebrate what is indeed a wonderful part of our history.

It is 151 years since copper was first discovered in the area and a very large influx of people from Cornwall all with a mining background came to actually help save South Australia's financial future by working extremely hard in some very difficult situations with significant loss of life and very hard conditions to even live in. They discovered copper, they mined it for many years and, indeed, they helped give South Australia a future.

The event itself celebrates that wonderful heritage. It involves hundreds of people who actually volunteer and an incalculable number of hours in the months leading up to it to actually make sure that everything runs smoothly. Anyone who has been there would really respect the fact that it is a wonderful series of events held across Moonta, Wallaroo and Kadina which really does celebrate not only that Cornish history but indeed everything that is wonderful about the region.

I want to take special time to actually pay tribute to mayor Paul Thomas. Paul is the mayor of the District Council of the Copper Coast. He is also the chairperson—and has been for many years—of the Kernewek Lowender committee. His commitment to his community in so many ways is just an amazing one, but the effort that he and his wife, Kathryn, put in over that six days and the number of events they managed to turn up to, the fact that they were always dressed in period costume is a credit to him. They would have slept very well on Sunday evening at the completion of everything—a job well done.

For those who have not witnessed it, there is an interesting dance that occurs on the Friday at Kadina called the Furry Dance.

The DEPUTY SPEAKER: The what dance?

Mr GRIFFITHS: The Furry Dance.

The DEPUTY SPEAKER: How do you spell that?

Mr GRIFFITHS: F-U-R-R-Y, I would presume. The previous member for Goyder—I will call him honourable—the Hon. John Meier participates in this. It involves a bit of a skip and a turnaround. You have a partner with you and there are about 10 couples who manage to do it for about half an hour, which is interesting to watch. It is part of the festival on the Friday. The maypole dancing also occurs with our young schoolchildren going around the maypole and making the various designs and then reversing it out, all to the music and with a great level of appreciation from the crowd.

I will take special note of the member for Schubert who has just re-entered the chamber. He takes part, seemingly, every festival, in a cavalcade of cars and motorcycles. I had the great privilege four years ago to be with him in his 1912 Hupmobile. He was not able to be with us two years ago but he and his wife Kaye were back again this year. I hope they enjoyed the drive around and the opportunity to be a part of the ecumenical church service on the Sunday, which the member for Croydon and the Minister for Families and Communities also attended. For those who have not been there—

The DEPUTY SPEAKER: Were they dancing?

Mr GRIFFITHS: No dancing there, just singing.

The Hon. M.J. Atkinson: Dancing? It's a Methodist Church!

Mr GRIFFITHS: Yes. It is a two-storey church and it can hold 1,250 people. The Metropolitan Male Choir was in attendance for an hour before the service.

The Hon. M.J. Atkinson: A magnificent voice.

Mr GRIFFITHS: They are, as the member for Croydon states, a magnificent voice. Every person who was in the church was encouraged to sing along with the choir and the various hymns that were occurring. It is an uplifting day. I said to the Minister for Families and Communities when she sat next to me, 'You will walk out of this event today feeling a better person.' I hope she did actually feel better when she and the member for Croydon left, because I know I enjoyed it.

There was a variety of speakers and they all have a religious background, but I think I will pay special praise to the Reverend June Ladner. She is a very passionate lady who is fighting for the history of that church, which only has about 25 parishioners, and they need financial support; so every person who goes is encouraged to contribute as much as they can. I did note that the member for Croydon handed over a cheque, so thank you for that. I am grateful for your support for our church.

The Kernewek Lowender is a wonderful event. It is held every two years. The level of support it receives from Cornish people and the bards from around the nation and the world is uplifting, and I hope that many members have a chance in the future to attend and enjoy it.

BIKINI GIRL MASSAGE CAFE

The Hon. S.W. KEY (Ashford) (15:11): As many people in this house will know, I have been working for quite some time with different community groups to reform the sex industry in South Australia. It has been interesting that, over the last couple of weeks, I have received complaints from different constituents not about my plans to reform the sex industry but actually raising some issues that would need to be part of that legislation. I need to say that I am not in a position to identify many of these constituents because they are very fearful of being identified because of what has happened in other places where this particular business has been established.

I have also been sent information from constituents about where the Bikini Girl Massage Cafe has been set up in other places in South Australia. I refer particularly to an article in a *News Review Messenger* (which I understand is a northern suburbs Messenger) entitled 'Parents Parlour Problem' on Wednesday 26 May 2010, page 3. The article states:

A massage parlour offering 'bikini clad girls' is being operated by convicted conman just 50 metres from a northern primary school. Bon Levi—aka Ron Frederick—opened the business a fortnight ago in Chivell Street opposite the Elizabeth South Primary School, angering parents.

The article continues:

Mr Levi has more than 50 convictions for fraud, stealing, assault and false pretences. In 2008, he was jailed for 10 months for contempt of court and faces 91 court charges for misleading advertising, in relation to the Bikini Girls Massage business he ran in Perth. He is due in the Perth court on 1 September [presumably in 2010]. Playford Council Group Manager of City Development, Greg Pattinson, said the council had received complaints and was currently investigating the matter.

This article was sent to me via email by a number of constituents because Bikini Girl Massage has now set up on South Road at Black Forest diagonally across from the Black Forest Primary School and also in the same building as a number of recreational facilities including one that provides dancing classes to young girls and women.

It was interesting meeting with a number of parents and a couple of young people who are participants in the dancing school (there is also an adult ballroom dancing facility in that building). One of the young girls who was at the meeting said that she was very disappointed because when this particular facility opened up a couple of weeks ago there were lots of pink balloons on the door, and she wanted to go in to find out whether she could get some pink balloons. She was also disappointed because, when she went to the ladies toilet, she met one of the workers there, and she was not in bikinis at all. So, she was very disappointed. She said that she was in underwear and she really could not understand how the underwear could be bikinis.

The problem with the facilities in this particular building is that the toilets are shared by everybody in the building, so it means that the dance school and the ballroom dancing school share the same facilities as the Bikini Girl Massage parlour staff. I think the thing that is even more of concern is that they share them with the clientele of that particular facility.

I am also reminded that under the Child Protection Act organisations that provide services to children need to be able to create and maintain a child safe environment and also need to be able to make sure that all sorts of organisations provide that safety, which, under the act, include a wide range of bodies who work with children, including businesses, service providers, incorporated and unincorporated groups, and organisations.

CHERNOBYL ANNIVERSARY

Mr PISONI (Unley) (15:17): On 26 April I had the pleasure of attending at the Ukraine church in Wayville the commemoration of the 25th anniversary of the tragedy that was the Chernobyl disaster. As we are all aware, the magnitude of the Chernobyl disaster was overwhelming. The effects are still felt today and will undoubtedly be felt for many years to come.

It is recorded that the fallout from the explosion and the resulting fires was approximately 100 times greater than the fallout caused by the dropping of the atomic bomb in Hiroshima. The radiation affected not only neighbouring countries but also other countries in Europe and in north-east Africa. I recall that a couple of months later I visited my Italian uncle in Milan, and he apologised for the fact that we would not be eating salad because of the fallout from Chernobyl. So, you can see just what sort of impact it had right across Europe.

In the Ukraine, in economic terms the cost of the disaster was well above US$200 billion, with the Ukraine alone spending between 5 to 7 per cent of its gross domestic product on issues relating to the Chernobyl disaster. Of course, those most affected were the inhabitants of the nearby towns, villages and cities.

The personal stories of the survivors are heartbreaking. Reading some of the stories, I could not help but think that it was from a time long past, but it was a mere 25 years ago. While it continues to remain a no-go zone for humans, apart from a few who have illegally returned to their homes, the exclusion zone has gradually come back to life, with birds, small animals and even larger animals such as elk and moose returning and even prospering in the zone.

Of course, that is not to say that the residual radiation has disappeared; rather it shows that the area is slowly restoring some of the destruction and getting back some of the life that the disaster took so cruelly away. For those affected by the disaster, even for someone who was not directly affected like me, the pain and sadness caused can never be forgotten. A former Chernobyl operator stated on the 20th anniversary of the disaster:

I cannot erase it from my life. It is in me forever, and nothing will wash it out. It is not impressions and memories, it is more, it is deeper, it is deep in the soul.

Another young mother, whose baby had died not long after it was born, felt guilt and shame because she had believed that the baby had absorbed all of the radiation at the expense of the mother. Therefore, she blamed herself for the death of her newborn child.

A newly-married wife was also distressed and distraught because her husband was one of the men who got rushed in at short notice to deal with the disaster with no protective clothing, of course. She was not able to visit him in hospital because she was told that he was no longer a person but a nuclear reactor.

So, I think it is important that we remember, on this 25th anniversary of that tragedy, those who suffered at the time and those who are still suffering because of the Chernobyl disaster. Hopefully, we can learn from it in the future in managing such projects.

With my last minute, Madam Deputy Speaker, I would like to say that we did miss you at the Mitcham Girls High School hall opening this morning. I noticed you were on the function sheet briefing as being in attendance but we did not see you there.

The DEPUTY SPEAKER: Thank you for noticing I wasn't there, member for Unley.

Mr PISONI: It was good to be visiting Mitcham Girls High School. They are a great school for the development of young girls. I was very pleased to see how well attended the assembly was and how well behaved, well dressed and well educated those girls are becoming under the leadership of Antoinette Jones, the principal at Mitcham Girls High.

The DEPUTY SPEAKER: Thank you, member for Unley. I have to say I really never predicted that one day you would say to me that you missed me. It is indeed heart-warming. Thank you.

EASLING, MR T.

The Hon. M.J. ATKINSON (Croydon) (15:22): Yesterday, during my contribution to the debate that grievances be noted, I was referring to a parliamentary paper of November 2009, the Review of the Easling Trial. The author was Simon Stretton SC. Mr Stretton was then the crown solicitor and is now a judge of the District Court.

This is the report that the Easling partisans want to cover up; the report they dare not mention. This is the report that advertisement supplementary entrepreneur Graham Archer, former newspaper reporter and now Liberal Party staffer Hendrik Gout and the member for Davenport do not even attempt to refute.

I think many members of the parliamentary Liberal Party are puzzled and cautious about the member for Davenport's campaign on behalf of his constituent Tom Easling. I know they worry about its tone, its lack of balance and its lack of proportion. In 2009, the member for Davenport told parliament, apropos the Department for Families and Communities:

It is obvious to me that this department is lying. It is obvious to me that this department is involved in a cover-up, and I say this to the government: if you are too gutless now to implement an independent inquiry into this agency, which is lying to the members of parliament and lying to the public, then it is on your head...

Later on, he tells the house, 'They did Tom Easling over.' I think the public servants over in the Riverside Building, who make child protection their vocation and serve the public of South Australia with integrity and according to law, should fear the advent of a government in 2014 in which the member for Davenport is treasurer, or indeed has any role, and the advent of a premier who is a political debtor of the Evans clan and has given the member for Davenport leave to run the vindictive, untruthful and menacing campaign he has on the Easling matter. I returned to Stretton SC's report. At page 112 he writes:

In light of the strength of the evidence discussed in detail above, in my view it was entirely appropriate and the DPP was entirely correct to commence and pursue a prosecution in this matter.

A failure to prosecute in the face of eight separate complainants on the basis of the matters raised concerning the credibility of these 'street kids' would set a very dangerous precedent. The matters raised concerning credibility were legitimate but standard issues with a potential to affect the credit of any witness, however, were exactly the type of issue you might...expect to see with honest witnesses of the 'street kid' type that were genuine victims.

The credibility matters were for the most part legitimately relevant to credit, but did not necessarily mean that the allegations were not genuine. They were classically issues for a jury...To fail to prosecute because of these

standard and expected 'street kid' credit issues would have been tantamount to a charter to abuse street kids in the future. The decision to prosecute was correct.

On the question of a boy being in Tom Easling's bed, I referred yesterday to documents that evidence that Tom Easling broke the fostering rule not to have foster children in his bed, but I neglected to add that Tom Easling himself told *The Australian* that he had had boys in his bed. The member for Davenport's indignation about this is, in truth, not that there are no documents showing that semi-naked boys were in Tom Easling's bed—there are such documents and they are available—but that there is not a document that shows that there was more than one semi-naked boy in Tom Easling's bed at the same time. It is on this basis that he has been calling for the minister's resignation. That is the member for Davenport's case at its highest.

I am all for the polite convention that once an accused person is acquitted he or she is entitled to the presumption of innocence. Tom Easling is entitled to the presumption of innocence having been acquitted by a jury on 18 counts, 12 by unanimous not guilty verdict and six by majority verdict. What I say is that a not guilty verdict is just that: it is not a verdict of innocent. It is a verdict that the prosecution did not prove its case beyond reasonable doubt. It sometimes happens that a criminal prosecution fails to prevail beyond reasonable doubt but that the same allegation prevails in a civil court on the balance of probabilities.

Mr Archer, Mr Gout and the member for Davenport prey on this legal principle not being widely known in society. It is appropriate that, once a not guilty verdict is given, the media, parliament and society should then apply the presumption of innocence. But Mr Archer, Mr Gout and the member for Davenport have not been applying the presumption of innocence as a shield for Mr Easling: they have been using it as a sword to assert that the not guilty verdict means that the investigation was crooked, the prosecution should not have been brought and the witnesses lied.

POLICE NUMBERS

Mr PENGILLY (Finniss) (15:27): I would like to raise some SAPOL issues today. No doubt, after I have raised them, the minister will instruct the police commissioner to speak with the head of the Hills, Fleurieu and KI region and I will have a meeting and be told that everything is fine and have the figures produced to show that everything is fine. But let me say, Madam Deputy Speaker, that everything is not fine. The funding of the Hills, Fleurieu and Kangaroo Island region, it has been brought to my attention, is the lowest of any region in South Australia. This is one of the fastest growing areas of the state, let me tell members.

If you are resourcing regions inappropriately and petty crime in some areas is on the increase rapidly, for various reasons, and local members have police officers' families come to speak to them (extended families) who are highly concerned about their husbands, wives or daughters who work in SAPOL, there is something seriously wrong. That is what is happening to me at the moment. I am having family members of police officers based on the Fleurieu Peninsula and Kangaroo Island raising serious concerns with me about the way, in this case mainly male, officers are handling the situation. They are stressed, overworked and not getting support.

