

HOUSE OF ASSEMBLY

Tuesday 8 November 2011

The **SPEAKER (Hon. L.R. Breuer)** took the chair at 11:02 and read prayers.

The **SPEAKER**: Honourable members, I respectfully acknowledge the traditional owners of this land upon which this parliament is assembled and the custodians of the sacred lands of our state.

CHAMBER BELLS

The **SPEAKER (11:03)**: I have been informed that the bells could not be heard in all parts of the parliament this morning. I understand that the situation is now rectified, but there may be some members not present who did not hear the bells, but it is certainly being looked at.

Mr **WILLIAMS (MacKillop—Deputy Leader of the Opposition) (11:03)**: I was going to report that the bells were not working on the second floor at all.

The **SPEAKER**: You could not hear them at all?

Mr **WILLIAMS**: No.

The **SPEAKER**: Or in the basement and lower level—all areas. So, if anyone is not here they have an excuse for the next five minutes.

SUMMARY OFFENCES (PRESCRIBED MOTOR VEHICLES) AMENDMENT BILL

The Hon. P. **CAICA (Colton—Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Aboriginal Affairs and Reconciliation) (11:04)**: I move:

That the sitting of the house be continued during the conference with the Legislative Council on the bill.

Motion carried.

CHAIRMAN OF COMMITTEES, ELECTION

The **SPEAKER (11:04)**: I advise the house that I have received the resignation of the member for Bright as Chairman of Committees of the Whole House.

The Hon. P. **CAICA (Colton—Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Aboriginal Affairs and Reconciliation) (11:04)**: I move:

That Mr Piccolo be appointed as Chairman of Committees of the Whole House during the present parliament.

The **SPEAKER**: Is that seconded?

Honourable members: Yes.

The **SPEAKER**: I will put the question.

Motion carried.

VISITORS

The **SPEAKER**: I welcome to the house and I draw the attention of the house to Mr Aisake Eke, a member of the Parliament of the Kingdom of Tonga and Chairman of its Finance and Public Accounts Committee. He is with us as part of the Commonwealth Parliamentary Association Twinning Program between the parliaments of Australia and New Zealand and the parliaments of the various South Pacific nations. Welcome to our parliament. It is very nice to have you here, and we hope that you enjoy your time here with us.

WATER INDUSTRY BILL

In committee.

(Continued from 20 October 2011.)

Clause 25.

The ACTING CHAIR (Ms Thompson): I understand that we are at clause 25, and we have dealt with amendment No. 15. Member for MacKillop, I understand that—and correct me if this understanding is not in accordance with your recollection—you were about to move amendment No. 16, which relates to clause 25?

Mr WILLIAMS: Indeed, Madam Acting Chair. I had in fact moved it. I was speaking to it and I sought leave to continue my remarks. I am now ready to continue my remarks. With the indulgence of the committee, I think that I will just recap a little on those remarks just to remind members what amendment No. 16 is all about. The amendment seeks to insert a new paragraph (q) under clause 25(1)—Licensing conditions. New paragraph (q) provides:

requiring the water industry entity to deliver water to any primary producer for purposes associated with livestock production in the circumstances prescribed by subsection (7)(a) at a price determined by the Commission after taking into account the requirements prescribed by subsection (7)(b).

As I was saying, we have found ourselves with rapidly escalating water prices in South Australia, and probably the majority of farmers across the state who rely on reticulated water—not just for domestic purposes but also for livestock water—are finding that it is becoming unviable to run livestock.

For the benefit of members of the house who are not intimately familiar with rural South Australia, there is a pipeline that extends from the River Murray to the east as far as Keith in the north of my electorate which services all those communities down along the Dukes Highway, with branch lines coming off that pipeline. There is a major branch that goes down to Meningie on Lake Albert. We have more recently put pipelines across the Narrung Peninsula between Lake Albert and the Coorong to reticulate water specifically in that area because the Lake Albert waters have not recovered from the drought and they are still far too saline to be used even for stock drinking water, let alone irrigation. That particular area of the state is still suffering as though the drought were continuing.

Then we have all the communities along the river and pipelines running off the river all the way from Renmark and the north all the way down the length of the river. We have pipelines delivering water pretty well from Meningie and Keith in the east all through the northern Mallee and then on the western side of the river through the Strathalbyn area right down to Goolwa, across the ranges and all of the Mid North, Upper North, Yorke Peninsula and right across Eyre Peninsula.

Mr Venning: And the Barossa.

Mr WILLIAMS: The member for Schubert says, 'And the Barossa.' I am sorry I missed out on the Barossa. Basically, all of rural South Australia, apart from Kangaroo Island, a few parts of the Fleurieu Peninsula and the Mid and Lower South-East, are serviced by—congratulations on your appointment by the house, Mr Chairman of Committees.

The CHAIR: Thank you.

Mr WILLIAMS: It was a hard-fought battle. I thought we were going to get Atko; but we are very happy.

Members interjecting:

Mr WILLIAMS: It is difficult when I am so overjoyed. I can barely contain myself. I was just saying that the vast majority of the farmlands in the settled areas of South Australia are serviced by reticulated water supply operated by SA Water and that provides stock drinking water to probably the vast majority of the livestock in South Australia. The reality is it is becoming unviable to continue to pay those prices. I said when we were last speaking on this matter on 20 October that I have constituents who are spending over \$100,000 a year on water for livestock. One constituent contacted me quite recently and they were over \$140,000. They are saying that there is no profitability left in running beef cattle.

It is not just the livestock producers who are being severely impacted by this. If this continues, if we do not find some remedy to lower the cost of water for livestock production, we will lose an industry. We will lose several industries. We are talking about both sheep and cattle. Some minor animals are also involved no doubt to a lesser extent, but principally sheep and cattle industries provide wool and meat, and we have a significant meat processing industry in South Australia as well. I was at the Advantage SA awards dinner a few nights ago and T&R Pastoral received an award.

Mr Pederick: Hear! Hear!

Mr WILLIAMS: T&R Pastoral is in my colleague the member for Hammond's electorate at Murray Bridge; a major abattoir, handling both sheep and cattle, employing—

Mr Pederick: Fifteen hundred people.

Mr WILLIAMS: That business employs 1,500 people. If no livestock are run on the farms across South Australia that business cannot survive. In my electorate I have Teys Brothers beef abattoir at Naracoorte, which employs 350 to 400 people, and Tatiara Meat Company at Bordertown, a lamb meatworks where another almost 500 people are employed. We are talking significant employment which could be impacted if we cannot do something to reduce the cost of water for livestock.

That is what this amendment is about. It is about providing a separate product. It is a separate product, and the product this would oblige SA Water to provide to the farming community is that of a transport operator.

The scheme that I have devised, of which this clause is an integral part, is that SA Water would be obliged to transport water for livestock operators who actually own the water themselves. So, they would have to go into the water market on the River Murray, either as a temporary trader or by buying a permanent water allocation, and have SA Water deliver that water through the existing infrastructure to their properties.

The only difference would be the way that the billing would occur, because they would be delivering water already owned by the producer rather than water that was owned through a licence of SA Water. SA Water would just provide the transport of that water. It would not require any more water to be transported. SA Water is already delivering water for these livestock producers; that would not change. It is just the ownership of the water that would change. Thereby, we could offer a different product to these livestock producers and, thereby, we could reduce costs.

Since October 20, when I was last talking to this particular amendment, I have had another conversation with a country community, or certainly the secretary of the local football club in the country community, who are having a similar problem watering their football/cricket oval. It is at Crystal Brook, in the member for Schubert's electorate.

Mr Venning: Frome actually.

Mr WILLIAMS: It is in Frome? Sorry.

Mr Venning: Crystal Brook is where I live though.