Two examples of that are the Normanville police station and the Kangaroo Island police station. Recently, there was an issue at the Yankalilla Area School which raised grave concerns for the principal and some of the staff. I am not going to go into the details, for various reasons. However, they urgently required a police officer on site to deal with a potential matter and could not get a police officer because one of the police officers based at Normanville had an accident and was off work and the other was on leave or a sick day, or whatever. There were no police officers in that area, and I am told that the police station there was not open for a period of days. I will stand corrected, if necessary, on that. Of course, a police patrol would have had to come in from Victor Harbor or further afield to deal with that issue. The principal was deeply concerned about it and raised the matter with me.

On Kangaroo Island there are three officers stationed. There is always, seemingly, one on a day off; that is the way their roster works. There may be one on leave. Occasionally they bring in an officer from Victor Harbor or even Mount Barker to back up, but more often than not there is only one officer operating and whoever is on a day off, or whatever, is on call—and they are not always available. It is pretty nigh on impossible if you have an issue way out on the west end of the island to get a police officer out there and to have another one to do something on the eastern end.

It is seriously, seriously concerning me that the police in my region, in my electorate, are not adequately resourced. I call urgently for more police officers at the police station in Normanville.

I call for more officers on the ground in Victor Harbor. We have additional officers now on the road; I acknowledge that. However, they are still short down there, and families of officers are still raising issues with me down there, particularly in relation to Kangaroo Island. We urgently need a fourth police officer stationed on Kangaroo Island. It is simply not good enough to have to try and get somebody over on a ferry or a plane when you need someone.

I have two examples where, recently, drivers from Europe have had accidents in my electorate. One was near fatal, down near the Myponga area, and another one was fatal at Penneshaw on Kangaroo Island. Both involved driving on the wrong side of the road. It was only through pure good luck that there were additional officers on the island on the day of the fatal accident at Penneshaw to assist and that the officers could cope. It was more good luck than good management. They were over there, I understand, doing an audit.

We are about to have the state budget. We will no doubt have cuts here, there and everywhere. I want to see a few cuts in other police areas and some funding put into my area so that I do not have to suffer the trauma of police officers' families coming to me seriously concerned about the stress that is being put on their spouses. I do not think it is good enough. I am sure that members in this place do not think that it is good enough, so I call on the government to add additional resources.

GENERATIONS IN JAZZ

Ms BEDFORD (Florey) (15:32): On the first weekend in May it was my honour to represent the Premier at the 2011 Generations in Jazz in Mount Gambier. This fantastic annual music festival hosted 90 bands from all over Australia, which meant over 2,000 young musicians had gathered, with their musical directors as well as family and supporters. In his message, the Premier acknowledged the amazing work of the Generations in Jazz board, led by executive officer Karyn Roberts, and the organising committee, as well as the hundreds of volunteers who make the weekend a fabulous experience for everybody.

Sponsors include the City of Mount Gambier, Yamaha, the Evans family, who look after the James Morrison jazz scholarships, Scott Petroleum, The Barn Palais, run by the marvellous Cleves family, the District Council of Grant and OGR, Pat Corrigan's Musicians Scholarship Trust, Hansen Print, Hyland Fox signs, Chapman's Newsagency, Baxter Hire, Genesis Creative, Joannes Express Espresso and Green Triangle Electronics. They all make sure the weekend is absolutely fantastic.

I am indebted to Mr Graham Greenwood for his book on Dale Cleves, telling the story of Dale's life of music and 50 years at The Barn—truly a landmark in the South-East and now internationally known. While I am a relative newcomer to Generations in Jazz, now only in my 12th year of attendance, it is good to finally know the full commitment and driving force Dale continues to be. His love of music and musical expertise have led to an event that grows stronger every year.

The Premier also spoke of this year's internationally regarded guests. James Morrison and his band, Emma Pask, and the amazing Idea of North were joined by the Grammy award winner and internationally acclaimed Mr Gordon Goodwin. Much more youthful than his CV would indicate, his presence added another dimension to the experience. We also heard from the many wonderful instrumental and vocal scholarship contenders and previous winners.

Each evening (Friday and Saturday) and a Sunday matinee, we were all treated to a concert beyond par and the general public are able to share the occasion which they are doing in even greater numbers each year. Judges play a vital role and have a very difficult task each year over four divisions, with division 3 so large it is in two sections now. It is important to acknowledge the role of James Morrison and Gordon Goodwin, who looked after division 1, Graham Lyall, Bill Broughton—a US expat, and his wife Jan, who I am proud to say, are Florey residents—and Mr Ross Irwin, who did a great job as MC this year.

Division 1 winners were South Australia's own Marryatville High School, who deserve our hearty congratulations in a very tough category, which it has previously won, maintaining a very strong rivalry with Victoria's Wesley College, which was last year's winner.

South Australian public schools are well represented in the competition with, among others, Woodville High School, Brighton Secondary School, and my very own Modbury High School, who performed fantastically and came seventh out of 40 in division 3. Private schools included Scotch College and Walford; and Mr Tim Donovan, known to some in this house, and his St Michael's College band, made a very credible first appearance at Generations In Jazz.

A highlight for many of us, particularly those old enough to remember the Daly-Wilson Big Band, was Ed Wilson on stage with his trombone playing his own chart of *Hey Jude* with James and the band; the standing ovation was well deserved. There were many other great moments over the weekend. The Idea of North continue to amaze us, and the performances of scholarship finalists—both vocal and instrumental—assure a rich future for Australian jazz.

I personally want to thank everyone who is involved with Generations in Jazz: all the schools who travel such long distances; all the musical directors who bring their young charges to competition level and give them an experience that will last them a lifetime; and all the parents who make sure their children nurture and grow a love of music to whatever level they are able to achieve. Our thanks must go to the other Morrison maestro, John, whose contribution is always appreciated greatly. We had great performances from 2010 winners, vocalist Kate Kelsey-Sugg and pianist Harry Sutherland, who I have had the pleasure to hear and see evolve musically over many years.

This year we also welcomed local Adam Page direct from his appearance at WOMADelaide, and Generations in Jazz patron, Daryl Somers, who travelled to be with us in Mount Gambier for the weekend. His support saw Wesley College appear on *Hey Hey It's Saturday* this year, giving national exposure to them and the Generations in Jazz competition.

In closing, I would like to urge all members to have a think about coming down to Generations in Jazz. While your own local school might not be there, it is an opportunity to see how important music is in kids' lives. It is also an opportunity to mix with the people of the South-East, who did approach me about many topics over the weekend. Overall, the highlight was the music. The fantastic performances of our young jazz musicians were astounding.

ADELAIDE OVAL REDEVELOPMENT AND MANAGEMENT BILL

The Hon. P.F. CONLON (Elder—Minister for Transport, Minister for Infrastructure, Minister for Industrial Relations, Minister for State/Local Government Relations) (15:37): Obtained leave and introduced a bill for an act to facilitate the redevelopment of Adelaide Oval; to provide for the future care, control and management of Adelaide Oval and its precincts; and for other purposes. Read a first time.

The Hon. P.F. CONLON (Elder—Minister for Transport, Minister for Infrastructure, Minister for Industrial Relations, Minister for State/Local Government Relations) (15:38): 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 *Adelaide Oval Redevelopment and Management Bill 2011* will enable the timely redevelopment and long-term management of Adelaide Oval as a multi sport venue that will become the home of football and cricket in South Australia.

The Bill will provide the certainty required to allow Football and Cricket once again to co-exist at one of the greatest sporting grounds in the world, providing significant financial security to both sporting codes and delivering funds for grass-roots investment.

It will also provide a world-class 21st century stadium venue that will accommodate other sports, functions and events.

The significant vote of confidence recently provided by the members of the South Australian Cricket Association demonstrates the overwhelming support for the redevelopment of Adelaide Oval as a modern sporting venue that retains its unique heritage and traditions. These include retention of the name 'Adelaide Oval', the heritage scoreboard and the northern mound along with its iconic vistas of St Peter's Cathedral.

The overwhelming response by the broader South Australian community to SACA's vote of confidence has shown that the Adelaide Oval redevelopment is not only seen as a world-class piece of construction, but also as a piece of psychological infrastructure that lifts the spirits of the State.

The redevelopment of Adelaide Oval will act as a catalyst for the reinvigoration of the Riverbank Precinct, which along with the expansion of the Adelaide Convention Centre and other planned private and public sector initiatives, will transform the precinct into one of the city's prime destinations for the arts, leisure, recreation and entertainment.

It will be the showpiece of Adelaide that once and for all proves the naysayers cannot hold South Australia back and will attract private sector investment into the billions of dollars.

The Adelaide Oval redevelopment is also a key element in the Riverbank Precinct Master Planning process, which is now developing a comprehensive and integrated plan for the precincts on both sides of the river. Importantly the Master Plan will guide the alignment of the new bridge that will connect Adelaide Oval to the city and its many attractions, facilities and convenient public transport just 350 metres away—closer than the Melbourne Cricket Ground.

The redevelopment also allows for significant investment in the park lands and the Stadium design team has focussed on a 'Pavilions in the Park' concept—a unique stadium that takes advantage of the park land setting.

The *Adelaide Oval Redevelopment and Management Bill 2011* is vital to deliver the Government's planned $535 million investment to redevelop Adelaide Oval and to ensure the new venue and the surrounding precinct are operated and managed to the highest standards and to the overall benefit of the South Australian community.

The Bill requires the Minister to protect and enhance the park lands and also provides powers for the Minister to cancel arrangement where a holder of a sub-licence is not managing any land in a manner consistent with maintaining park lands for the use and enjoyment of members of the public.

The four broad objectives of the *Adelaide Oval Redevelopment and Management Bill 2011* are as follows:

- To vest care, control and management of the Adelaide Oval Core Area to the Minister.
- The Minister will be authorised to grant a lease of the Adelaide Oval Core Area to the Adelaide Oval SMA Ltd for any term up to 80 years. The lease will be subject to the rights of South Australian Cricket Association and the South Australian National Football League set out in licences granted by the Minister to unrestricted and exclusive use of Adelaide Oval for cricket and football purposes.
- At the request of the Minister, the Adelaide City Council must grant a licence over all of the Adelaide Oval Licence Area. The licence will be for any term up to 80 years.
- Any development up to 2015 within the Adelaide Core area and the Adelaide Oval Licence Area will be authorised.

The project team has made significant progress in the last 12 months and has recently called tenders for a builder to join the project team to undertake the redevelopment of Adelaide Oval. The Government still seeks to let a construction contract in October/November this year and to complete the project in 2014.

To enable this work to proceed it is necessary to ensure certainty in relation to care, control and management of the subject land, governance and tenure matters and other arrangements necessary to facilitate the redevelopment and management of Adelaide Oval and the surrounding precinct.

The passage of this Bill will provide this certainty and finally bring Football back to the city in a world-class Stadium, alongside a world-class Riverbank precinct that will forever change Adelaide for the better.

I commend the Bill to Members.

Explanation of Clauses

Part 1—Preliminary

1—Short title

This clause is formal.

2—Commencement

This measure will come into operation on a day to be fixed by proclamation.

3—Interpretation

This clause defines certain terms for the purposes of the measure.

Part 2—Adelaide Oval Core Area

4—Care, control and management of land vested in Minister

This clause vests the care, control and management of the *Adelaide Oval Core Area* in the Minister subject to the other provisions of the measure (and on such vesting any lease between the Council and SACA that relates to any part of the area is extinguished).

The clause provides that the area must be used predominantly for the purposes of a sporting facility (including related uses) with other uses (such as recreational, entertainment and social uses) being allowed on an ancillary or temporary basis from time to time.

The clause also provides that the Minister must ensure that the area continues to be named *Adelaide Oval*, that the existing scoreboard is maintained in good condition and that an open space is kept at the northern end of Adelaide Oval (provided that temporary structures would be allowed in this area under subclause (4)).

5—Lease to SMA

This clause authorises the Minister to grant a lease over any part of the *Adelaide Oval Core Area* to Adelaide Oval SMA Limited (*SMA*) which may be for any term up to 80 years (including an extension or renewal) and which must be subject to the rights of SACA and the SANFL (set out in licences granted by the Minister) to

unrestricted and exclusive use of Adelaide Oval for purposes associated with the playing of cricket during designated periods (in relation to SACA) and for purposes associated with the playing of football during designated periods (in relation to SANFL). A copy of any lease or licence granted under this clause must be laid before both Houses of Parliament within 6 sitting days after being granted.

6—Development authorisation

This clause authorises any development undertaken within the *Adelaide Oval Core Area* associated (directly or indirectly) with the redevelopment of Adelaide Oval, its stands and other facilities. An authorisation under this clause will be subject to conditions Gazetted by the Minister and operates as if it were a development authorisation under the *Development Act 1993*.

The Minister must take reasonable steps to consult with the Council before specifying conditions on development authorisation and must, after specifying conditions (by notice in the Gazette), cause copies of the notice to be laid before both Houses of Parliament.

The clause will expire on 31 December 2015 (without affecting any development completed or commenced before that date).

Part 3—Adelaide Oval Licence Area

7—Licence to Minister

This clause provides that the Council must, at the request of the Minister, grant a licence to the Minister over all of the *Adelaide Oval Licence Area*, or any part of that area specified by the Minister. A licence under this clause is to be for a term specified by the Minister (of up to 80 years including any extension or renewal) and may be subject to such terms and conditions as the Minister may specify after consultation with the Council.

The clause restricts the purposes for which land may be used in accordance with the licence (or a sub-licence granted by the Minister under subclause (4)), namely providing car parking, access to, and redevelopment of, the *Adelaide Oval Core Area*, providing facilities for playing sport and any other activity prescribed by the regulations.

A licence under this clause will not be subject to Part 11 of the *Local Government Act 1999* or section 21 of the *Adelaide Park Lands Act 2005*.

The Minister must, within 6 sitting days after a licence or sub-licence is granted under this section, cause copies of the licence or sub-licence to be laid before both Houses of Parliament.

8—Development authorisations

This clause authorises (as if it were a development authorisation under the *Development Act 1993*) any development, undertaken by or with the consent of the Minister, within the *Adelaide Oval Licence Area* associated (directly or indirectly) with development within the ambit of clause 6 or in connection with a licence or sub-licence. The Minister must take reasonable steps to consult with the Council before undertaking or consenting to development under this clause, or before specifying conditions under subclause (4).

Under subclause (2), the development authorisation in subclause (1) will not apply to development involving the construction of a permanent building unless the development involves a grandstand or other facilities associated with the playing of sport on or in the vicinity of *Adelaide Oval No 2*. The measure makes it clear that subclause (2) does not apply to site offices etc associated with the redevelopment of Adelaide Oval.

The clause will expire on 31 December 2015 (without affecting any development completed or commenced before that date).

Part 4—Miscellaneous

9—Interaction with other Acts

This clause provides for the interaction of the measure with other Acts.

10—Status of land as park lands

This clause provides that, except to the extent that is reasonably required in connection with the operation of Parts 2 and 3, the Minister should, in managing any part of the *Adelaide Oval Licence Area*, seek to protect and enhance the area as park lands for the use and enjoyment of members of the public.

11—Victor Richardson Road

This clause provides for the closure of Victor Richardson Road at North Adelaide and for the care, control and management of the land that comprises the road to be vested in the Council (as part of the Adelaide Park Lands). This land is included in the definition of the *Adelaide Oval Licence Area* under clause 3 of the measure.

12—Identification of land

This clause provides that the Minister may, by instrument deposited in the GRO, identify or delineate any land in connection with the operation of this Act.

13—Duties of Registrar-General and other persons

This clause provides that the Registrar-General must take any appropriate action as required in consequence of a plan or instrument deposited in the Lands Titles Registration Office or in the GRO under or for the

purposes of this Act. The clause also provides that any other person required or authorised under an Act or law to record instruments or transactions relating to land must take any action necessary to give effect to the plan or instrument.

14—Interim occupation of core area

This clause provides that until the Minister grants a lease to SMA under clause 5, SACA is authorised to continue to occupy and manage the Adelaide Oval Core Area on any terms and conditions that the Minister may determine after consultation with SACA.

15—Regulations

This clause provides for the making of regulations for the purposes of the Act.

Schedule 1—Adelaide Oval Core Area—Overall plan

Schedule 2—Eastern Grandstand Area

Schedule 3—Southern Area

Schedule 4—Northern Area

The Schedules provide maps for the purposes of the measure.

Debate adjourned on motion of Mr Williams.

CRIMINAL ASSETS CONFISCATION (PRESCRIBED DRUG OFFENDERS) AMENDMENT BILL

The Hon. A. KOUTSANTONIS (West Torrens—Minister for Mineral Resources Development, Minister for Industry and Trade, Minister for Small Business, Minister for Correctional Services) (15:39): Obtained leave and introduced a bill for an act to amend the Criminal Assets Confiscation Act 2005. Read a first time.

The Hon. A. KOUTSANTONIS (West Torrens—Minister for Mineral Resources Development, Minister for Industry and Trade, Minister for Small Business, Minister for Correctional Services) (15:40): 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.

Labor's 2010 Serious Crime election policy stated that 'This proposal will amend the *Criminal Assets Confiscation Act* to target persistent or high level drug offenders to provide for total confiscation of the property of a "Declared Drug Trafficker"'. The policy details were:

New powers will be given to the Director of Public Prosecutions to allow criminal drug dealers who commit three prescribed offences within a span of 10 years to be 'declared a drug trafficker.

Under this proposal, which targets high level and major drug trafficking offenders, all of a convicted offender's property can be confiscated, whether or not it is established as unlawfully acquired and whether or not there is any level of proof about any property at all. Property and assets could also be restrained pending prosecution of matters before the court.

The legislation will attack repeat drug offenders. The offences that will attract the declaration if committed three or more times within a span of 10 years include:

- Trafficking in controlled drugs;
- Manufacture of controlled drugs for sale;
- Sale of controlled precursor for the purpose of manufacture;
- Cultivation of controlled plants for sale;
- Sale of controlled plants; and
- Any offence involving children and school zones.

The Bill, with a modification, fulfils this election pledge.

Prescribed Drug Traffickers

The idea that all of the property of certain drug traffickers (described in the Bill as prescribed drug traffickers) should be confiscated, whether or not it has any link to crime at all and whether or not legitimately earned or acquired, originated in the Western Australian *Criminal Property Forfeiture Act 2000*. If a person is taken to be a declared drug trafficker under either s 32A(1) of the *Drugs Misuse Act* of that State or is declared under s 159(2) of the *Confiscation Act*, then, effectively, all of their property is confiscated without any exercise of discretion at all, whether or not it is lawfully acquired and whether or not there is any level of proof about any property at all. The two

situations are a convicted drug trafficker of a certain kind and an absconding accused. The first category is the most general.

An absconding accused aside, there are two situations catered for. The first is the repeat offender. The second is the major offender (whether repeat or not).

The repeat offender is caught if he is convicted on a third (or more) offence for nominated offences within a period of 10 years. The nominated offences are: possession of a prohibited drug with intent to sell or supply, manufacturing or preparing; or selling or supplying, or offering to sell or supply, a prohibited drug; possession of a prohibited plant with intent to sell or supply, or selling or supplying, or offering to sell or supply, a prohibited plant; attempting to commit these offences; and conspiring to commit these offences.

The major offender is caught if the person commits any one offence at any time about a prohibited drug or prohibited plant that exceeds a prescribed amount. Those amounts are prescribed in Schedules to the Act (not regulations) and list, for example, 28 grams of amphetamine, three kilograms of cannabis, 100 grams of cannabis resin, 28 grams of heroin and 250 cannabis plants.

Section 159(2) says that a person will be taken to be a declared drug trafficker if the person is charged with a serious drug offence within the meaning of section 32A(3) of the *Misuse of Drugs Act 1981* and the person could be declared to be a drug trafficker under section 32A(1) of that Act if he or she is convicted of the offence, and the person absconds in connection with the offence before the charge is disposed of or finally determined. A serious drug offence within the meaning of section 32A(3) of the *Misuse of Drugs Act 1981* means a crime under section 6(1), 7(1), 33(1)(a) or 33(2)(a) of that Act. The content of these crimes has been outlined immediately above.

The Northern Territory *Criminal Property Forfeiture Act* contains very similar provisions, obviously modelled on the Western Australian Act. However, the Northern Territory Act contains only the repeat offender version of the first category and the second category (death and absconding). It does not contain what is described as the major offender category described above. No other Australian jurisdiction has anything like either of these Acts. The provisions fall to be considered on their merits.

Under the WA scheme and its counterpart in the Northern Territory, all of the declared drug trafficker's assets are subject to forfeiture. Absolutely everything. Baby clothes, washing machine, garden hose, children's toys—the lot. The Government has taken the view that, under the current attitude of the High Court, such a scheme is, if challenged, likely to be held unconstitutional. So, in order to ameliorate the harshness of the scheme, it is proposed that the prescribed trafficker forfeit everything except what a bankrupt would be allowed to keep. These are to be found in r 6.03 of the Commonwealth *Bankruptcy Regulations 1996*. The lists are extensive, but the general principle is:

Subsection 116 (1) of the Act does not extend to household property (including recreational and sports equipment) that is reasonably necessary for the domestic use of the bankrupt's household, having regard to current social standards.

High Level or Major Traffickers

Whether or not a person can be presumed to be, in common usage, a high level or major trafficker will depend largely, but not wholly, on the amount of the drug with which he or she is associated. The table below illustrates various amounts for the purposes of comparison. The SA amounts listed are those prescribed as a result of a national consultative process fixing amounts.

1. Drug	2. SA Trafficking Amount	3. SA Commercial Amount	4. SA Large Commercial Amount	5. WA Declared Drug Trafficker Amount
Amphetamine	2 gms (mixed)	0.5 kgs (mixed)	1 kg (mixed)	28 gms
Cannabis	250 gms (mixed)	2.5 kgs (mixed)	12.5 kgs (mixed)	3 kgs
Cannabis Resin	25 gms (mixed)	2 kgs (mixed)	10 kgs (mixed)	100 gms
Heroin	2 gms (mixed)	0.2 kgs (mixed)	1 kg (mixed)	28 gms
Cannabis Plants	10 plants	20 plants	100 plants	250 plants

It can be seen at once that the WA amounts do not correspond to any nationally agreed amount nor to any fixed proportion of them. The nationally agreed amounts were settled on the basis of research across Australia on the actual activities of the illicit drug markets informed by police expertise. The basis on which the WA. amounts were fixed is not apparent, but given that the national exercise was the first of its kind, they are not likely to have a logical basis. The obvious way to proceed is to fix on the amounts already settled in the SA *Controlled Substances (General) Regulations* as indicating commercial activity.

Repeat Offenders

The legislation also attacks repeat offenders. The key to this category is settling the offences to which it applies—that is, what offences will attract the declaration if committed three or more times within a span of 10 years. It is suggested that the offences to which it should apply are any serious drug offences that are indictable. These are those offences listed in that part of the *Controlled Substances Act 1984* under the headings 'Commercial offences' and 'Offences involving children and school zones'.

The Fund

The proceeds from the existing criminal assets confiscation scheme must be paid into the Victims of Crime Fund (after the costs of administering the scheme are deducted). It is proposed that funds raised by the application of this new initiative be devoted to another fund, to be called the Justice Resources Fund. This Fund will

be devoted to the provision of moneys for courts infrastructure, equipment and services and the provision of moneys for justice programs and facilities for dealing with drug and alcohol related crime. Disbursements will not overlap with those made from or eligible for moneys from the existing Victims of Crime Fund. The Government does not believe it to be proper that money from the Fund be spent on law enforcement or criminal investigation purposes.

Other Aspects of the Scheme

The Western Australian scheme has also been modified so that a court has a discretion to ameliorate the inflexible application of this scheme if the offender has effectively co-operated with a law enforcement agency relating directly to the investigation or occurrence or possible occurrence of a serious and organised crime offence. For these purposes, a serious and organised crime offence is defined in a way that mirrors the definition in the *Australian Crime Commission (South Australia) Act 2004*. Every encouragement should be given to serious criminals to inform on their co-offenders and any criminal organisations to which they belong or are party.

As is the case with the WA and NT legislation, a person is a prescribed drug trafficker where there is sufficient evidence to conclude that a person would have been liable to be a prescribed drug trafficker and the person either absconds or dies.

The Bill also adopts the Northern Territory innovation that the time period of 10 years in relation to the repeat offender does not run if and while the offender is imprisoned.

Pecuniary Penalty Provisions

The necessity for this amendment arose directly from the decision of the Full Court in the case of *DPP v George* [2008] SASC 330. The appellant George was convicted of an offence of producing cannabis. The subject of the charge was 12 mature cannabis plants and 20 seedlings with roots attached. The plants were being grown hydroponically in a shed on his residential property in Seacombe Gardens. He was also convicted of knowingly abstracting (stealing) electricity. He was fined $2,500 for both charges. Under the law applicable at the time the maximum penalty for this offending would have been 25 years imprisonment. Under current law, 10 plants is a trafficable quantity and he was over that, not counting seedlings, so there would be a presumption of sale.

The DPP intended to pursue the defendant under the *Criminal Assets Confiscation Act*. Accordingly, a restraining order was placed over the residential property. After conviction, the defendant applied for an order excluding the property from forfeiture. In the meantime, the DPP applied for a pecuniary penalty order forfeiting a sum of money equivalent to the defendant's interest in the property. The house was valued at $255,000 with a mortgage of $164,731. It follows that the pecuniary penalty would have been about $90,000. It can be accepted that the defendant would have to sell the property to pay the pecuniary penalty.

The question then arose whether the court had a discretion whether to impose a pecuniary penalty order or not. On the face of it, the legislation seemed to say that there was no discretion. The legislation says that the court must make a pecuniary penalty order about the proceeds of a crime or an instrument of crime. All had assumed hitherto that 'must' meant 'must' and that was that. The magistrate below had threaded a way out of what he thought to be an injustice by holding that the house and land were not instruments of crime. That was an ingenious argument and the Supreme Court on appeal flirted with it. In the end they divided 2/1 on the facts, holding that the property was an instrument.

But White J, with whom Doyle CJ and Vanstone J agreed on point, said that must did not mean must. There was a discretion after all. The key passage was:

Moreover, the construction for which the DPP and the Attorney-General contend has the potential to bring the administration of justice into disrepute. This is likely to engender a lack of respect for such proceedings and the authority of the courts conducting them is likely to be undermined. The DPP could, for example, take the attitude before a court hearing an application under ss 47 or 76 that its decision will be immaterial, and conduct the proceedings accordingly. It is inimical to proper respect of judicial authority for one party to an application before the court to be able to take such an attitude.

I referred earlier to the absence of any provision in the CAC Act which would enable a court to take account of, or to ameliorate, the harsh consequences of a PPO or the interests of others in the subject property. Nor is there any provision enabling the court to take account of the public interest in the way in which s 76(1)(c) requires in relation to statutory forfeiture. The absence of such provisions is stark if s 95(1) is construed as obliging a court, upon satisfaction of the specified matters, to make a PPO. It is difficult to identify any reason why Parliament should have considered provisions to that effect to be appropriate in relation to forfeiture orders, but not in relation to PPOs. Similarly, it is difficult to identify any reason why Parliament should have intended consideration of the public interest to be relevant in relation to applications for exemption from statutory forfeiture, but not in relation to PPOs. The absence of provisions permitting a court to ameliorate the harsh consequences of a PPO, or to consider the public interest, loses much of its significance however if s 95(1) is construed as vesting a discretionary power, rather than imposing an obligation. (emphasis added)

The lesson was plain. 'Must' does not really mean 'must' because of the harsh, arbitrary and unjust consequences it would bring. 'Must', said the Court, really means 'may'. The Act is amended to fix this. This state should not have on the books a law that is thought to be so unfair and unjust that a Court has to strain the ordinary use of language in that way in order to bring about a fair result. The amendment gives the court a discretion to impose a pecuniary penalty in relation to instruments of crime, just as it does in relation to the forfeiture of instruments of crime. That discretion is informed by an inclusive list of factors identical to those legislated in relation to the forfeiture of instruments of crime.

Restraining Orders

In the course of deciding the main issue in *DPP v George*, the court, (particularly the contribution of White J) points out another technicality that poses problems. In summary:

- The Act contains provision for what is known as 'automatic forfeiture'. The essence of the scheme is that property subject to a restraining order will be forfeited by operation of law after the expiry of a certain time period after conviction.
- The only way for a defendant (or any other interested party) to escape this process it to apply for and win an order excluding property from the restraining order.
- White J pointed out that a literal reading of the Act could say that the property will be automatically (and irretrievably) forfeited even though an application to exclude that property is on foot and has yet to be resolved. He regards such an outcome (with considerable justification) as unfair and unjust.