Mr WILLIAMS: Yes. Sorry, the member for Schubert lives at Crystal Brook.

The Hon. P. Caica interjecting:

Mr WILLIAMS: Because they moved it. In the member for Frome's electorate, the council has been doing the right thing for the football/cricket club there and paying, I think, half of their account or something, but their account now is over—or they expect it to be over—\$30,000 a year just to keep their football/cricket oval watered. That is, again, untenable for a country community.

I suggested to this person in a conversation that I had that we may be able to apply a similar sort of process to them. Although at the moment this amendment is only talking about water for livestock, I am of a mind that, when the bill gets to the other house, we might change that and also incorporate public playing areas, sporting clubs or ovals, however we decide we might refer to them.

This is something which I think is vital to underpin a major industry in South Australia, that is, our livestock industry. I have thought on this for a fair bit of time. I cannot think of any other way that the parliament can help these people, other than to provide this transport service.

It is contemplated by the bill that SA Water will move towards third-party access—and I am a little bit disturbed about the time frame involved in getting to third-party access. This, I think, is much more urgent than the time frame that is spelt out in this bill; that is why I have brought this forward as a series of amendments to allow this to happen. I sincerely hope that the government sees the good sense in this measure and supports these amendments.

The CHAIR: Minister.

The Hon. P. CAICA: Thank you very much, Mr Chair. May I too congratulate you on your ascent to the glorious position of Chairman of Committees. Well done. We are also dealing with amendment No. 2, as the member for MacKillop would remember. So, we are actually dealing with

amendments 16 and 19 as one, which we referred to the committee when we last met. Amendment 16 concerns water for livestock production and, as I said, needs to be considered alongside amendments 19 and 2.

The government does understand the issues that have been raised by the member for MacKillop and the issues that have given rise to these amendments. I have met with the people to whom the member for MacKillop has referred but, in addition to that, I have also met with grape growers who find themselves in a similar situation. However, we do not believe this is the most appropriate way to deal with them.

First, these amendments would provide a significant subsidy to livestock producers at the cost of increasing prices to all other consumers. The scheme seeks to limit the delivery price to 50 per cent of the prevailing commercial water price in metropolitan Adelaide. There would also be no contribution—and I say no contribution—from livestock producers to the fixed costs or any other variable costs associated with constructing, maintaining and managing the water supply network.

Furthermore, while the amendments envisage livestock producers paying for their own River Murray water on delivery, the producers would remain connected to SA Water's infrastructure. This means that SA Water will still be required to secure sufficient water supplies to provide security for all customers, but the cost of providing that security would not be worn by those livestock producers who took advantage of that particular access scheme. It is certainly the government's view that this is hardly a fair arrangement.

To put some numbers around these amendments, SA Water has undertaken calculations around the associated costs in relation to the top 500 country land customers who use approximately 5 gigalitres per annum. I am told that, if these users purchased their own water and had it delivered under the proposed scheme, there would be an estimated revenue shortfall of between \$16 million and \$17 million per annum from 2012-13. Unless that was separately funded from the state budget, I am told the cost of the proposed scheme would require an additional impost of \$22 on every other water user's bill—primarily the bills of residential users. Again, in the government's view, this is unfair.

Of course, it conflicts with the National Water Initiative pricing principles and goes against the intent of the legislation. I do not need to remind the house of the National Water Initiative pricing principles because we have discussed them on numerous occasions. Such a scheme would also be costly to administer, which would further drive up prices for other consumers. The government does not believe it is appropriate to provide preferential treatment to one part of the industry at the expense of others.

I did note with interest that the member for MacKillop did talk about perhaps revisiting this in the passage between houses, perhaps to include community parks and gardens—for example, the oval that he spoke about in the member for Frome's area. I presume then he might also look at grape growers as well. I ask where it might end with respect to the subsidies that the member for MacKillop says ought to be put in place as a consequence of this particular amendment. We do not believe it is appropriate to provide preferential treatment to one part of industry at the expense of others, and 'the expense of others' in this instance means residential customers.

Crucially, the capping of prices proposed under these amendments would also impede—and this is a very important point—competition by eroding the financial incentive to provide alternative and innovative solutions for these livestock producers. I would not be surprised if, as we speak (because I know it is happening and that preliminary discussions are occurring) market players are looking at ways by which they can access water—which of course is still available to be transported along the existing infrastructure owned by SA Water—to ensure that water could be delivered to what would then in turn be their customers for primary production or any other purpose for which that more competitively priced water would be available to them.

So, as we speak, I know that there are innovative companies in the marketplace looking at how they might deliver alternative supplies to not only livestock producers but also the other primary producers that I have just briefly spoken about. It really is this type of competition that this bill seeks to encourage. In fact, it is exactly this type of competition that I understand the member for MacKillop, in his remarks made to date, was actually wanting to encourage as well. This is the type of competition this bill seeks to encourage. The proposed amendments would have, I think, a chilling effect on this sort of competition at the expense of other water customers. As I said, it is my view that it would be very short-sighted.

Finally, I do note that the member for MacKillop is keen to give ESCOSA an additional role through these amendments but is not prepared to give it complete independence. This is a point that he levelled at the government earlier with respect to ESCOSA and the level of independence he believes that it might not have because of some government direction through the pricing order, but he is quite happy to include this within that. It also seems to contradict the member for MacKillop's professed desire to give ESCOSA more independence when it comes to setting water prices.

Accordingly, I believe the best course of action is to oppose these amendments. The government has made its intentions crystal clear on the need to develop a third-party access scheme that treats all water industry entities and all industrial and residential customers fairly. In the meantime, I note that charges for delivery of water to primary producers who obtained a River Murray water licence would be covered by the commonwealth Water Act 2007.

I also note that, as minister for water, I can give a direction to SA Water under section 6 of the Public Corporations Act 1993 to negotiate in good faith with livestock producers and to ensure that any water charges are consistent with the commonwealth Water Act 2007. As I have said, we will be opposing this particular amendment.

Mr WILLIAMS: I am going to respond to some of the things that the minister has just said. It is most interesting, and I will go back and read with great care what the minister just said, because I think he just made an argument exactly the same as mine. I think the minister said—and I am sure he will correct me if I have this wrong—that the bill will establish a third-party access regime that will allow other parties to buy water from the River Murray and then have SA Water transport it to these livestock producers, and that that will solve the problem.

That is exactly what I said. The only difference is that the livestock producers under my scheme would buy the water themselves, rather than have some third party or fourth party involved in providing the water to them, but the impact on SA Water would be exactly the same. The minister has suggested that the top 500 customers are utilising about five gigalitres of water and, if SA Water went into the scheme that I have described by this amendment, SA Water would be out of pocket to the tune of \$16 million to \$17 million.

What is the difference between what I have proposed and what the minister has suggested may well happen once we have a third-party access scheme? The difference is absolutely nothing. The difference is that the third-party access regime would do exactly what I have proposed via this amendment, except that the minister has let the cat out of the bag.

The government is talking about third-party access but it has no intention of seeing it happen. It has no intention of having a third-party access regime that actually works. Why? Because the government is intent on protecting the revenues of SA Water. That is what this is all about: this is about protecting the revenues of SA Water. That is why the government will not accede to this.

Let me make several points. If the government sets out to protect the \$16 million or \$17 million revenue to SA Water, that is all well and good, but what it may well do is destroy the livestock industry in South Australia. We are talking about 500 farms in the figures that the minister just quoted. There is a fair chance that all those farmers and several thousand more will stop producing livestock.

The livestock numbers in this country have dropped dramatically in recent years. In fact, since about 1990, when the world trade in wool collapsed, sheep numbers across Australia have dropped from about 170 million to fewer than 70 million. There has been a huge drop in the numbers of sheep already. What has enabled that to happen is that, particularly in South Australia, most of the farmland in South Australia is also arable, so the farmers have turned from running livestock to growing wheat and barley and a range of other crops.