White J held that this problem deserved the attention of the Parliament. His Honour did not observe that the legislation permits a person in this position to apply to the court for an 'extension order', which has the effect of postponing the automatic forfeiture. But that omission is in itself telling. The system is just too complicated. And the necessity for a separate extension order is not obvious. If the applicant for an exclusion order knew about it, he or she would surely apply for it and, equally surely, a court would grant it routinely in order to avoid the injustice to which White J referred. But if, like White J, neither the applicant nor the court could work out this additional layer of complexity, an injustice could well be done.

The problem is fixed in this Bill. The way in which it is done is to abolish what used to be called extension orders as a separate phenomenon and instead provide that any person may apply for the exclusion of property from forfeiture and, when that application is made, the forfeiture of property is subject to an extended period terminating when the application for exclusion is finally determined.

Other Amendments

South Australian Police and the DPP asked for an amendment to the Act so that a person who is the beneficiary of a discretionary decision to discount a sentence because of the consequences of forfeiture cannot also be the beneficiary of an amelioration of forfeiture for the same reason. In other words, the defendant cannot get the same benefit twice. This has been done, except for those who have co-operated with law enforcement in cases of serious and organised crime, who may get a sentence discount for their co-operation and also a discretionary form of relief from total forfeiture under the prescribed drug trafficker scheme contained in this Bill. The reason for that is good public policy—every encouragement should be given and every lever should be applied to those who are in a position to inform on serious and organised criminals.

The Bill makes minor amendments to clarify the provisions relating to the forfeiture of a security given by a defendant or other person on the making an application for an exclusion order.

I commend the Bill to Members.

Explanation of Clauses

Part 1—Preliminary

1—Short title

2—Commencement

3—Amendment provisions

These clauses are formal.

Part 2—Amendment of *Criminal Assets Confiscation Act 2005*

4—Amendment of long title

This clause amends the long title of the principal Act to reflect the changes made by this measure.

5—Amendment of section 3—Interpretation

This clause amends section 3 of the principal Act to include, or to consequentially amend, definitions of terms used in respect of the amendments made by this measure. Of particular note is the insertion of new subsection (2), providing that a reference in the principal Act to an *indictable offence* includes an indictable offence of a kind that is required to be prosecuted, and dealt with by the Magistrates Court, as a summary offence under a provision of *any* Act, rather than the current limitation of an offence under Part 5 Division 2 of the *Controlled Substances Act 1984*. The definition of *extension order* is deleted consequentially to clause 20.

6—Amendment of section 6—Meaning of effective control

This clause makes an amendment of a statute law revision nature, to ensure consistency of language.

7—Insertion of section 6A

This clause inserts new section 6A into the principal Act. It sets out what is a prescribed drug offender, namely a person who is convicted of a commercial drug offence after the commencement of the proposed section, or who is convicted of another serious drug offence and has at least 2 other convictions for prescribed drug offences, those offences and the conviction offence all being committed on separate occasions within a period of 10 years. However, the 10 year period does not include any time spent in government custody. The proposed section makes

procedural provision in respect of the convictions able to be used in the determining whether a person is a prescribed drug offender. The proposed section also defines key terms used in respect of prescribed drug offenders, including setting out what are commercial and prescribed drug offences.

8—Amendment of section 10—Application of Act

This clause makes a consequential amendment to section 10 of the principal Act.

9—Amendment of section 24—Restraining orders

This clause inserts new subsection (5a) into section 24 of the principal Act, which prevents a court from specifying protected property (the definition of which is inserted by this measure) in a restraining order unless there are reasonable grounds to suspect that the property is the proceeds of, or is an instrument of, a serious offence.

10—Amendment of section 34—Court may exclude property from a restraining order

This clause amends section 34 of the principal Act by inserting new subparagraph (ia), adding to the list of matters a court must be satisfied of before it may exclude property from a restraining order. The subparagraph is divided into parts dealing with where the suspect has, and has not, been convicted of the serious offence to which the restraining order relates.

The first such matter is that the court can only exclude property where the suspect has not, or would not, become a prescribed drug offender on conviction of the serious offence. Alternatively, the property may be excluded if the court is satisfied it is not owned by, nor under the effective control of, the suspect in the circumstances spelt out in the provision (even if the suspect is, or will be upon conviction of the relevant offence, a prescribed drug offender).

The power to correct an error in respect of the inclusion of the relevant property when making the restraining order is given to the court because the property restrained in respect of prescribed drug offenders is not necessarily proceeds nor an instrument of crime.

Subclause (2) makes a statute law revision amendment consistent with clause 6.

Subclause (3) prevents property being excluded from a restraining order on application by a person convicted of the offence to which the restraining order relates where the convicted person has had the possible forfeiture of the property taken into account in sentencing for the offence.

11—Amendment of section 46—Cessation of restraining orders

This clause amends section 46(4) of the principal Act to reflect the fact that restrained property may vest in the Crown under an Act other than the principal Act.

12—Amendment of section 47—Forfeiture orders

This clause amends section 47(1)(a) of the principal Act to include the fact that a person is a prescribed drug offender as a ground for the making of a forfeiture order under that section (provided that the relevant property was owned by or subject to the effective control of the person on the conviction day for the conviction offence).

13—Amendment of section 48—Instrument substitution declarations

This clause makes a minor amendment to section 48 of the principal Act to distinguish between forfeiture orders made under section 47(3) and those made under section 47(1).

14—Amendment of section 57—Relieving certain dependants from hardship

This clause makes a consequential amendment due to the amendment of section 47(1)(a) by this measure.

15—Amendment of section 58—Making exclusion orders before forfeiture order is made

This clause amends section 58 of the principal Act to provide that property sought to be excluded from a forfeiture order must not, in the case of a forfeiture order to which section 47(1)(a)(ii) applies (ie a prescribed drug offender order), at the relevant time be owned by, or under the effective control of, the prescribed drug offender (unless it is protected property of the person).

16—Amendment of section 59—Making exclusion orders after forfeiture

This clause amends section 59, consistent with clause 15, to provide that property sought to be excluded from a forfeiture order must not, in the case of a forfeiture order to which section 47(1)(a)(ii) applies (ie a prescribed drug offender order), at the relevant time be owned by, or under the effective control of, the prescribed drug offender (unless it is protected property of the person).

17—Insertion of section 59A

This clause inserts new section 59A into the principal Act. That section allows a person to apply for property to be excluded from a restraining order because the person has cooperated with a law enforcement authority in relation to a serious and organised crime offence, be it one that has occurred or may occur in future.

The mechanisms and procedures in relation to an order excluding the property are similar to other such provisions in the principal Act.

18—Insertion of section 62A

This clause inserts new section 62A into the principal Act. That provision provides that, if a court has taken a forfeiture of a person's property into account in sentencing the person, the person cannot then apply for an

exclusion order or compensation order in respect of the property (unless the cooperation provision in proposed section 59A applies).

19—Amendment of section 74—Forfeiting restrained property without forfeiture order if person convicted of serious offence

This clause is consequential to clause 20.

20—Substitution of section 75

This clause substitutes a new section 75 of the principal Act, replacing the current 15 month extension orders with an extended period which will apply automatically when an application to exclude property has been made, but not finally determined, at the end of the period of 6 months after conviction (when automatic forfeiture would otherwise occur).

21—Amendment of section 76—Excluding property from forfeiture under this Division

This clause amends section 76 to broaden the range of people who can apply for an order excluding property (currently only the convicted person can apply), to ensure the provision works properly in relation to securities given under section 38 or 44 and to prevent exclusion of property owned by or under the effective control of a prescribed drug offender (other than protected property).

22—Insertion of sections 76A and 76B

This clause inserts a provision similar to the provision in clause 17 allowing for exclusion from forfeiture based on cooperation with a law enforcement agency and a provision similar to clause 18 providing that, if a court has taken a forfeiture of a person's property into account in sentencing the person, the person cannot then apply for exclusion of the property under this Division (unless the cooperation provision in proposed section 76A applies).

23—Amendment of section 95—Making pecuniary penalty orders

This clause substitutes subsections (1), (2), (3) and (4) of section 95 of the principal Act. New subsection (1) ensures that mandatory pecuniary penalty orders relate only to benefits derived from crime while new subsection (2) provides the court with a discretion to make such an order in relation to an instrument of crime. New subsection (3) sets out matters the court may have regard to when determining whether to make an order under subsection (2). Proposed subsection (4) ensures that the court is not prevented from making a pecuniary penalty order merely because some other confiscation order has been made in relation to the offence.

Section 95(7) is consequentially amended to apply only to benefits.

24—Amendment of section 96—Additional application for a pecuniary penalty order

This clause makes minor statute law revision amendments to simplify section 96.

25—Insertion of section 98A

This clause inserts new section 98A into the principal Act, which provides that, for the purposes of the Division, a court may treat as property of a person any property that is, in the court's opinion, subject to the person's effective control.

26—Amendment of section 99—Determining penalty amounts

This clause clarifies references in section 99 of the principal Act.

27—Amendment of section 104—Benefits and instruments already the subject of pecuniary penalty

This clause amends section 104 of the principal Act to include reference to instruments.

28—Repeal of section 105

This clause repeals section 105 of the principal Act and is consequential upon the insertion of section 98A into the Act by clause 25 of this measure.

29—Amendment of section 106—Effect of property vesting in an insolvency trustee

This clause amends section 106 of the principal Act to ensure it applies in relation to instruments as well as benefits of crime.

30—Amendment of section 107—Reducing penalty amounts to take account of forfeiture and proposed forfeiture

This clause amends section 107 of the principal Act to insert new subsection (2), setting out reductions to penalty amounts under pecuniary penalty orders that relate to instruments of crime where the instruments have been forfeited in relation to the offence to which the order relates, or where an application for such forfeiture has been made.

31—Amendment of section 108—Reducing penalty amounts to take account of fines etc

This clause amends section 108 of the principal Act to ensure it encompasses instruments of crime.

32—Amendment of section 149—Interpretation

This clause amends the definition of *property-tracking document* in section 149 of the principal Act, to refer, for the sake of consistency, to property owned by or subject to the effective control of a person, rather than simply the property of the person.

33—Substitution of section 203

This clause amends the structure of section 203 of the principal Act to reflect the changes made by this measure.

34—Amendment of heading

This clause is consequential to clause 36.

35—Amendment of section 209—Credits to Victims of Crime Fund

This clause is consequential to clause 36.

36—Insertion of section 209A

This clause provides for the establishment of the Justice Resources Fund, to be administered by the Attorney-General, and for the proceeds of confiscated assets of prescribed drug offenders to be paid into the fund.

37—Amendment of section 219—Consent orders

This clause makes a consequential amendment to section 219 of the principal Act to reflect changes made by this measure.

38—Substitution of section 224

This clause substitutes section 224 of the principal Act to reflect the changes made by this measure as they relate to prescribed drug offenders, and to include forfeiture, or pecuniary penalty orders, under the law of other relevant jurisdictions as matters to which a sentencing court must not (under new paragraph (b)) or must (under paragraph (c)) have regard to in determining sentence.

The clause also inserts new section 224A which regulates the release of sensitive information relating to cooperation with law enforcement agencies.

Debate adjourned on motion of Mr Williams.

MINING (ROYALTIES) AMENDMENT BILL

Adjourned debate on second reading (resumed on motion).

Ms CHAPMAN (Bragg) (15:42): I rise to speak on the Mining (Royalties) Amendment Bill 2011, which amends the Mining Act 1971. In essence, this bill was introduced to fulfil a budget proposal from 2010 of this government to increase the royalty rate for mining operators and to maintain a differential rate, according to the nature or age of the mining project. As the member for MacKillop and deputy leader has indicated, this bill will not be opposed by the opposition, and we recognise that it is a budget bill.

There are a number of matters, though, that I wish to bring to the attention of the minister. May I first say on this matter that it is the first bill that I have dealt with him as the minister for mining and, although I have not had to personally deal with him or his advisers on this issue, I do place on the record my congratulations to him for taking on this responsibility; it is an important one for the state and it is an important one for this parliament. I trust that the government, under his advice—the cabinet in particular—will recognise three things that are beneficial in maintaining a healthy mining industry in this state.

We are in the 175th year of the state, and mining, along with fishing, were embryonic and pioneering industries in this state and have been very significant for the last 175 years. It is a very important portfolio. The beneficiaries of mining are: South Australians, of course, who enjoy the employment opportunities; the support industries surrounding it; the mining and exploration companies themselves and their shareholders; and the government which enjoys the ultimate luxury of being able to administer funds that it harvests from royalty or taxation income.

However, there are three matters that I wish to bring to the attention of the minister. The first thing I say is that money that is used to promote mines or mining projects in this state should be money that either comes from the mining industry itself, SACOME (its representative, which may have promotions for the industry on its behalf or from the members themselves) or the government from its royalty income promotion. I do not have any objection to that. In fact, I think that is the proper course.

What I object to, and I hope the minister will take this on board, is tens of thousands of dollars not being spent as social inclusion money; that is, money for the welfare of the hurt, hungry, homeless and vulnerable in this state who are represented by Monsignor Cappo as the

Commissioner for Social Inclusion. To have a circumstance where $18,600 has been spent to provide a bright shiny portfolio presentation called Digging Deep to promote, on the face of it, the social benefits of the mining industry but which is just one big, glossy magazine advertising for specific mining companies and the Premier, I think is a shameful abuse of precious funding for the social services and welfare of people in need in this state.

I think it is disgraceful, and if in future the minister is going to apply money from royalty income—and we are supporting an increase in that today—he should make sure that, if this industry is to have some social promotion, then it ought to come from his budget or that of the industry and not from the Commissioner for Social Inclusion. Shame on this government to even ask or refer this as a matter for the Commissioner for Social Inclusion.

On finding that the commissioner intends to go on a tour around South Australia to inspect mines, I was a bit surprised to note that he actually presented this nearly $18,600 glossy document, which is distributed across South Australia, before he has inspected them. Obviously, we have the costs of him and other members of the Social Inclusion Unit going around the state, out of the social inclusion and/or the Premier's budget, to promote an industry when we have people who are in desperate circumstances. I think it is a disgrace. I think that if money is to be applied for these big promotions, to give some platform for the Premier, then he should be paying for it and not the people who rely on that money.

The social impact statements are done by industry themselves, and, for example, BHP has done a major impact statement for presentation dealing with social, economic and environmental impacts, etc. I am dealing here with the social impact of mining proposals, and because that one is on the table I used it as an example. Of course it is relevant that, when governments come to give approval and we as a parliament look at the indenture in due course for the BHP proposal, issues arise in respect of workforce, housing and accommodation, and services for people who might reside in the town or who may be settled in the Hiltaba development.

That is a township, if I can describe it as that, of single persons' quarters, effectively, which is to be built near Andamooka but well out of Roxby Downs. There are some social decisions that had to be made in relation to which the local people in Roxby Downs have been surveyed. They do not want to have thousands of single men, in particular, living in a town of families, so it seems, from the material prepared by BHP, that it is proposing this Hiltaba project, and it will have some social consequences and there will be issues about it. I understand that Andamooka is not too happy that it was not given an opportunity to bid for the opportunity to house these people, but nevertheless these are social impacts that are important and governments will have to consider them.

What I say is that, like all other impact statements, they are prepared either by or at the cost of the proponent, and these are costs that should be looked at and covered—including if Monsignor Cappo wants to go around and have a look at them to see what he considers social impacts—by industry or within the jurisdiction of the minister's portfolio and not under social inclusion, which takes away precious funds for those in need.

Finally, I want to address the issue of the resources rent tax which has been promoted as something that was under consideration, appeared to be withdrawn for a while and is now back on the table and is being considered by the Gillard government, and there are some negotiations pending. I think it is important that if there has been any agreement between the minister and the federal minister, or members of the department—as indicated by the member for MacKillop, who during his briefings was advised that there had been some apparent agreement reached between the state and federal arenas that there will be the capacity for a rebate of the monies paid for royalty set off against the resources rent tax. We do not know what the final form of this is going to be. It appears to be on the coal and iron ore exporter's but, in any event, when it comes we want that assurance.

I think we should see if there is an agreement reached between the departments. Two things should happen: one, we should see that document; and, second, I think we need the minister's endorsement that that is the position and that he has a commitment in writing from the federal government that that is the position and it is in place. I think that he needs to call for it, not just because I am asking for it, or anyone else in the parliament, but because he as a responsible minister needs to ensure that he protects South Australians against what has become the Gillard guillotine on our tax base. It is an important issue and if it is missed it will be a very difficult position, given that mining has and will continue to be, obviously, a major income earner for this state.

Then there is the carbon tax. Goodness knows what is going to happen with this. We were told that by the end of June we will know what the carbon tax is going to be. This is the one that was not actually going to exist six days before the last federal election but it now appears we are going to have one. Who is it going to apply to, and how will that affect all of the support industries around the mining industries that are taking up their position now?

If it is not put on petroleum, if it is not put on certain companies, that may be so, but what we are hearing is that it will be on companies that are based overseas. So this will be a tax on Tim Tams, let there be no illusion—products that are produced by companies with an overseas base. If that transpires then we will have a carbon tax filter down, not just to energy products, not just to petrol and oil and so on, but we will see a tax trickle down onto a whole lot of these products.

So we await with bated breath to see what that is going to be. But what I think the minister must assure us in due course is how this is going to affect the mining industry when, today, the minister is asking us to pass legislation to effect a promise from last year, when we were in a policy vacuum in respect of what the government was going to do.

So, it could be dangerous times, not just for the mining industry, when the two biggest federal initiatives—that is the highest you could put this—are still floating, are still undecided, and are still undefined, and of which their applicability is unknown. That is potentially a very dangerous situation not just for South Australians but obviously for one of the biggest single sectors of revenue in the state, which I think needs to be protected against rape and pillage by the Gillard government.

Mr VAN HOLST PELLEKAAN (Stuart) (15:53): I will just make a few comments. I know this subject has been covered very well by the people who have spoken before me, so I will not keep the house for too long. I have a few things I would like to say with regard to the Mining (Royalties) Amendment Bill. The first is the obvious—it is part of the budget so, naturally, the opposition will be supporting it along those grounds. While we all have some concerns about mining, whether it is social, whether it is environmental, whatever it might be, and we all agree that issues must be dealt with, and the member for Bragg delved into some social issues which are very important.

I think it is fair to say that on this side of the house we are all extremely supportive of the mining industry in general, and we are all hoping that the state will benefit enormously from it. Despite the Premier's assurances that he has single-handedly superman-ed the mining industry over the last eight or nine years, the reality is that less people are employed in mining than they were many years ago, and on both sides of the house we consider employment and jobs to be one of the most important things that we can try and contribute to.

Nonetheless, I am very supportive of the mining industry. I used to work for BP Australia back when BP Australia owned 49 per cent of Olympic Dam. I took a very strong interest in mining from that point onwards. I lived at Pimba through the second Olympic Dam expansion and learnt a lot about it then.

I was fortunate enough to arrive at the drilling camp—where the current Challenger gold mine is—when Dominion started that mine, the day the drillers received news on the satellite phone that it was going to get the go-ahead. It was quite an unusual situation to turn up there on a hot, March day, early to midafternoon, to find everybody sucking on tinnies and having a great old time and really enjoying themselves. Having been to many of the other camps in that district, I certainly understood when they explained to me that they just had word at lunchtime that all their hard work was going to be rewarded, that there was going to be a mine there. I visited Challenger many times through its expansion phase. I am very supportive of mining.

With regard to royalties and what we are talking about here—an increase in state royalties in mining (I will not going to the details because the shadow minister covered that in great detail)—I think it is important to point out that this probably will not result in a great deal of extra money for our state. I think that between the federal government's horizontal fiscal equalisation calculations and the impending resource rent tax, the federal government will probably make whatever adjustments it wants with regard to the funding support that it gives our state. So, if we gain a bit more here it will not necessarily add to the pie overall, but we will just have to wait and see how that turns out.

The one thing that is very different, though, is that the Liberal opposition went to the last election with a policy of putting 25 per cent of all state mining royalties into the Regional Development Infrastructure Fund. On last year's calculations, that would have taken the total

amount of money available in that fund from something like $2.5 million to something like $42.5 million, so straightaway $40 million more directly transferred into regional infrastructure spending. I support that wholeheartedly.

While the current government probably cannot control the total amount of money that it is going to get because the federal government will probably just make adjustments offsetting these royalty increases, a potential Liberal government could certainly make some very significant decisions that would control how this money is spent.

That was a commitment at the last election and policy has not been determined for the 2014 election, but I make absolutely no bones that I will certainly be fighting very strongly for the Liberal opposition to include that again in its commitments heading towards the next election, so that we would guarantee to spend 25 per cent of mining royalties and by an increase, without going into all the details, broadly speaking, of 3.5 per cent, 5 per cent, 25 per cent of the 5 per cent, which would mean even more money for regional development infrastructure projects. I will go to my grave fighting very hard for that sort of program for regional, country, outback, remote South Australia.

Roads, as everybody knows, is an area that I am very passionate about. I believe it is completely underfunded currently throughout the outback of South Australia and the country areas. However, I point to some other significant infrastructure spending requirements which are coming up and which are going to have to be met one way or another. We could haggle about the urgency. I might think they are urgent now and the transport minister might think that they are not so urgent just yet, but the reality is we are going to have to find money for these things regardless of who is in government.

Yorkeys Crossing and a second two-lane bridge over the gulf in Port Augusta are going to be necessary. They are absolutely unavoidable. I think that this money, this increase in mining royalties, should be spent on projects exactly like that. I challenge the government to quarantine some money from the increase in mining royalties and to put it towards those things and to do it before the next election.

There is no need to wait for us to make a commitment heading to the next election and then potentially match it or not match it. Why not just get on with the job government is meant to do, which is look after all of South Australia, and quarantine some money? We are going to increase mining royalties. Why not just say straightaway that that gives some money that comes from remote South Australia, that comes from outback South Australia, and that we will spend it directly in the country and outback areas of South Australia?

The Port Augusta power station is another big issue. It is an issue that I have spoken about extensively here and in the media. It is going to be expensive. Regardless of who is in government, we are going to need a lot of money. We are going to need millions and millions of dollars to do something with regard to the Port Augusta power station. Whether it is upgraded maintenance because, over time, the quality of the coal declines, whether it is the fact that the cost of accessing the coal is going to increase over time—as we have to go deeper and further away to get it, it becomes more expensive to receive it—or whether it means that we need to do something to entirely re-jig the Port Augusta power station for environmental reasons and for carbon tax reasons, something is going to have to be done.

Again, I challenge the government and say, you have an extra 1½ per cent in mining royalties here, how about just allocating that? How about committing that money to go to some of these very, very important regional projects?

Another example—and I will not hold the house up too long with my very, very long list—would be airstrips at small towns, so that, all over country South Australia, people can fly to the mines. Most towns have an airstrip, as members would know, but most towns do not have airstrips that will take the large planes that are required by an airline to take people on economical flights to work at the mines.

I think it would be a tremendous regional infrastructure development program to say, 'We will take some of this new mining royalty income and we will spend it on airstrips, spread evenly throughout country and remote South Australia, so that people from towns can actually get on planes and fly to the mines, so that they can actually get some of those direct employment benefits.' The minister is shaking his head.

The Hon. A. Koutsantonis interjecting:

Mr VAN HOLST PELLEKAAN: The minister is shaking his head but did not have anything useful to say about the bill. So, this would be a tremendous way to spend this new money that the minister is asking the house to get for us. As I said, that would be the last one that I would mention with regard to projects that I consider to be important.

One question that I put to the minister quite sincerely is, I understand that, from the reading that I have done in preparation for speaking today, there are different ways of treating uranium and different ways of treating BHP. I am not saying anything negative about that whatsoever, but I do understand that ore taken from Prominent Hill to Olympic Dam for processing includes a small amount of uranium.

Olympic Dam extracts a small amount of uranium out of the ore that comes from Prominent Hill. So, it is important to point out that, in essence, Prominent Hill is actually, in a very, very small way, a uranium mine as well because it extracts uranium out of the ground and sends it off to Olympic Dam for processing. When the opportunity arises, I would like the minister to just clarify exactly how that uranium would be treated with regard to this change in state mining royalty rates.

Mr PENGILLY (Finniss) (16:03): I also rise to indicate support for this bill. The opposition has, through the shadow minister, quite clearly indicated its support and I listened with interest to what the member for Stuart had to say.

This whole mining debate is most interesting, and I do not know how it is all going to pan out. I am acutely conscious that, in the last few days, there has been some quite wide media coverage of the great China miracle and what might happen if China suddenly stops and if China suddenly fails. That is causing concern in the wider community.

Interestingly enough, as the matter of royalties relates to iron ore, a friend of mine—a constituent, actually—who has just done a Nuffield Scholarship, which included China, was absolutely flabbergasted to find that Australian iron ore that is not being used in China is being tipped overboard in the harbours for use at a future time. As was told to me by him, and he was told by Chinese people themselves (I am not sure whether in government or industry there), the Chinese government is attempting to procure iron ore supplies that will last 20 years so they can stop buying, and they will have 20 years' supply of iron ore resting on the bottom of the sea and they will just pick it and use it. As I say, he was absolutely flabbergasted to find this out. Similarly with wheat. I know wheat is not part of the bill but he said they are trying to procure 20 years' supply of wheat.

In South Australia we are putting a huge amount of trust in the mining industry to take us forward. It is already the vehicle which drives Western Australia and Queensland, and I am most supportive of the fact that the mining industry in South Australia will inject vast royalties into state government funds, of whatever persuasion, and enable us to put in place a better way of life for our South Australian community. However, I am not quite sure how this is going to gel throughout the bureaucracy because a situation has been brought to my attention in the last few days—and there will be royalties paid on this metal, I might add.

About 12 months ago there was a severe storm at Penneshaw which damaged the breakwater which SeaLink uses. This was brought to the attention of the government through the Department for Transport, Energy and Infrastructure, and I understand that the ferry company asked for it to be repaired posthaste. Where this is leading to is there was a failure to communicate between two departments, DTEI and the mines section that operates under PIRSA. The minister may care to have a look at this.

When they built the original breakwater they had a quarry at the town of Penneshaw about a kilometre away from which they brought the rock down to the breakwater. This time the tenders have gone out—and just remember that royalties will be paid on this rock to the government—and they are requiring that the breakwater be repaired. However, because the departments could not get their heads together about this million dollar repair to the Penneshaw breakwater, $500,000 of that cost will be used to bring 8,000 tonne of rock from Sellicks Hill quarry, down the Fleurieu Peninsula and on the ferry to Penneshaw, when there is rock a kilometre away. I have never heard anything so damn stupid in all my born days.

I am reliably informed that this is simply because two departments could not agree and grant another quarry licence or permit in time to allow this rock to be carted from a few hundred metres down the track to the breakwater at Penneshaw. Talk about an absolute waste of taxpayers' money, when you are dragging 8,000 tonne of rock down the Fleurieu Peninsula to be used on a breakwater at Penneshaw when it could be sourced from just out the back!

The point that I make is that this money being paid on royalty for the rock at Sellicks Beach will no doubt come to the government—it will not be a significant amount—but, in the meantime, they are spending, it is alleged to me, $500,000 to repair that breakwater. That is just purely the cost of the rock, transporting it down to the Fleurieu and on semitrailers, probably 25 or 30 tonne at a time, over to Penneshaw. As I said, I have never heard anything so damn stupid in all my born days. So, if you wonder why we get concerned about government expenditure and the waste of taxpayers' resources, I put that on the table clearly.

As the member for MacKillop in his shadow role has indicated, we do support this bill. It is part of the budget measure and we support that, and I earnestly look forward to future generations benefiting from the increased royalties that will be paid to government through mining over this generation, the next generation and, I hope, in 100 years, if not longer. But I plead with the minister to find out what is going on here and get his department to sort it out. What has taken place is just a ludicrous exercise. I support the bill.

Mr TRELOAR (Flinders) (16:10): I rise to support this bill and I do so because I believe we are entering an exciting time for both the state of South Australia and the electorate of Flinders. Much exploration has occurred over the last few years and I do feel confident that at least some of these prospective mines will progress to become fully operational and exporting mines in the near future.

The challenge as I see it will be to overcome the significant environmental and social issues that confront any such new venture. Those demands become even more pressing for companies operating within the settled areas of the state rather than in the pastoral zone. I make particular mention of this and highlight this because, up until this point in time, most of the mining ventures that have occurred in this state have been outside the settled areas, away from people, away from more intensive farming, more intensive agricultural activities and, of course, in less populous areas.

As the proposed mining ventures come closer to those settled areas and agricultural zones, obviously the concerns of the landholders and those people living in nearby towns and urban areas are greater. So this needs consideration; a balance needs to be found. These demands, however, are not insurmountable. As a local member, I have attended a number of meetings, with landowners and also with mining companies, and I sense that there is very much a sense of goodwill towards each other to get the best result and the best result for the community.