As the price of water goes up and up, as it has under this government, more and more of those farmers are encouraged to forget about running sheep and cattle and just concentrate on their cropping enterprise. I have already said there are thousands of South Australian jobs in the meat-processing industry. That is under threat as well. It is not just the farmers and those communities: the meat processing industry is under threat as well. The minister's argument is an absolute nonsense because what he has suggested he will get through the third-party access regime under this bill is exactly what I am trying to do here, to speed it up and actually make it work. That is the big difference.

The minister also suggests that this will provide a subsidy from one group of water customers to another. Let us go back and make sure that we understand what is driving these massive increases in water prices which is undermining our livestock production systems in South Australia. It is the desalination plant. It is to pay for the desalination plant here in Adelaide. We should ask ourselves: what is a kilolitre of water produced by that desalination plant going to cost; and why should a farmer at Ceduna pay that additional cost?

The farmer at Ceduna has historically paid for the cost of extracting water from the Tod reservoir, and, more recently, some of the basins—the Polda Basin and other basins on the Eyre Peninsula—and pumping that water through a network of pipes and delivering it to the farmer in Ceduna. The farmer has paid and never argued. He has argued about the quality of the water he has been getting, but he has paid the going price for that. Nothing in the water delivery system for that farmer at Ceduna is changing, apart from the fact that the government decided to build a desalination plant at Port Stanvac and has to find the money to pay for it.

For the minister to stand up and say, 'We don't support this measure because it is creating a cross-subsidy from one water client to another,' is a nonsense, because what has caused the problem is that the farmer at Ceduna, or any other address in South Australia, is paying for a desalination plant to provide water security for Adelaide. That might be a reasonable argument because we have postage stamp pricing across South Australia, but the decision to double the size of the desalination plant, to go from a capacity of 50 gigalitres a year to 100 gigalitres, was a purely political decision. It had nothing to do with providing water security for Adelaide: it was a political decision to win more votes. It was a political decision taken—or announced, at least—the day after the 2008 federal budget in which the federal government promised \$228 million to go towards that expanded capacity.

The story does not end there. On taking that decision, the government also had to confirm the decision to connect the northern and southern parts of the Adelaide water network. There is another cool \$400 million that again the farmer at Ceduna has to pay for. If the government had not taken the decision to double the size of the desalination plant, it would not have been obliged to connect the northern and southern parts of the system.

I know that SA Water has always wanted that because it makes it easier to operate, but it was not critically necessary until the government took the decision to double the size of the desalination plant. The poor old farmer at Ceduna, or anywhere else in the state, can do nothing about that but is going to be put out of business by this government—certainly, the part of his business which is producing livestock—because this government made some stupid decisions and is now calling upon all water users to pay for them.

The story does not finish there, either, because, as part of the deal for the \$228 million, the government signed off that it was going to put environmental water back into the river. It used the term 'reduce its reliance on the River Murray'. There was a definite expectation from the federal government that that meant the government would reduce its water licence and would take less water out of the River Murray. The government has fought tooth and nail to walk away from that deal and, as a consequence, another farming community—namely, the irrigation community right along the River Murray—is going to pay a very heavy price if the whole of basin plan says that we have to reduce our take from the River Murray in South Australia, because the water that the government did not return, in return for \$228 million, will be given up by irrigators in South Australia.

Minister, do not come in here and say that I am calling on water consumers in Adelaide to subsidise the farming community. What is happening is that you are slaughtering the farming community, whether it be livestock producers right across rural South Australia or irrigators in the Riverland or down the length of the River Murray—you are pushing them out of business. You are pushing them out of business simply because you cannot understand and you do not like the opposition coming up with these ideas because it is exactly the same as what you have described through your third party access regime. Do not come in here and say that it will all be sorted out through that regime because it will have exactly the same impact on SA Water's bottom line as the scheme that I am proposing—exactly the same. If some third-party operator comes in and delivers water to those farmers at a cost which allows them to be viable, it has to be that SA Water is not getting the same revenue stream.

The water that comes out of the River Murray is very cheap; the water that comes out of the desalination plant is very expensive. The reason I put the cost limit, the cap on the cost of the delivery system, is that I think it is fair to argue now that the price of water delivered to every

SA Water customer contains two components: one is the fixed cost (as the minister talked about) of providing the network, the pumps, the operation and the maintenance thereof; and the other now is the desal plant which is going to be, for want of a better descriptor, the cost of every kilolitre of water that comes out of it—and that is going to be substantial.

I think it is fair and reasonable now to break up the cost of water delivered to any customer in South Australia into two components: one, the value of the water; and the other, the value of delivering the water. I think the farming community can be helped, and I think the state's economy can be helped if we break that up in this instance and say to SA Water, 'The only service we want you to give to these farmers is the delivery component, and they will have their own water.'

I have no comprehension of what the minister was trying to get at when he suggested that there is a cost to SA Water of securing water, other than what I have been talking about with the desal plant, and that this scheme would undermine that in some way because they would not have to secure the water for these farmers if they took advantage of this scheme; they would own their own water. They would be responsible for getting the water. All they would want from SA Water is the delivery service—that is all they would want. So, whether it be done through this mechanism or through some third party access regime where somebody else sits in the middle and takes another profit lick out of the whole delivery of water to these farmers makes no difference to SA Water's bottom line. However, what we need to do is to make it viable for farmers to be able to run livestock right across rural South Australia, and we need to do it quickly.

The CHAIR: Minister, do you wish to respond?

The Hon. P. CAICA: I will try to be very brief.

The CHAIR: That would be helpful, minister.

The Hon. P. CAICA: There were a lot of issues raised by the member for MacKillop that I am not going to respond to because they were not necessarily connected with the act. Again, if the member for MacKillop is confused about certain things I cannot help that. But what I would say is that there already is a cost involved in the transport of water. There will always be a cost for SA Water if it is going to be the deliverer of that water, and that would need to be reflected in whatever arrangement was entered into with any third party that might buy water and then use SA Water as a transport delivery agent.

What the member for MacKillop is suggesting in these clauses is a subsidy for primary producers, and we do not support that for the reasons I have stated, and I will not go through them again. In relation to the drop in the number of animals across Australia and South Australia, I think the member for MacKillop, on this occasion, is right in saying that commercial decisions were made by landowners as to what they were going to produce.

In fact, when I was the agriculture minister and travelling across Eyre Peninsula during that most unprecedented drought, some of those who did better than others were those who had kept their finger in the pie, so to speak, with respect to having some livestock on their property. But a significant number of farmers I spoke to were not interested in that. They liked the idea of no fences and big paddocks; they did not like the idea of having to deal with livestock on a daily basis, which, of course, you have to do when you have livestock. My understanding is that it was a commercial decision by those farmers to do that—and, of course, we live in a marketplace, and they will make those decisions.

We already do subsidise water that goes to some of the areas the member for MacKillop has spoken about, and that is, of course, through the postage-stamp pricing. He also talked about the time now being right to break up the cost involved with the delivery of water into various components, which include the water and supply charges. I would remind the committee that, with this bill, we are transferring the pricing and the setting of prices to ESCOSA, and it will make a determination as to what the price will be and what are the components of that particular bill, and the opposition supports that.

On the matter of the desalination plant, the member for MacKillop can bang on how he likes, and he will continue to do so, but what I would say is that the decision to extend the desalination plant from a 50 or 100 gigalitre capacity was a sound decision when it was made, and it will prove to be a sound decision. The scientists (and I am no scientists) have calculated that what we saw in the millennium drought is a glimpse of the future, where droughts are going to be more frequent and more intense.

That will be when the desalination plant will ensure that our reliance on traditional sources of water supply—climatic-dependent water supplies—will verify that very, very sound decision. It provides water security for this state. My handwritten notes say a lot of other things, but I will finish by touching on a couple of issues which are associated with the scheme the member for MacKillop has talked about introducing. I said that such a scheme would be costly to administer and would further drive up the prices, and I gave those figures, but it would also include some other issues that would need to be dealt with by SA Water.

SA Water would need to verify that the properties have livestock and establish how much water is used for livestock versus other uses, and this information would need to be forwarded periodically. In addition, SA Water would need to undertake considerable technical analysis, often on a case-by-case basis, to determine whether there is capacity in a given segment of the network to provide the service and, of course, these customers would want security of supply.

Another example is that, if a person—and we will call him the member for Hammond because he is in my direction—decided to purchase a lot of water and get a licence and he wants to transport the water through SA Water's pipes to get it to wherever it might need to be transported for livestock production, the arrangement you have entered into with these livestock producers would be such that they would have an expectation that that water would be secure. If for some unforeseen circumstances that did not apply, I am presuming that those customers would still want to use SA Water as a producer of that to make sure that security was provided to their animals.

I will finish off my saying this: businesses—and the member for MacKillop knows this—can currently apply for access to the services provided by infrastructure facilities (for example, water transport) by private commercial negotiations with the infrastructure service provider. For example, SA Water has a number of negotiated arrangements with its rural water supply network for transportation of irrigation water, and the member for MacKillop is aware of the arrangement that exists with respect to Barossa Infrastructure Limited. So we are already doing that and, of course, this bill is further going to facilitate that.

But if the private negotiations that are attempted fail (of course, the member for MacKillop would know this as well) then businesses can apply to have the particular infrastructure services declared in accordance with part 3 of the Commonwealth Competition and Consumer Act 2010. So those facilities already exist, and for a fine example of their existence you don't need to go any further than 60 minutes up the road to see the arrangement that is in place between SA Water and Barossa Infrastructure Limited.

The CHAIR: Member for Hammond.

Mr PEDERICK: Thank you, Mr Chairman of Committees. I, too, congratulate you on your appointment. I want to make some points re the delivery of farmers, and I will declare my interest as a farmer before entering this place and still owning the property but having it leased out so I don't have to operate the business side of it. We are at Coomandook and we are totally reliant on the Keith pipeline because the water in the underground basin is just too saline to use. Certainly, the community was very grateful when the Keith pipeline came through in the sixties. It took over from a scheme that originates on the Weckett property (who are the people who lease my property), a local scheme that piped water from the back of Yumali around through Coomandook. It is an absolutely essential service to producers on that pipeline to Keith, and it was the vision of many people to get that in place.

I want to make some points about the delivery of water and why it has been necessary for piped water to go, in either an unfiltered sense or a filtered sense, to various properties along the river. In fact, the debacle has happened in the last few years under this government because of mismanagement of the drought and the River Murray, and our lack of negotiation skills when it came to getting water delivered to South Australia. What we have seen happen below Lock 1, especially close to Lock 1 where people could have drawn water from the river but could not—they could not irrigate their properties even with licensed water that they pay River Murray irrigation level 3a fees on.

So, for many hundreds of kilometres of river we have seen farmers and rural businesses suffer because of the absolute lack of access to water. As you come down the river you see the debacle (not just in the areas up towards Blanchetown) but as the river got too low people had to lower pumps to try to access that water to irrigate, and some just gave up. They decided it was too

hard and for many it was too risky because of the slumping risks with the River Murray because of the lack of flow keeping it up to the post-barrage height of plus 0.75 of a metre.

As we come further down to the River Murray flats around Mannum, towards Wellington, in the last few years (under the Labor government when John Hill was the minister) we saw rehabilitation of those flats which saw close to \$30 million of federal, state and producer finance go into so-called rehabilitation. As part of that, farmers had an option not to take up the option of rehabilitating blocks, so we ended up with a patchwork quilt where some properties were rehabilitated (laser levelled) at significant cost—as I said, close to \$30 million across the entire area.

The long-term drought that we had saw these flats become unusable and untenable to operate as dairy properties. We saw cattle, especially calves, falling into deep cracks and disappearing out of sight and, apart from the ability to farm in an effective manner, destroying the effectiveness of all that money that had been invested all those years ago. We must make sure that, if rehabilitation happens again, it is done in a more overall way to the swamps and that we do have water at a decent level so that these businesses can keep producing.

When we go further down the river, we get to Wellington and everyone past Wellington. This government, in an announcement in 2006, was quite happy to sacrifice those entire communities. I do not say that lightly: that is a fact. The \$200 million Wellington weir proposal of a sinking rock heap (700,000 tonnes) would have needed continuous rebuilding, and I certainly know that some contractors were gearing up—and I cannot blame them, as they could see a commercial opportunity—to cart this stone.

The Upper South East certainly is not short on limestone, and I can say that from my experience as a dryland farmer. I must say that, especially when I took on a property down at Tintinara, I certainly found plenty of limestone—there is plenty out there. The simple fact was that these people were going to be absolutely sacrificed to secure the water for Adelaide; that was the argument. I firmly believe, and I still believe, that it was just the lack of this government's ability to negotiate the proper outcomes for the bottom end of the river.

Over time, some irrigators around Lake Albert and Lake Alexandrina invested hundreds of thousands of dollars in desalination units that are not cheap to buy and not cheap to run. We saw private investors around Langhorne Creek put in pipelines to feed the wine grape industry, and then we saw the creek's pipeline company (and I acknowledge that the state government came on board to help manage that project) get water through to the vineyards, but it was very expensive water.

The high security water through the creek's pipeline is \$1,000 a megalitre. I note that 90 per cent of the funding that went into this project was commonwealth funding. People could see that they either had to bite the bullet or their vineyards—from the fantastic winegrowing region in Langhorne Creek through to Currency Creek—would be at risk. I now get to where I talk about the canary in the mine—and it is Lake Albert. It is the absolute mismanagement of Lake Albert that has caused so much grief to one of the best irrigation areas in this state and possibly in this country. It is a fantastic area on the Narrung Peninsula for horticulture, dairy, and a range of irrigation industries.

It is good land, and it used to be good water, and it has a good climate, with breezes coming off the lakes. What we saw during the drought were people spending thousands of dollars—some up to \$5,000 a week—to get water delivered to keep their dairies functioning. After all the bluff and bluster of the commonwealth, who could not work out that South Australia has actually done a lot of infrastructure upgrades over the last 30 to 40 years, because, sadly, we did not match the guidelines for the federal funding, belatedly we did see those emergency pipelines go in, and they went in just in time. I must congratulate the contractors—as I have done here before—on the great job they did.

This has become necessary because what we see now, 12 months after the recovery of the river, are people who have not been able to use Lake Albert to water their dairy herd, irrigate their pastures or irrigate crops, and that has not happened since the barrages went in. They basically have a gun at their head, and they have had to purchase River Murray water through that scheme. The amendments put up by the member for MacKillop on behalf of the Liberal Party are very good amendments, and they acknowledge the contribution that South Australian farmers make.

Salinity levels are still around 5,000 or 6,000 EC around Lake Albert because what happened was that bund go in in a hell of a hurry, when the government was worried about acidification. Then we see no eagerness at all to complete getting that Narrung bund right out of the water and out of that channel there. There is also the effect of all the silting around it; at least 20 per cent of the material that went into that neck between the lakes will still be there, and that has had a major effect. The River Murray basically recovered over 12 months ago, yet here we are 12 months on and we still have people in a region around a lake who cannot access water as they should be able to.