I have recently read a history of South Australia. I borrowed it from the parliamentary library, in fact. What was evident from this text was the very crucial role that mining has played from very early days in this colony.

An honourable member: It saved us from bankruptcy.

Mr TRELOAR: Indeed, it saved us from bankruptcy in those early days. Copper was first discovered at Kapunda, then at Burra, and then, of course, at the Wallaroo mine. These copper mines injected significant funds into the South Australian coffers, and indeed it could be said managed to pull South Australia out of a very precarious financial situation. In fact, the member for Goyder in his grieve today alluded to that heritage of copper mining and referred to the Kernewek Lowender which was held quite recently and celebrated that Cornish heritage, many of whom came to the mines here in South Australia.

It is not too long a bow to draw to suggest that we may well see history repeat itself. After a relatively quiet period over many years, it would now seem that mining in this state could possibly reinvigorate our economy once again. The proposed Olympic Dam expansion is the obvious example of this and much in the way of royalties will be forthcoming from this project. Even in my own electorate of Flinders, after many years of seeing widespread exploration, I have the sense that a number of mining ventures are on the verge of beginning their operations and it will be a significant injection into our local economy.

There is talk of development of a new deep sea port, there will be significant jobs, and the member for Finniss mentioned the markets in China. I too have had the pleasure of visiting China on a couple of occasions over the last little while and cannot help but be impressed by the expansion and growth that is going on there, the drive of the middle class to achieve an improved income, and certainly my sense is that that market will be there for some time yet.

Most mining companies will be exporting a bulk product out of this state, but I do note that in the bill there is some incentive at least, through a lower royalty rate, for companies to process, to

value-add or to refine onshore before it goes further afield. To pay just 3½ per cent rather than 5 per cent for those exporting a raw product is some encouragement at least for companies to investigate that option.

I do understand that this bill is a budget measure and that we as an opposition will support this bill, but I would reiterate the words of many of my colleagues and sincerely hope that this current government manages this income stream effectively.

The Hon. A. KOUTSANTONIS (West Torrens—Minister for Mineral Resources Development, Minister for Industry and Trade, Minister for Small Business, Minister for Correctional Services) (16:15): First of all, I would like to thank the opposition—and long may it remain the opposition—for its steadfast support of this tax measure. It is always good to see Liberal Party members getting behind tax increases. It warms my heart and my soul to see them speaking so vigorously in favour of a tax increase; it is excellent.

The government undertook targeted consultation with key mining operations on the specifics of the new royalty amendments and the transition arrangements for the new royalty rates. I understand that high-level informal consultation with key industry players has been undertaken by the Deputy Chief Executive of Mineral Resources Industries and, of course, the South Australian Chamber of Mines. I was a bit surprised to hear what the deputy leader said in his remarks. I assume what he meant is that they were consulted about the formulation of the bill, not on its introduction, or both.

Mr Williams: They were consulted before the budget announcement, but they were not aware that the bill was before the house.

The Hon. A. KOUTSANTONIS: I will undertake to find out what happened there.

The Hon. I.F. Evans: Shame!

The Hon. A. KOUTSANTONIS: Yes, we cannot reach the dizzy heights of the member for Davenport, but I will keep on trying. I am young and I am learning! Very few operations will be immediately affected by the introduction of these amendments which come into effect in January next year (so at the end of the July-December return period), meaning payment is not due until the end of January 2012. The expected dollar value of the impact of the increased rate on each operation at the time has been estimated by PIRSA. However, I do not think it is appropriate to discuss that here.

As minister I will retain powers to vary royalties in case of external unforeseen threats to individual mines. It is essential to remember that South Australia's unique, new mine reduced royalty rate, for the first five years, offers industry a significant advantage at the commencement of mining, countering, to a great extent, the later increases in royalty payments.

Without wanting to be argumentative, I disagree with the Deputy Leader of the Opposition that we are behind the eight ball compared to Western Australia and Queensland. In my brief time as minister I have noticed an overwhelming sense—from all the conferences I have gone to, all the mining interests I have spoken to—of how well this jurisdiction works. That is a credit to the opposition, as well.

It is very rare to hear those sorts of remarks, and I will give you an anecdote from my time in Canada with Norman Moore, the minister from Western Australia. While he was berating the federal Labor government for its carbon tax and its resources tax, he and I were involved in a public forum to discuss mining. Mining company after mining company talked about what a great regulatory process we have here in South Australia as compared to Western Australia and Queensland, and they held us up as an example of best practice.

I think we are ahead of the game and we are collectively doing a very good job for the people of South Australia. The important thing about that is that there is quite effective bipartisan support for the department and for the industry, and I look forward to further support from the shadow minister in the government's push to expand mining in South Australia.

A lot of members have raised a number of issues which I will talk about, and I will take some of those questions in committee. The big concern of a lot of members is what will be the impact on BHP Billiton and Olympic Dam. We have carefully modelled the impact on Olympic Dam and we do not believe that a relatively small increase in royalty payments on uranium oxide would have any significant impact on BHP Billiton's decision to go ahead with the expansion or adversely

affect any current operations. Future royalties for an expanded Olympic Dam will be negotiated as part of the indenture revision for the process underway between the government and BHP Billiton.

I suppose the question is: why raise the rates now? The new three-tier mineral royalty regime will ensure that mining companies pay an appropriate dividend for revenue generated from extracting minerals owned by the people of this state. The increase in royalty rates will bring South Australia into closer alignment with prevailing rates in other Australian states and territories, and I think that is entirely appropriate.

Again, I do not want to be argumentative, but I think what the member for MacKillop was saying is that we are a smaller jurisdiction than the other larger mining states and we should be encouraging more development and exploration at a lower rate to encourage exploration. I think we do that and we do that well, and we do that with our regulatory framework and, of course, our new mine policy.

That does not mean, though, when those new mines are up and running and we have given them that competitive advantage and that pre-competitive data in advance—so, after they are up and running and doing well and they are employing hundreds of people in South Australia, and that value-add—that we should allow them to take our minerals that we own as our heritage in this stage at a cheaper rate than they get in Queensland or Western Australia. I think we should be competitive and we should encourage that investment, and we are doing our bit early on, but that does not mean we should be doing it for 40 or 50 years, for the life of the mine. So, I think it is prudent.

I think future generations will look back on us and expect of the state government—when South Australia is leading the nation in mineral exploration, when South Australia is the new Western Australia, and when we are the next mining titan, as has been said by some foreign jurisdictions and by people who research this—that we did take the appropriate steps to ensure the future of this state and its royalties. I imagine that people who aspire to the position of treasurer and deputy premier would be very keen to make sure that South Australia's tax base is increased.

In terms of what other states charge, Western Australia's mineral royalty rate for minimally processed or 'lump' iron ore is 7.5 per cent, and is 5 per cent for most metallic ores and concentrates, including uranium. Queensland's rate is 4.5 per cent, and in New South Wales the rate is currently 4 per cent, but I understand it is likely to increase in the near term. The NT has a different system altogether; it is a profit-based royalties system. Tasmania has a hybrid system with an effective maximum of about 5 per cent. I do not think it will affect South Australia's competitiveness at all.

This government does a fair bit to support the mining industry and we are very proud of our credentials. I know there was a little backwards and forwards in question time about which political party does more for the mining industry, but ultimately South Australia as a jurisdiction can hold its head up very high. The pre-competitive data that we provide through PACE is a fantastic program and it is something that I think we can be very proud of. Of course, all members are well aware of what that is.

Some people also raised whether companies were consulted about the rates increase. There has been extensive and targeted consultation with the South Australian Chamber of Mines and Energy (SACOME) and certain mining companies, including BHP, OZ Minerals, OneSteel, Iluka, which has occurred in recent weeks. Furthermore, an open industry briefing was given to members of SACOME. So, we are doing our bit. There is general support within the industry for this. The rates increase is due to apply to minerals produced after 1 July 2011.

I commend the bill to the house and I look forward to its speedy passage through both houses of parliament. I thank PIRSA for all the work it has done in preparing this bill and this legislation and for making me look exceptionally talented.

Bill read a second time.

In committee.

Clauses 1 to 3 passed.

Clause 4.

Mr WILLIAMS: It was not my intention to go into committee, but I felt obliged to after question time today because the Premier, in answer to a question today, said that he and the government were negotiating with BHP over the indenture agreement and said that, 'We are in

negotiations to establish the royalty rates for the next 100 years,' from the proposed expanded Olympic Dam operation. My question goes directly to that point. Is it the case that the government intends to have a royalty rate established and set in the indenture that is different from what we have been debating today in this particular bill, or is it the intention of the government that, certainly for the foreseeable future, BHP under an expanded Olympic Dam operation will be facing the royalty rate as we have been debating in this bill?

The Hon. A. KOUTSANTONIS: Without wanting to pre-empt the indenture negotiations which are very sensitive and critical to the state's future prosperity, I will say this: the undertaking at Olympic Dam, in my opinion, is the equivalent of the Apollo project. It is a huge undertaking. It is the largest open mine in the world. It will dwarf Escondida. The mine size itself will be from Gepps Cross to Flagstaff Hill. That is how large we are talking about. The Bureau of Meteorology has told us that the pit will actually alter weather patterns, so the idea—

The Hon. I.F. Evans: Climate change.

The Hon. A. KOUTSANTONIS: I know you are a denier. It's okay; we can get a scientist to talk to you.

The Hon. I.F. Evans interjecting:

The Hon. A. KOUTSANTONIS: I am just talking about Brand Liberal; it denies climate change. If you want to break away from that, congratulations. I fully endorse you breaking away, being your own man, Iain, being your own man.

The CHAIR: Order!

The Hon. A. KOUTSANTONIS: Back to the point, Madam Chair.

The CHAIR: Order!

The Hon. I.F. Evans interjecting:

The CHAIR: Order! Member for Davenport, I think you will find that the minister for mines and whatnot was talking about weather, whereas you were talking about climate. Weather is short term: climate is long term. Problem solved. Carry on, minister.

The Hon. A. KOUTSANTONIS: Here endeth the lesson, ma'am.

The CHAIR: Yes, indeed.

The Hon. I.F. EVANS: Madam Chair, thank you for that lesson.

The CHAIR: I thought you'd be pleased.

The Hon. I.F. EVANS: I will hand up my homework later today and you can mark it, but thank you for that. Am I right to assume that—

The CHAIR: I hope you are not in any way being—

The Hon. I.F. EVANS: —if you add all the weathers together, you get climate?

The CHAIR: I haven't finished talking. Excuse me, member for Davenport. While I am sure you are deeply amusing, I hope you are not in any way being disrespectful towards this chair because that would be highly regrettable.

The Hon. I.F. EVANS: If it was disrespectful, Madam Chair, it wasn't meant to be. I was just inquiring—

The CHAIR: Good.

The Hon. I.F. EVANS: —since you were informing us of your view.

The CHAIR: There is no need to be flippant or facetious.

The Hon. I.F. EVANS: I was just inquiring.

The CHAIR: No; I think you were being flippant and facetious and that is completely pointless. Thank you, minister.

Mr Williams: Lost your place, Tom?

The Hon. A. KOUTSANTONIS: No, I know where I am at. The undertaking that BHP is making—and the member knows this—is a considerable amount of effort, energy, capital and

wealth that will be going into this mine before it gets a bit of ore. In fact, it could even be up to seven years before it reaches the ore body so that consideration has to be put in place.

There is probably only one company in the world that can develop this mine to the size that has been talked about and if we do not have special consideration for BHP Billiton then we are negligent in our duties, because the member knows, and I know and most members in this house know that there are not many companies in the world that could undertake a project like this and go profitless as long as it can on this project before it returns an investment without any special consideration.

Mr Williams interjecting:

The Hon. A. KOUTSANTONIS: I know, but I do not want it to get out of hand that people are saying that BHP is going to get a special deal. What I am saying is that we are taking into account the circumstances and the indenture is something that will be debated in the parliament, so the opposition will have more than ample opportunity to have its say on the indenture and I think we should be awaiting that debate.

Mr WILLIAMS: I am still no more informed than I was five minutes ago. My question was simply: is it the government's intention that the medium-term royalty rate, specifically to Olympic Dam but to everybody else, will be what we are debating today? My assumption up until question time today was that the government had sat down and done its due diligence on what the royalty rate should be, where the royalty rate should be set and has brought this matter to the parliament but, in question time today, the Premier hinted that there might be some other process happening behind the scenes which might mean that the whole debate that we have had on this bill is totally irrelevant. All I am asking of the minister is, is this what the government wants or is this just a smokescreen, and we will end up with something completely different presented to us sometime in the future?

The minister has made some really nice comments about the bipartisan support for the mining industry in this state, and the things that both governments—the previous Liberal government and the current government—have been doing to try and encourage mining development, both exploration and mine development. There is a huge lead time in this industry, particularly the exploration industry, where you spend vast resources and quite often get small returns. There is a lot of hit and miss in mining exploration. When you do find something then there is a vast lead time to develop it into a working and profitable mine.

One of the keys to encouraging investment in this industry is actually knowing the risk profile of the future. A large part of that, as I mentioned in my second reading speech, is that, now the royalty rate is getting to 5 per cent of the mine gate value, that is a significant factor in decision-making. I am just trying to get the minister on the public record: is it the government's intent that this is where the royalty rate will be in the foreseeable future, or is this just a smokescreen for some other process that is happening behind the scenes?

The Hon. A. KOUTSANTONIS: Madam Chair, the smokescreen is the indenture. That is what he is trying to say, that somehow us negotiating an indenture with BHP is a smokescreen. The indenture will be brought before the parliament, so there is no smokescreen. Nothing will be hidden. I am not going to negotiate the indenture with BHP here on the floor of parliament with you now. Obviously, we will get an agreement with the company first and we will come to the parliament. We cannot do that process any other way. Can the deputy leader imagine having private negotiations about the indenture and then the minister coming into the parliament before the indenture is agreed and debating it on the floor of the house? I cannot do that.

However, what I can say to the member for MacKillop and the opposition is that the royalty rates in the bill are the government's view on what the value of these minerals should be. It is before the house and I cannot start giving you the commercial and confidential details of an indenture negotiation on the floor of the house; I just cannot do that. You know that.

The Hon. I.F. EVANS: Madam Chair, clause 4 is one of my favourites. I just want to ask the minister this very simple question because I have not partaken in this debate up to this point. Is it the intention of the government that the royalty rates set out in this bill apply to all mines in South Australia?