In fact, as the minister would be aware—it was brought to his attention the other night; he was in Murray Bridge at the meeting I was at—an irrigator said that her irrigation fees, the level 3A fees, do not even cover the amount that irrigator gets for the leasing of her water. So, apart from not being able to recoup those fees from leasing out their water, they have to pay absolute top dollar because, through no fault of their own, water has had to be delivered through a pipe. I acknowledge that the pipe was put in and that the state government did some work in regard to that—but it had to be dragged along to that point.

Many people and communities are suffering around the bottom end of the lakes. I acknowledge that many around Lake Alexandrina have been able to keep irrigating, but I want to talk about an irrigator at Murray Bridge. I will not name him, but he grows very good produce. This is part of the cost that primary industries have to pay, the hidden cost that members on the other side who have never run a business will never know about. This person has a \$700,000 extra penalty, a debt that they have to service, because of what happened with the River Murray and what they had to do to lease and buy water in. Thankfully he is still surviving, but I can tell members that he is none too happy about that situation.

The CHAIR: Is that it?

Mr PEDERICK: I am getting there, thank you. I have just a little story to tell, if you do not mind.

The CHAIR: A big man with a small story.

Mr PEDERICK: Thank you, Mr Chairman; I do not want you to overstep your authority on your first day. I want to get back to the Keith pipeline which is the pipeline where, when water went down around Meningie and around the Narrung Peninsula, this source of water for both towns, and farmers and businesses on that end of the River Murray, was under extreme threat during the drought. In fact, I had discussions with former minister Karlene Maywald on what was happening there. There was talk of a desalination plant being put in at Tailem Bend for a cost of \$75 million, and the SA Water representative—I think it was John Ringham, but I am going only on memory—looked at me and said, 'What do we do with the salt?' I said, 'We'll have to get rid of it because we need the water.' That is how critical it got.

As I said, I indicate my interest. The pipeline runs straight past my farm, and obviously I draw water out of it. When I was farming we used it for stock water, spray water, household water and for firefighting when we needed to, which happens occasionally.

I want to reinforce what the member for MacKillop was saying, that off that pipeline many industries have been set up, not just sheep and cattle grazing in open farmland but quite a few feedlots with both sheep and cattle. Members should also understand that there are some grazing properties that have over 500 head of breeding cattle that drink one heck of a lot of water, I can tell you.

This is a cost to the bottom line—the cost of water—which is quadrupling over time, that these people cannot sustain. In fact, down in my area there are many sheep and cattle producers who come to me, people who farm near Cooke Plains, Ki Ki, Coomandook, and they say, 'How are we going to go on?' It is a real issue, because if people only have B class poly pipe, which is the thin-walled pipe, and you get a leak, you are in real strife. If you do not pick it up in a hurry because you are busy maybe sowing a crop or harvesting that crop, or doing other duties, you can lose a lot of money.

It is very hard to get a claim back with SA Water on major leaks. You can have, I think, one claim every 10 years, and then you have to fight like hell to get that claim authorised. That is not just for the sheep and cattle industries but for the piggeries that are in the area and, certainly, down into the member for MacKillop's area. They need a lot of water to water the pigs in the eco-shelters and the breeding sheds to keep things operational and to maintain the proper water levels for

stock. You cannot just switch the tap off, and no-one would do that, I can assure you. Apart from that, people need water to clean the troughs out in the paddocks and out in the feedlot yards so that stock can have good, clean water to drink as necessary.

The point I am trying to make is how vital the farming industries of South Australia are to the state. They certainly see it that they are fully subsidising the desalination plant, which, with pipework, is \$2.2 billion. I know it is 100 gigalitres, but if was built back in 2007 when we brought our policy up about a 50 gigalitre desal plant, it would have been far, far cheaper. For 50 gigalitres back then you could get a plant (as it was in Perth) for around \$400 million with the associated pipework. Now we see that just the associated pipework for Port Stanvac is over \$420 million.

This is why these people in the farming areas are so outraged about the cost of water. It is not just my area: it is right across the state. We know this water goes right across to Ceduna, because they know darn well that they will never source water for their properties from the desalination plant. If anyone in government in this state is fool enough to let the River Murray get to the state it got to, they will be at absolute risk of water supply with no guarantee.

I certainly cannot see people rushing around to save their bacon because it took a lot of kicking and screaming to get the government to act in the most recent drought. I say that we do need a scheme that farmers and irrigators can access similar to the BIL scheme in the Barossa.

I also want to close with a few comments about third-party access. I concur with the member for MacKillop that this Labor government is not serious about third-party access. There have been proposals taken to them over many years, including by the former member for Flinders, Liz Penfold, who was seeking offshore investment to put in small desalination plants to deliver water to the West Coast of the Eyre Peninsula. Yet, 'Oh, no, we'll just pump it 700 or 800 kilometres from the River Murray and put more strain on an already overallocated river.'

The CHAIR: Is this the same topic?

Mr PEDERICK: It is the same. I am talking about third-party access now, Mr Chairman. I'm glad you're listening, I'm glad you're taking notes.

The CHAIR: The second chapter?

Mr PEDERICK: It is; it's moving on. I would like the government to rethink the amendments of the member for MacKillop. I know they do not have many members in regional areas, but the farming people of this state make a significant contribution to the wealth of this state. Last year, overall it was \$4.7 billion. We run a very real risk of areas of farmland just being deserted, and we need to make sure that the many billions of dollars that gets contributed annually is rewarded.

The Hon. P. CAICA: I thank the member for his contribution. There is an enormous amount in there that is not necessarily relevant to this bill. I am not going to waste the committee's time by focusing on those and responding to them; that would be inappropriate. I think I answered previously the matters raised by the member for MacKillop that were then re-raised, if you like, by the member for Hammond.

Mr WILLIAMS: I want to make two points. A few minutes ago, the minister, in his response, made the nonsensical claim that there would be a cost of SA Water having to adjudge the capacity of its pipes to deliver water, if this amendment is passed. The minister, obviously, was not listening. This is not about providing more water, it is about providing water owned by a different entity at a cost which underpins livestock production—no more water.

The other thing that the minister said is that this sort of scheme is already available to farmers. He quoted the Barossa Infrastructure Ltd (BIL) scheme. That sort of regime is not available to farmers. That is a one-off scheme that was negotiated because of a set of very unique and individual circumstances that applied in the Barossa Valley area, and an enterprising group in that area cut a deal with SA Water. For an individual farmer to do that is impossible. That is why I am proposing this amendment.

On the one hand, the minister says that farmers can go and do this now as per BIL. If they could, I would not be proposing this amendment. They cannot do it. I can tell you that in South Australia customers have approached SA Water and asked if it will give them a quote for a delivery service to deliver water that the customer has purchased out of the River Murray, and SA Water has refused to do that. So, what the minister has told the house is not right. The reality is that this is

not a service that SA Water currently provides. That is why I am proposing these amendments. It is a service that it should provide, and I think you have already acknowledged that.

The Hon. P. CAICA: I do not subscribe to the views expressed by the member for MacKillop. This bill is about facilitating exactly what it is, and we have stated what we as a government want in regard to a proper functioning marketplace. So, where we are already doing it, it is being done, and BIL is an example. This bill will continue and will, in turn, facilitate that and in fact, to a great extent, not just facilitate it but force those actions and allow those third party or private providers to enter into the marketplace. So, this is what it is about.

I would finish off by saying that to a certain extent—and I have met with a lot of primary producers, and the member for MacKillop would be aware of this—we do cap the provision of water for primary production at the second tier level. I make no bones about the fact that there is an increase in the input costs, but all of the information I have received to date is that there are a lot of circumstances that are coming to bear on the matter of primary production and the price of water is but one of them, but the information I have received to date is that it is not amongst the most significant. Be that as it may, we acknowledge, as I mentioned earlier, that it is an issue.

The other point I make is that there will always be a cost in using SA's water infrastructure to deliver that water, and the price of it will be determined between the owner of that water and SA Water. I am also presuming that the member for MacKillop would suggest that this would facilitate an expansion of water being used for primary production purposes, in particular the drinking water that will be provided to animals, so there would be more water that would come through. I think we have dealt with this. My view is—and I am being very respectful—that we have possibly dealt with this particular amendment.

The CHAIR: I agree, minister. I think we have dealt with this particular clause to death. I do not think there is anything more to be said.

Amendment negated.

The Hon. P. CAICA: By way of clarification, I am presuming that, because we were dealing with amendments Nos 16, 19 and 2 together, by voting on that we have dealt with No. 2.

The CHAIR: No, we need to put that separately. There is still another provision we need to deal with before we go back to No. 2.

Mr WILLIAMS: I move:

Page 21, lines 32 and 33—

Delete 'considered appropriate by the Commission' and substitute:

authorised by the regulations

I am getting tired of having to talk in these terms in this place, because it comes up so often in the way this government drafts legislation. Clause 25 (the clause we are talking about) sets out what the licensing conditions will be on a licence issued to a water entity. Subclause (3) provides:

The Commission may make a licence subject to further conditions considered appropriate by the Commission.

Once we have passed this legislation, the commission can then set whatever licence conditions it likes. That is why we have a parliament. We are here to represent the people. If it is deemed that we need to have some additional conditions on water licences or some varied conditions on water licences, I think it should be up to the parliament to have an oversight of that.

What I am suggesting by this amendment is that we delete the words 'considered appropriate by the Commission' and substitute 'authorised by the regulations'. Under that circumstance, if the commission thought that there was a variation or a different condition that needed to be attached to water licences, they would go to the minister of the day and say, 'Can you make a regulation so that we can apply these conditions,' and the minister of the day could make the regulation—but it is reviewable and disallowable by the parliament. Why this government continues to draft legislation to disempower this parliament, I just cannot understand.

This is our job. We are here to represent the people. This is what the people of South Australia expect us to do. They expect us to keep an overview on what is going on and, if we do not retain the powers to make these sorts of changes, we cannot maintain that overview. To me it is quite straightforward: either the parliament will sit here and make the law of South Australia or we will abrogate that duty and say to the bureaucracy, 'You go off and do whatever you like,'

because that is what this sort of clause does. It abrogates the obligation of the parliament to represent the people of South Australia. I commend the amendment. It is a small amendment of a technical nature, but it does a lot to reassert the authority and role of the parliament to make law in this state.

The Hon. P. CAICA: I thank the member for MacKillop for the brevity of his remarks on this occasion, and I will try to be equally succinct. This amendment removes the ability of the independent economic regulator to make licences subject to further conditions as deemed appropriate by the commission and, given that the commission must operate within the requirements set out in legislation, it is difficult to see what would be achieved by denying them the flexibility envisaged in the original clause.

I make the point that this clause exists in similar industry legislation. I acknowledge the ideology of the member for MacKillop about the role of parliament, which he has been very transparent about, but it exists in similar industry legislation, namely, the gas and electricity acts, which I understand may have been amended in 1996 or 1997 or thereabouts. The member for MacKillop would know better than me, as he was the member for MacKillop then and was fiercely independent and probably spoke about that particular amendment at that time during the passage of that legislation.

This clause has been used in the past by ESCOSA under these acts to impose a licence condition prohibiting entities introducing a prepayment metering system, for example. These systems, which were not common at the time of the passing of the gas and electricity acts, received considerable condemnation from social interest groups such as SACOSS. I will finish by saying that this amendment shows to me the internal contradictions experienced by the member for MacKillop when, on the one hand, he will argue fiercely about the independence of ESCOSA and then want to take away from it the flexibility to be able to do the business as it is envisaged it will.

In some cases my friend the member for MacKillop wants to remove the ability to make regulations, such as with the functions of the technical regulator, and in others such as this he wants to impose them on the independence for which he is fiercely fighting as provided to ESCOSA. It is a little contradictory. We will oppose the amendment.

Mr WILLIAMS: On the last comment first, the minister is right that I do dislike regulation-making powers, but I thought I was being generous allowing a regulation-making power in this instance, rather than saying that it would have to come back to the parliament if there needed to be a variation to a licence. It is reasonable that it be done via regulation. I think I have been here on a previous clause as the minister is using the national gas and national electricity legislation as setting the precedent for this sort of legislation. I remind the minister because he may be unaware.

He alluded to the fact that I might have known something about the national gas and electricity acts; in fact I do. I know quite a bit about them, and hopefully the minister after this will know a little bit about them as well. The national energy law, as it is referred to, is just that: it is national law, and it is applied right across Australia. South Australia is the lead legislator. The legislation was drafted and agreed to by all the states, and then it passed through the parliament of South Australia and was then adopted by all the other states.

The Hon. P. Caica: Mirror legislation?

Mr WILLIAMS: No, it is not mirror legislation, it is a different process as far as I am aware; it is just adopted by the other states. They do not pass a similar bill—it is just adopted. Because of the uniqueness of that legislation, it was considered that, in a lot of cases, it would be most difficult to make regulations because how do you handle it if regulations are made and then have the regulations made in each jurisdiction, and are they disallowable in each jurisdiction? Suddenly you end up with non-uniform national law.

I do not think that we can use the national energy laws—the National Gas (South Australia) Act and the National Electricity (South Australia) Act—to justify as a precedence why we do something in this particular piece of legislation because it is quite different. I just remind the minister of that. I acknowledge that the minister does not want to accept what I think is a very sensible amendment, and, obviously, we will test the other place on how it views this, but, minister, I think that you are getting into dangerous territory when you use a piece of legislation which is formed in a certain way for a completely different purpose as a precedent for this sort of legislation here, and I do not think that is a satisfactory reason at all for not accepting this amendment.

The Hon. P. CAICA: I thank the member for MacKillop for his contribution. What I was doing was providing a clause within this bill that is within similar industry legislation. Of course, it is contained within what is essentially a South Australian act here as it applies to the energy industry. Notwithstanding the remarks of the member for MacKillop, it has been working well here in South Australia within similar legislation, and there have been no complaints. Unless the member for MacKillop is going to speak again, I will leave it there.

Amendment negatived.

Mr WILLIAMS: I move:

Page 21, after line 38—Insert:

- (4a) However, assistance provided to customers on account of a requirement imposed under subsection (4) must be limited to arrangements for the payment of any charge or other monetary liability by instalments.

This amendment is simply for clarification. Subclause (4) enables a code. I will read it out so that the committee knows what it says:

A code or set of rules under subsection (1)(a) must, if the minister so requires, include provisions to assist customers who may be suffering specified types of hardship relevant to the supply of any services (being provisions that comply with any direction of the Minister and that will apply under the code or rules despite any provision made by the Essential Services Commission Act 2002).

Subclause (4) talks about setting up a code to require special provisions for those customers who are having trouble paying their accounts. This amendment seeks to insert a new subclause (4a) to clarify subclause (4), which I have just read out. New subclause (4a) provides:

However, assistance provided to customers on account of a requirement imposed under subsection (4) must be limited to arrangements for the payment of any charge or other monetary liability by instalments.

This is simply to clarify it, because when directions are given to SA Water to provide certain benefits to someone who might have trouble paying their bill, that is one thing because it is government owned and, if the minister gives a direction, that is the decision that the minister has taken and the government has taken.