The Hon. A. KOUTSANTONIS: I would have thought that that was self-evident.

The Hon. I.F. EVANS: Minister, it is clearly not self-evident as I need to ask the question. Is it the intention of the government that the royalty regime set out in this bill applies to all mines in

South Australia, which, by implication, includes Roxby Downs and its expansion? If the government is going to offer some discount to BHP through the indenture, I am not asking that question to be negotiated here. I ask a very simple question: is this royalty rate going to be applied to all mines in the state? If it is not, fine, at least we know; we will wait until the indenture comes in.

We are not seeking to know what the royalty rate is, if there is a different royalty rate for some mines. We were under the impression—according to the shadow minister and, if I understand the shadow minister's argument—right up until question time today that the royalty rates in this bill were going to apply to every mine including Roxby. The Premier told the house that he was negotiating with BHP about the royalty rates for the next 100 years. That seems to imply that the royalty rates in this bill are not going to apply to BHP for the next 100 years.

I do not want to know what the royalty rate that you are going to charge BHP is; bring it in with the indenture bill. All we want to know is that there might be some negotiations with BHP on the royalties. That is all we need to know.

The Hon. A. KOUTSANTONIS: Since the very early 1980s—the member for Davenport has been around this place a lot longer than me—

The Hon. I.F. Evans interjecting:

The Hon. A. KOUTSANTONIS: Sorry, early nineties. I remember in high school reading about you getting preselection.

The Hon. I.F. Evans: What was it, your social studies class, or something?

The Hon. A. KOUTSANTONIS: Yes, it was, actually; social studies. Margaret Fenwick was my social studies teacher. I am advised that there are three mines—Olympic Dam, OneSteel and Leigh Creek—that are covered by indentures. All mines not covered by an indenture will be covered by this act; but that has been the case always. The question that the member for MacKillop was asking was: will the indentures in place, and the indentures being negotiated, have this act apply? That is the question he is asking. I am saying to the committee that I cannot give you that information now, because we have not finished negotiating the indenture with BHP Billiton. And, if you want me to give you the information on the floor of the house we are jeopardising those negotiations. That is what I am saying you.

Mr WILLIAMS: Instead of having my curiosity satisfied, I am having it pricked. What is the royalty rate paid by the miners at Leigh Creek and what is the royalty rate paid by OneSteel in the Middleback Ranges? Do the indentures to those two operations override the Mining Act, and this particular clause 17 (the royalty clauses in the Mining Act)? If that is the case, is there any intention for the government to enter into negotiations with those other two companies about the royalty rate paid on those mine sites?

The Hon. A. KOUTSANTONIS: I will explain this very slowly for the deputy leader. Parliament is the master of its own destiny. If the parliament has the Mining Act and a mining royalties act, and you want an indenture for a specific work, it is obvious that the parliament can delineate between the two. I do not know how more simply I can explain this to the deputy leader. If the parliament's will is to charge in the indenture a certain rate, so be it. If it is the parliament's will to refer the indenture agreement to this bill, it is its will. So, just so the deputy leader understands, indentures are not just those; they are indentures decided by this parliament. It is almost like a whole little mining act just for one mine.

Mr Williams: I'm aware of that.

The Hon. A. KOUTSANTONIS: Well, good. So, if you are aware of that, why are we having this line of questioning? It seems to me that the deputy leader wants me to say that the rate Olympic Dam that we will be paying for the next five years in the indenture will be X. I am saying to the member for MacKillop—

Mr Williams: No, I'm asking about Leigh Creek.

The Hon. A. KOUTSANTONIS: Leigh Creek? I will get that information and I will get it to you. I understand that they do vary, but I will get that information for you. I do not have it here at hand, but if I do, as the debate goes on I will give it to you. On Leigh Creek, coal from Leigh Creek is used solely to feed the power stations at Port Augusta and pays a royalty amount that is calculated under a formal agreement with the state, rather than a percentage rate. Therefore, at this stage, Leigh Creek coal production will not be affected by the increase in the royalty rate. In future, should new conventional coalmines come into production, they will be subject to the new

rates of 2 per cent for a declared new mine for the first five years, increasing to 5 per cent thereafter.

Mr WILLIAMS: The minister has answered the question with regard to Leigh Creek; he has not with regard to OneSteel.

The Hon. A. Koutsantonis: Give me the Whyalla Steel Works Act and we will show you.

Mr WILLIAMS: I am aware that there is a special consideration where there is a 'less than arms-length' (I think that is the terminology used) deal between the mine site and where the product is being used, which is the case with Leigh Creek. The one company operates the mine and also uses the product from the mine which is burnt in the Port Augusta power stations.

With regard to OneSteel, it is somewhat different because it now has two mining operations. One produces magnetite, which is then used—not dissimilarly to what I have just described with regard to Leigh Creek coal and the Port Augusta power station—at its steel works in Whyalla. So, there is, I guess, a not at arms-length relationship between the mine and the use of the mineral produced from that mine. That is with regard to its magnetite business.

They also still run, I understand, a hematite mining business. It used to be used in its steel works but it has converted that to a magnetite operation through Project Magnet, but the hematite is still mined and, I understand, exported. So, we have a dual operation by OneSteel. It has this not at arms-length operation where the product of the mine is used in its own steelworks. Then it has this other operation where what it mines is exported.

Can the minister inform the house whether those two different operations are covered under the indenture act? I think we did change the indenture act some years ago—it is more than a couple now. Is it the case that material exported will now be paying the 5 per cent? I guess my original question was: is there an intention to go back and relook at that indenture act or is that not the case? Are we just going to allow OneSteel (formerly BHP) to continue under the conditions of its existing indenture and is there a differentiation between those two operations?

The Hon. A. KOUTSANTONIS: I am glad that the opposition is having a whale of a time.

Mr Williams: No, I am just happy on the surface and seriously trying to get some information.

The Hon. A. KOUTSANTONIS: The Whyalla Steel Works Act 1958 is being negotiated now and will be brought before the house as soon as that negotiation is completed. I am advised that the royalty is still calculated in pence.

Mr Williams: That is why we were having a joke.

The Hon. A. KOUTSANTONIS: You are probably two people who would remember dealing in that currency.

Mr Williams: Absolutely.

The Hon. A. KOUTSANTONIS: I have no memory of it myself.

Members interjecting:

The Hon. A. KOUTSANTONIS: There you go and Charlie Cameron Kingston spoke at their school. So, when that is negotiated, I will bring back the bill to the house and, of course, offer full briefings to both members who are fascinated by royalties calculated in pence.

The CHAIR: So, are you happy? I mean, that is a ridiculous question. I am sorry. I don't know what I was thinking; that was a silly use of language. Do you have any further questions?

Mr WILLIAMS: Let me suggest that I have no further questions.

The CHAIR: Excellent.

Mr WILLIAMS: That does not imply that I am either happy or satisfied.

The CHAIR: Well, perhaps that is not our problem.

Clause passed.

Remaining clauses (5 to 7), schedule and title passed.

Bill reported without amendment.

The Hon. A. KOUTSANTONIS (West Torrens—Minister for Mineral Resources Development, Minister for Industry and Trade, Minister for Small Business, Minister for Correctional Services) (16:45): I move:

That this bill be now read a third time.

Bill read a third time and passed.

STATUTES AMENDMENT (LAND HOLDING ENTITIES AND TAX AVOIDANCE SCHEMES) BILL

In committee.

(Continued from 17 May 2011.)

Clause 7.

The Hon. I.F. EVANS: Dealing with clause 7 and moving on in the bill to new section 92, which deals with land assets, I want to clarify the wind farm issue that the Australian Law Council raised in relation to whether the wind farm asset, which is an electricity asset under section 36A of the Electricity Act 1996, becomes an improvement that could be included in the land assets of a fee simple company.

The example that the Law Council gives is that a farm has a company that owns a portion of the farming land used by the farmer. The company leases the land to the wind farmer, which is also a company (so the two companies have a relationship). The farmer derives rent that is not overly significant in terms of the total income of the farmer and his controlled entities in farming in a good year. The value of the wind farm equipment erected on the land is many millions. So the value of the asset is a lot higher than the income earned, necessarily, by the farmer through other means. At the end of the lease the wind farmer has the right to remove the wind farm improvements, so they are not the farmer's assets as such. Section 36A of the Electricity Act provides:

Subject to any agreement in writing to the contrary, the ownership of electricity infrastructure constructed or installed for operation by an electricity entity is not affected by its affixation or annexation to land.

So, the wind farm is an electricity entity under the act. In these circumstances, under these provisions—which is under provisions 92, the land asset provision in the bill—the value of the wind farm improvements could be included in the land assets of the fee simple company, as a fixture or fixed in addition to their being an asset of the wind farmer company. In both situations the item is used in connection with the land, though in substance it is used by the wind farmer in connection with a wind farm business of generating electricity. The parties should know with certainty what their position is. They should not have to go to the commissioner to exercise a discretion and possibly to resort to courts if he or she for some reason is not satisfied sufficiently to exercise the discretion.

The reason they raised that is that, under 92 and land assets, a land asset relative entity's interest in land will be taken to include an interest in anything fixed to the land. So, as a lessee or lessor, do they have an interest in that infrastructure that is fixed to the land? In the definitions earlier in the bill, an interest is defined as having an interest in a lease or a licence. This says:

...a relevant entity's interest in the land will be taken to include an interest in anything fixed to the land, including anything separately owned from the land—

which clearly a wind farm is—

or fixed to the land but notionally severed or considered to be legally separate to the land by operation of another act or law...

and it goes on. So, the Law Council of Australia asks that question about wind farms, and I would also ask the question what about other income generating assets: water pipes from SA Water that might run across your property, that have an easement, etc., those sort of things; what is the legal position of those under this particular provision?

The Hon. J.J. SNELLING: After much discussion, I am advised that under the provisions, yes, they would get caught up and, under a strict interpretation of the legislation, the turbines would be considered a fixture and would be taken into account when determining the value of the land. However, I am advised that in that circumstance the commissioner will use his discretion to not include the value of the turbines in determining the value of the land.

The Hon. I.F. EVANS: Minister, it is good of you to advise the house that the commissioner has already made up his mind to use his discretion in that circumstance to exempt. It may be a surprise to the commissioner that he has already made that decision because, ultimately, the commissioner has the discretion, and not the minister. If it is the government's intention that the commissioner always use his discretion to exempt them, why not simply write the legislation to exempt them and save the business the heartache of the commissioner possibly not exempting the provision?

What you have just told us, minister—and you were 14 minutes getting briefed on this question, for a submission that your department has had for months—is that the commissioner will use his discretion. There is no guarantee of that but, clearly, that is your intention as the government because you have just told the committee that the commissioner in those circumstances will use his discretion. Why do the companies have to go through this bureaucratic rot of writing to the commissioner, saying, 'Before I do this, will you give me an exemption? And, by the way, I will quote the minister in the *Hansard*. He said that you will.' Why do they have to go through that?

Why cannot the legislation be drafted to exempt them, because you have wind farms and the member for Stuart reminds me quite rightly that there are all the solar farms that are about to roll out, and there are other electricity assets that the member for Bragg raised. There are going to be a lot of these examples, and I cannot understand why the legislation simply cannot be drafted to give it an absolute rather than make them go through this discretion.

The Hon. J.J. SNELLING: It is simply because there are so many different possibilities and different permutations and combinations. My advice is that it is impossible to draft legislation in an all-encompassing way that would pick up every possible circumstance, and that is why we need to rely on the discretion of the commissioner to use common sense. I do not think it is that unreasonable to expect the commissioner to show common sense but, in this area, it is extraordinarily difficult to draft in such a way as to catch up every possible situation that may arise and every possible situation in which, unintentionally, people may get caught up by these provisions.

There are many other examples at both state and federal level where tax commissioners have to use their discretion and essentially apply rules of common sense in determining how the tax people pay is calculated. There is nothing particularly unusual in this. The area of taxation is incredibly complex, and we rely on the tax commissioner to use common sense and to use discretion.

Mr PEDERICK: I raise a concern that I have and the Farmers Federation also has. I refer to section 91(8), and I know we have just gone back a little way on the same clause. It is about the associations of people. Under section 91(8) various people will be associated which other if certain conditions are met; for example, if one is the trustee of a trust and the other is a beneficiary of the trust. There are other situations in which people will be associated with each other.

The circumstances in which a person might be associated with another person and, therefore, be part of the group is very wide. For example, typically in the context of a family trust the potential beneficiaries of the trust will be a large group of individuals, and for the purpose of the definition of 'associated' a person may be a part of a group by merely being the beneficiary of a trust. Even though that person is not a party to a dutiable transaction, they may be liable for duty simply because they are part of a group of associates.

I think we certainly need some more clarity around this clause because it says in one case that you are not dutiable, but then just being a beneficiary you may become dutiable. I guess the question is about how we protect beneficiaries who, first, may not have any idea that a commercial transaction has taken place. They could be family members, grandchildren, children or shareholders. It is a very broad clause and I am trying to work out how we make sure that people are aware of what is going on. I think it needs to be reworded a bit so that we are sure about who will not be caught up in this. I guess that is what I am asking.

The Hon. J.J. SNELLING: Essentially, the purpose of this clause is to prevent people splitting their interests in order to evade paying the tax that they should pay. The last clause provides:

> ...a person is not to be regarded as an associate of another if the Commissioner is satisfied that the association has not arisen as a result of a common commercial interest or purpose and they will act entirely independently of each other).

Just the fact that one might be a beneficiary and one might be a trustee, if they are acting independently they will not get caught under this provision. The other thing to point out is that, in order to be caught under this provision, the trustee and the beneficiary would both have to have an interest in the entity that has been taxed. They would only get caught in this provision if the trustee and the beneficiary both had an interest in the entity; so they would have to do that. Secondly, if the commissioner was satisfied that they were acting independently and that it was not just a tax avoidance measure, essentially, they would not get caught up by this provision.

Mr PEDERICK: In regard to that clause, Treasurer, I seek some further clarification. Are you saying that, if two directors of the company held under a trust and an interest in land have beneficiaries and one of those beneficiaries is a five-year-old child but may not be a listed director on the company acting for the family trust, the five year old would not be charged stamp duty on a transaction?

The Hon. J.J. SNELLING: If you have a trust that owns a land rich entity, that trust has trustees and beneficiaries. The beneficiaries are not caught under this provision just by virtue of being a beneficiary. They would have to have an interest in the land rich entity in their own right in order to be caught up under this provision. That is what this provision is providing for.