However, this bill is now going to encapsulate a whole range of other water entities which will be privately owned and which have no relationship with the government other than being licensed. I just wanted to make absolutely clear that this code and the direction from the minister will be restricted to making a code have a system whereby people can pay by instalments rather than waiving payments or some other outcome. I think that it should be clarified. I do not think we should be giving the powers here to do more than what I am suggesting by the clarification of insertion of new (4a).

The Hon. P. CAICA: I thank the member for MacKillop for clarifying what this subclause means, because I was not quite sure. Given his comments there, we are not going to support the amendment. Certainly it is my view now that the member for MacKillop's amendment limits assistance to the vulnerable customers and undermines the safeguards in the bill to protect them. That is what that safeguard is about. Customers experiencing hardship are people who are having trouble paying, not people who will not pay, and this is, of course, about having arrangements in place that will allow those people experiencing hardship to enter into such arrangements.

People can experience hardship for a range of reasons and it requires a range of solutions. What I would be saying, in contrast to this particular opposition amendment, is that hardship measures for vulnerable customers of essential services often include more than just payment arrangements for charges in instalments. For that reason, amongst others, we will not be supporting this amendment.

Mr WILLIAMS: That has just confirmed my worst fears. Let me just go back a step. We are now applying licensing conditions to entities which are other than SA Water, not government owned, to private businesses. Minister, can you indicate to the committee what sort of arrangements you envisage putting in place, because if we take steps other than allowing for an arrangement where people suffering hardship are paying by instalments, you must be giving them a holiday from pain. You must be waiving their obligation to pay for a service.

If the government wants to do that with regard to SA Water, that is the government's right, but I do not think we should be making law to say that the minister of the day can say that there would be that sort of arrangement made with regard to a contract between somebody, irrespective of any hardship they might be suffering, and a private enterprise. Is that the intent of subclause (4),

that is, the minister will have a code of practice where there will be other than arrangements to pay by instalments?

The Hon. P. CAICA: I thank the member for his contribution. I will put it as simplistically as I can and as quickly as I can.

The Hon. M.J. Atkinson: Surely it is 'simply', minister, not 'simplistically'?

The Hon. P. CAICA: Simply. I thank my friend. He is a wordsmith.

Members interjecting:

The Hon. P. CAICA: I will. I apologise, Mr Chairman, but I thank the member for Croydon for his correction of my language.

The CHAIR: Your grammar.

The Hon. P. CAICA: Yes, I am gooder at grammar! The government takes the provision of hardship policy very seriously. A lot of the matters by which we deal with hardship come in a variety of forms. We have a significant amount of money that is provided through CSOs that again look at providing support for people with respect to hardship. Of course, on occasions hardship can come in various forms, so we enter into arrangements with those people who have a capacity to pay but will need some assistance in flexible arrangements for that repayment.

The thrust behind this, for the benefit of the committee, is that in taking the provision of hardship policy very seriously we want to make sure we have a level playing field. Under this bill, we are going to facilitate the entry of other players into the marketplace. If they are third-party providers to individuals within our community, we expect that third-party provider, as a result not only of a level playing field but because we take hardship seriously within our community, to ensure that those same provisions are provided as part of what is available to that particular customer. That seems to me to make a lot of sense.

There are examples. In addition to the flexible payment options, SA Water also provides arrangements that include ensuring that water supplies are maintained and that customers are not subjected to legal action or restrictions when the customer continues to make payments according to an agreed payment plan; and also, providing the customer with additional support services, including referral to welfare agencies and water-efficiency programs.

They are just two, but I would also note that the proposed amendment provides South Australian customers with less protection than is available, for example, in Victoria. I would ask: are our vulnerable consumers deserving of less protection than their Victorian counterparts? I provide these examples to illustrate that customer hardship is a complex matter and not one that can be addressed through the narrow limits that are being proposed in the opposition's amendment. I hope that he joins with the government in taking very seriously the provision of a hardship policy, as is the case with the government.

Mr WILLIAMS: This gets back to where we were last time—I think, back on 20 October—when we were debating earlier clauses. This gets back to the fundamental difference between providing an essential service and providing a service which is not an essential service. That is why I argued back then that we should only be applying the licensing under this bill to essential services, not to non-essential services. This is why this is a nonsense.

As I said, we need to make the distinction of SA Water, as a fully government-owned enterprise providing an essential service. I have no problem with what the minister has just said, but when he wants to apply the exact same regime to a non government-owned, that is, a private business, providing a non-essential service, it is a nonsense.

Why do we not apply the same regime to the petrol retailer? I am sure that people go down to fill their car up and have trouble finding the money. They are under hardship paying the bills. Why do we not go to the local petrol retailer and say, 'We are going to establish a code of practice and you have got to do certain things to help these people under hardship'? Why would we do it to a private entity providing a non-essential service in the water industry when we do not do it in any other industry?

It is a nonsense, minister, and this clearly demonstrates that you have not put proper thought into this whole piece of legislation. The whole piece of legislation is a nonsense. With some of the things you are trying to achieve, such as independent pricing, you are heading in the right

direction but you have got it completely wrong. With third-party access, you are heading in the right direction but you are scared of it and you do not intend ever getting there.

The Hon. P. Caica interjecting:

Mr WILLIAMS: Well, time will tell. Minister, I do not think this parliament should be giving powers for you or any other minister to establish a code which obliges a private entity providing a non-essential service to make special provisions, other than for the payment to be made under an arrangement of instalments.

Other than that, it imposes those sorts of conditions on a private enterprise for a non-essential service. That is what you are asking the parliament to do; to approve a power to allow you or a subsequent minister to institute a regime imposing upon a private entity providing a non-essential service some sort of condition to allow for people who find themselves in hardship. It is a nonsense, minister.

The Hon. P. CAICA: I think that the member for MacKillop is quite sceptical about what it is that we say is a hardship policy, and I cannot help him with his scepticism. I guess there is also the argument about what is essential and not essential. We had that debate when we were last sitting and we know that there are private providers that provide discrete sewerage systems in a lot of our communities, and that is an essential service. I will leave it at this: essentially the member for MacKillop's amendment puzzles me. It puzzles me as to why we would want to limit the ability for water service providers to work constructively with their most vulnerable customers. That is the thrust behind our original clause, and it is not enhanced by the amendment being advanced by the opposition.

Amendment negated; clause passed.

Clause 26.

Mr WILLIAMS: I move:

Page 22, line 9—After 'services' insert:

operated by entities licensed under this Part

This amendment contemplates that other amendments would also have been accepted by the government, and I think they have not been. However, I am still happy to move the amendment. I do not think it detracts from the clause at all. To be quite frank, I do expect the other place to be a little kinder with some of the amendments that I have proposed than what this house has been. This amendment simply adds a little clarification to the clause as it stands.

The Hon. P. CAICA: For the benefit of the other place, if it is going to be revisited with them 'more kindly' when it gets there, we are opposing this amendment. The reason we are opposing it is that it would limit the scope of the report on third party access to licensed vertically integrated retailers only. I think it is inappropriate to limit the scope of my report to parliament on this important policy development in this way. Even though he does not believe that we are going to facilitate this, I think it is important that it gets reported in parliament, so I cannot support this amendment.

It is entirely appropriate in the development of the report that standalone water and sewerage networks be considered in scope. Of course, they are covered under what exists, but not necessarily covered under what the member for MacKillop has moved. Furthermore, to only consider licensed retailers in the development of a third party access report would make it difficult to consider developments in other industries and a number of intergovernmental arrangements that have been developed under commonwealth legislation, such as the commonwealth Competition and Consumer Act 2010 and the commonwealth Water Act 2007.

Amendment negated.