So, just by virtue of being a beneficiary of the trust that owns the entity, does not mean they get caught up under this provision. This provision is only for when the beneficiary of a trust has their own interest directly to the entity. So, for the five-year-old kid who is a beneficiary of the trust, that alone does not give them an interest in the land-rich entity. Only the trustee would have an interest in the land-rich entity.

To get to the other point of what this is trying to stop from happening, it does not matter what your age is, you still get caught up by conveyancing duties. There is no age limit on paying conveyancing duties. If you own an asset, the ownership of which is transferred, regardless of whether you are 12 months, five, 17 or 60, you still have to pay conveyancing duties and you cannot evade conveyancing duties by devolving your ownership of an asset to your children.

I do not think that is the point the member for Hammond is getting at. I think he is under the misunderstanding that this clause means that, simply being a beneficiary to a trust gives you an interest, for the tax purposes, in the asset, but it does not. Only the trustees have the interest in the asset. The beneficiaries do not have an interest in the asset.

Mr PEDERICK: In light of that answer then, Treasurer, why do we have written in new section 91(8)(f):

> A person is an associate of, or associated with, another if—
>
> (f) they are both trustees of a trust or one is a trustee of a trust—

and I am happy with that, but then—

> and the other is a beneficiary of the trust.

I am sorry if I am confused, but it plainly says, 'and the other is a beneficiary of the trust'. That goes out to wide legal interpretation, if someone has a problem in the future.

The Hon. J.J. SNELLING: You have got to go back to the original intention. The original intention is to stop people splitting up their interests and devolving their interests in order to evade paying tax.

Mr Pederick: Yes, I am happy with that.

The Hon. J.J. SNELLING: So, the purpose of this is to stop you from doing that by providing a beneficiary from a trust a direct interest in the land-rich entity. Unless the beneficiary has a direct interest in the land-rich entity—and just by virtue of being a beneficiary that doesn't happen; that is not the case just by virtue of being a beneficiary, but if you are a beneficiary who has a direct interest in the land-rich entity, so not via the trust, a beneficiary straight to the land-rich entity, then you get caught. But you do not get caught just by virtue of being a beneficiary. So, you have to go back to what this is about. It is about associates, determining associates, and stopping people, essentially, splitting up their assets.

You could be a trustee in an entity and you could hive off a percentage of the ownership of that entity to a beneficiary of the trust. If you were to do that, then you would get caught under this provision, and that is what it is for. But you do not have an interest in the entity just by virtue of being a beneficiary.

Mr PEDERICK: Just to close on that point, and thank you for the explanation, Treasurer, I guess we just have to trust the wisdom of the commissioner at the time to invoke that final paragraph in brackets that 'the Commissioner is satisfied that the association has not arisen as a result of a common commercial interest', which, I guess, is what you just explained. I will make a couple of comments, and this is where I think the problem is with the legislation, that is, how it is written, because it is open to interpretation. You have gone through a lot of explanation about beneficiaries of trusts and whether or not they will be caught.

In paragraph (f) I can understand the first bit—one is a trustee of a trust—but then we have 'and the other is a beneficiary of the trust'. I do not know whether that section can be reworded to make it work legally, because I am not an expert, but I think there is potential for a lot of confusion in the future. Then we have the paragraph at the bottom:

(but a person is not to be regarded as an associate of another if the Commissioner is satisfied that the association has not arisen as a result of a common commercial interest or purpose and they will act entirely independently of each other.)

The Hon. J.J. SNELLING: It is really quite simple. You have a trust. The trust owns the land rich entity. Imagine a line between the trust and the entity. You have a beneficiary. The beneficiary is connected to the entity but only through the trust. The purpose of this clause is not in that circumstance to catch the beneficiary. The purpose of the clause is only to catch the beneficiary if they have a direct interest in the entity.

Unfortunately, displays are prohibited under standing orders but, if you can imagine, you have the trust and you have the entity: imagine a direct line coming between the trust and the entity. You have the beneficiary: there is a direct line between the trust and the beneficiary. The purpose of this clause in those circumstances is not to catch the beneficiary. The beneficiary has no interest in the entity: the beneficiary is simply a beneficiary of the trust. They are not caught under this provision and that is not the purpose of this provision. The purpose of this provision is only to catch them if the beneficiary has a direct interest in the entity. That is what this provision is for.

We are not trying to catch beneficiaries simply by virtue of them being beneficiaries. It is catching beneficiaries who have a direct interest in the entity. Only then would they come under this provision because they would be considered associates, unless, of course, the commissioner determined that they were acting completely independently of each other, in which case that opt-out clause would apply.

Mr PEDERICK: Thank you, Treasurer, for that explanation. I have not drafted an amendment but would it be better to have paragraph (f) reworded to say 'and the other is a beneficiary with a direct interest in land held under a trust'? I am just throwing that out as a suggestion to clear it up. I am no expert in trust law. I am off the land and rely on accountants and lawyers to give me advice, but I wonder whether there could be an amendment drafted. People here may think it is not necessary but I am sure it might cause a lot of debate in the future.

The Hon. J.J. SNELLING: It is not considered necessary because it is quite clear—I say, with tongue firmly in cheek—that what you are trying to do is determine what an associate is, and so there is no ambiguity, for those who understand tax law anyway.

The Hon. I.F. EVANS: Under new section 91(5) there is the issue of loan capital being ill-defined, or not defined, which I raised in my second reading contribution. Is it the government's intention to define loan capital, given it has been the subject of court cases overseas, and if not, why not?

The Hon. J.J. SNELLING: There is no intention to attempt to define it. I am advised that, if you attempt to define it, people will simply find a way around the definition that you offer. You are better off leaving it undefined, and if there is a controversy over what constitutes loan capital that will have to be resolved in the courts. If you try to define it, you will simply provide an opportunity for people to find ways around the provision.

The Hon. I.F. EVANS: The Treasurer will be pleased to know we are nearly there. Under new section 91(10), the industry groups have raised a concern that this provision appears to impose a liability upon group members and does not appear to be restricted only to members engaged in the transaction. It would appear that it can be applied to anyone who is a member of the group at the time and thus possibly used to recover from persons not involved in the transaction. New section 91(10) reads:

An obligation or liability imposed under this Part on a group attaches to the members of the group jointly and severally.

Is it the government's intention to have the duty apply to members of the group not involved in the transaction?

The Hon. J.J. SNELLING: I am advised this is the same as the current provision. Yes, it is the intention that if the money was not able to be recovered from the group, then the individual members of the group would become liable.

The Hon. I.F. EVANS: I am on to new section 98 now, still under clause 7. Unfortunately, clause 7 is one of these clauses that has everything under it.

The Hon. J.J. Snelling interjecting:

The Hon. I.F. EVANS: Very generous, that is right. On the issue of the $2 million threshold, did I hear you right yesterday when you said you were going to do those calculations to our questions and give them to us between the houses? You did? Thank you.

The Hon. J.J. Snelling: Will try to.

The Hon. I.F. EVANS: Section 99 (clause 8)—that's interesting, there is no clause 8. I don't know whether the industry group that has given me this question has—

The Hon. J.J. Snelling: It would probably be an earlier version.

The Hon. I.F. EVANS: It could be an earlier version, so I don't need to ask that question. We can ask it in the upper house if they have somehow written the wrong number down for us.

In relation to section 102C, which deals with recovery from an entity, the Law Council of Australia suggests that there should be an express restriction on the enforcement of any charge while an objection or appeal is pending. I am wondering whether the government intends to adopt that suggestion as an amendment in another place, to restrict the enforcement of any charge while an objection or appeal is pending.

The Hon. J.J. SNELLING: In cases where a new owner of an entity puts in an objection over the amount of duty payable, the objector does not have to pay the duty while the objection is being considered. However, a charge is put on the land to prevent the new owner from disposing of the land. The reason for that is that the new owner could sell the land belonging to the land rich entity, in which case the land rich entity would no longer be a land rich entity; it would just be a shell without any assets that the tax commissioner would be able to recover from.

Clause passed.

Clauses 8 and 9 passed.

Clause 10.

The Hon. I.F. EVANS: Clause 10 deals with some transitional provisions. In particular, the industry group has raised concerns about the retrospective effect of the general anti-avoidance provisions outlined in clause 10. It argues that the proposed section 10 provides for the general anti-avoidance provisions to continue to have an effect on a scheme carried out prior to it coming into force. The subsequent provisions prevent the commissioner from recovering duty and penalties insofar as taxes involved arose prior to the commencement of the provisions.

The effect is that the legislation will have a retrospective effect in relation to some transactions. It is most likely to have this effect in the land tax and payroll tax areas. Yesterday, when I raised this in my second reading contribution, there was some acknowledgement from the adviser that there may be an issue in relation to land tax and payroll tax. I seemed to get the impression that the adviser might have been nodding his head. Can the Treasurer explain to the house what his understanding is about the retrospective effect in relation to land tax and payroll tax of this bill?

The Hon. J.J. SNELLING: The purpose of this is just to make it workable. The retrospectivity does not mean that the tax commissioner is going to go back and do a retrospective assessment on the person from the date they entered into the arrangement. What it means is that, if they entered into the arrangement before the date the bill comes into operation, they can be taxed appropriately for the 2011-12 financial year.

I am just trying to think what is the best way to explain it. Without this provision, you would only be able to catch people who had entered into a tax avoidance arrangement after the operation of the bill. We do not want to go back and do a retrospective assessment and start collecting tax that they have not been paying for however long they have been in the tax avoidance arrangement. That is not the purpose of this transition.

They will only assess the tax from 1 July 2011 or from the day the bill comes into operation and forward from there, but if you did not have this provision then, unless they have entered into the arrangement after the date that the bill came into operation, you would not be able to get them to pay the appropriate rate of tax.

The Hon. I.F. EVANS: And I thought we had finished! I am confused on that one. You are going to have to walk that past me again. I think you are saying to me that it is possible under this legislation to have signed up an arrangement three months ago and, come 1 July, it is going to be taxed under the new arrangements, not the arrangements that were in force on the date on which the transaction was signed.

The Hon. J.J. SNELLING: This is only for avoidance.

The Hon. I.F. EVANS: There is nothing in the bill that says what avoidance is other than that it is at the commissioner's discretion.

The Hon. J.J. SNELLING: Yes.

The Hon. I.F. EVANS: Right; so none of us knows what avoidance is. None of us knows what avoidance is other than that it is what the commissioner thinks it is, so some poor soul has entered into a transaction in March and then is caught under a different tax regime come 1 July.

The Hon. J.J. SNELLING: No.

The Hon. I.F. EVANS: Then I have misunderstood your explanation, but that is how I understood your explanation. Run it past me again and I will see if I get it second time round.

The Hon. J.J. SNELLING: This is an anti-avoidance provision. This is to catch people who, as the legislation says, have entered into a blatant, artificial or contrived scheme.

The Hon. I.F. Evans: In the commissioner's view.

The Hon. J.J. SNELLING: No, ultimately in the court's view. Ultimately it would be up to a court to decide whether this person had entered into a blatant, artificial or contrived scheme. Without this provision, the person who had entered into such a scheme would only be able to be part-charged the proper rate of tax that they should pay if they entered into the scheme after the date this bill came into operation. So, the example you used of someone who had entered into a blatant, artificial or contrived scheme three months ago—so they had entered into the scheme before the bill came into operation—there would not be anything that the tax commissioner could do about them because they had entered into the scheme before the bill came into operation.

So, if someone had entered into an arrangement three months ago and this transitional provision was not there, the tax commissioner would not be able to do anything about them. They would continue to be able to operate their avoidance scheme. The only purpose for this provision is to make sure that, regardless of when they entered into the avoidance arrangement, they still get caught up. It is not there so that the tax commissioner can go back and retrospectively assess them, and make them pay how ever much tax they should have paid over the time that they were entered in the scheme. It is simply to make sure that, regardless of whether they entered into the scheme before or after the operation of the act, they still get caught up by this provision, and the tax commissioner can still make sure that they pay the appropriate rate of tax.

The Hon. I.F. EVANS: I will not hold you long on this, minister, because the house is about to adjourn, but how far back can the commissioner go in making the judgement about whether there is an avoidance scheme? I think you are telling me that he has open discretion to go back and look at any arrangement put in place—it could be two, three, four, five years ago if the commissioner so wants. Does that not then create uncertainty for people who entered transactions five years ago, say, and are suddenly going to get unwound or somehow found liable for this new level of tax?

If the scheme has been in place for four or five years, surely the scheme should stand. It should be the forward schemes that are dealt with under the anti-avoidance measures, otherwise the commissioner is going back is he not, and looking back three, four, five, six years, at all the

arrangements and saying, 'I can ping this one; I can have a go at that one.' Is that not retrospective by its very nature?

The Hon. J.J. SNELLING: No, because, firstly, the commissioner is not going to try to recover against someone who has entered into one of these arrangements the tax they should have paid from the time they started paying, or not paying, the tax to the operation of this provision. The tax commissioner is not going to go and retrospectively assess someone under this provision.

For the purposes of the tax they pay, and the tax they should pay, it is only going to apply from the date the bill comes into operation. But, you are right, if Mr Blogs, for instance, entered into an avoidance arrangement five years ago, an arrangement which is blatant, artificial or contrived, a scheme to avoid tax, then if the commissioner is potentially able to prove in a court that this was a blatant, contrived or artificial scheme, he is only going to have to pay the proper rate of tax from the date of the operation of the act. He is not going to be retrospectively assessed.

Without this provision, in relation to the people who have entered into such an arrangement, whether it was three months ago or five years ago, the commissioner would have his or her hands tied. They would keep avoiding tax and there would be nothing the commissioner could do, because they entered into the scheme before the date the act came into operation. It is only retrospective if someone enters into a scheme before the operation of the act. The act will then be able to pick them up, but it will not be retrospective. The old lady, or whoever, is not going to have to pay tax back before the date that the act came into operation. They are only going to have to pay the appropriate amount of tax from the date the act comes into operation.

Clause passed.

Title passed.

Bill reported without amendment.

The Hon. J.J. SNELLING (Playford—Treasurer, Minister for Employment, Training and Further Education) (17:58): I move:

That this bill be now read a third time.

I thank the people who assisted in the drafting of the bill and provided advice to the house.

Bill read a third time and passed.

At 17:58 the house adjourned until Thursday 19 May 2011 at 10:30.