Mr WILLIAMS: I move:

Page 22, after line 21—Insert:

- (4) The Minister must use his or her best endeavours to introduce into Parliament within 9 months after the commencement of this section a Bill for an Act to provide for a third party access regime to water infrastructure and sewerage infrastructure services operated by entities licensed under this Part (after taking into account the contents of the report prepared under subsection (1) and any other relevant factor).

We have already discussed it a number of times, and the minister alluded to it in his answer just then. I am rather sceptical about the government's intention in relation to third-party access.

I think earlier in the debate, and possibly during the second reading debate, I talked about the reality that the Labor government in New South Wales—the previous government in that state—introduced a third-party access regime some time ago (several years ago at least, I think), and in my understanding it has never been taken up because the regime is such that it is almost impossible for it to work.

I think the government understands that there is popular support for third-party access. In fact, the vast majority of the submissions made on this bill were about third-party access, and they were encouraging the government to get on with it. I think there is huge scope in our water industry via third-party access to drive prices down and benefit consumers. However, that will only come to pass if the government is genuine about third-party access.

Again, it is a nonsense that the bill, which has been several years in the genesis, sets out a program for the minister to start to move towards third-party access. I think it demonstrates a dereliction of the government, having done all the background, all the work and all the consultation, to come to this point in this bill outlining a third-party access regime for this parliament to debate at this time and get it going.

I talked earlier about the farming community and the rapidly rising inability in that community to continue to run livestock in this state. There are a host of other businesses and enterprises in this state that are reeling at the cost of water, and third-party access regimes may do something about that, but my scepticism comes from the minister's acknowledgement in that earlier debate on the earlier clause regarding the scheme to try to help livestock producers when he demonstrated that his main concern was protecting SA Water's revenues.

I have to say to the committee: you have to have one agenda. If your agenda is to build efficiency and deliver lowest cost services to consumers, that is fine, but if your agenda is to protect the revenue stream from SA Water you cannot achieve all those other things. You cannot have them both; they are mutually incompatible. If I had the facilities that are available to the government, I would have actually been proposing a third-party access scheme, but unfortunately I do not have the resources to be able to develop that. However, what I have done is brought forward this amendment to try to force the minister to move as quickly as possible.

The amendment obliges the minister to use his or her best endeavours to get moving via the introduction of legislation to provide for third-party access. It will be interesting to see the minister's reaction to this; if he accedes to it, he may, in some small part, allay my scepticism.

The Hon. P. CAICA: I thank the member for MacKillop for his comments. I state on the record here that I will be using my best endeavours to determine and have determined a third-party access regime.

Quite simply, this amendment pre-empts the outcomes of the review and any complexities that might be within it. For example, do we know that it is going to require a bill for an act of parliament to provide for third-party access? I do not know that. I highlighted earlier that, again, it is limiting to infrastructure services operated by entities licensed under this part; and we dealt previously with whether to narrow the scope. It is pre-empting the outcomes of the review and, whilst it does place an arbitrary time frame on this which probably does not reflect the complexity of the tasks, I would make those points as being just as important as the arbitrary time frame.

I cannot support this amendment but I finish by saying this in regard to comments made earlier by the member for MacKillop that what we ought to do—and I paraphrase—is ensure that we protect SA Water's customer base. Far from that, the comments that I made earlier with respect to the issues we spoke about were actually about protecting their customers, not SA Water.

The member for MacKillop also said he wished he had resources available to him because he would start working on what will be the regime for third-party access. I welcome that because I want the member for MacKillop to be part of the consultation process—which, of course, is not only a consultation process that we open up to the opposition but also to all those people who are interested in becoming third-party operators within a properly regulated water marketplace that we want to establish.

I am even happy to give the member some resources to help him be part of this consultation process, but I also make this point. I will not name the person but I think it was at either a CEDA or Water Industry Alliance function where I sat at the front and was asked some

questions. People asked, 'Are you serious about third-party access here in South Australia? Are you going to establish something that is in place in New South Wales and has prevented companies like mine getting proper arrangements in place for third-party access?' I said, 'No, our intention and our commitment is to ensure that we have a marketplace here that provides for third-party access.'

I might say, that is at odds with some people's thinking but certainly not mine, and, as minister, I am going to work towards that and this government is committed to that. The best way of doing that is by making sure that we do not limit the scope of the review or put arbitrary time frames on it and that we ensure we get out there and consult with the people who we want to encourage in a competitive environment to enter into third-party access arrangements by utilising the existing infrastructure. We oppose this amendment.

Amendment negatived; clause passed.

Clause 27 passed.

Clause 28.

Mr WILLIAMS: I move:

Page 22, line 36—After 'variation' insert '(and giving due consideration to any such representations)'

It is a very simple amendment. I think we need to make clear, when we give a person or an organisation the opportunity to make representations when the minister, a commission, or anybody is about to make a decision, or has to make a decision, that not only do they have a right to make those representations but also the decision maker should then give due consideration to those representations. It is not rocket science and it just clarifies what I believe should have already been in the clause.

The Hon. P. CAICA: It is a minor procedural amendment. My expectation, and the expectation of parliament in passing the clause as it was, is that there would be due consideration given to such representations. I believe this is a superfluous amendment but I am going to support it.

Amendment carried; clause as amended passed.

Clauses 29 to 34 passed.

Clause 35.

Mr WILLIAMS: I move:

Page 25, after line 19—Insert:

- (ab) ensure that a copy of the order is published on the Department of Treasury and Finance's website; and

Again, this is simply a technical amendment and, in my opinion, simply states 'ensure that a copy of the order is published on the Department of Treasury and Finance's website'. This is, I think from memory, the pricing order. I am sure the minister will say, 'Well, that is our intention.' I move these sort of amendments from time to time because in opposition, notwithstanding the best intention of the parliament and notwithstanding the best intention of ministers in passing legislation, I spend an inordinate amount of time putting in freedom of information applications because of the huge amount of secrecy surrounding government. This is just to ensure that the pricing order issued by Treasury is an open document and it just builds further accountability.

The Hon. P. CAICA: Amendment No. 23 is a procedural amendment regarding the publication of the price order. We are going to support No. 23. However, I think it has been said previously that the Department of Treasury and Finance had intended to publish its pricing order on this website and, therefore, the amendment is supported. I make no comments (although I could) about this 'web of secrecy' that he says exists, but it was our intention to publish this anyway, so we support it.

Amendment carried.

Mr WILLIAMS: I move:

Page 25, after line 21—Insert:

- (8a) In addition, in making a determination, the Commission must have regard to the principle that the prices charged to small customers for retail services should be at the

same rates for all small customers regardless of their location in the State (and a pricing order must, if relevant, take this principle into account).

- (8b) Subsection (8a) does not prevent the Commission setting different rates for different classes of services.

I am sure the minister will support this for the simple fact that this reflects the national electricity act and national gas act—certainly the national electricity act. This amendment would ensure that we have a continuation of postage-stamp pricing across South Australia. There is nothing in this legislation to ensure that and, notwithstanding that we have industries reeling under the increasing prices, there is nothing in here to ensure that small customers will continue to benefit from postage-stamp pricing.

The reality is that people in far-flung rural communities are probably paying a lot more than it actually costs to deliver water in those communities now—again because of that desal plant and those decisions taken by this government. This clarifies the matter and it is, as I say, taken directly out of that other legislation that the minister keeps putting up to us as setting a precedent.

The Hon. P. CAICA: Presumably we are dealing with just amendment No. 24, aren't we?

Mr WILLIAMS: We are.

The Hon. P. CAICA: The government is not going to support that; it is about statewide pricing and we oppose it for this reason, amongst others, but on 19 October the member for MacKillop made a number of statements about the need for a greater independence of ESCOSA. The government welcomes the opposition's recognition that in these amendments there are, indeed, cases in which it is appropriate for ESCOSA, in the exercise of its powers, to be given authority to go beyond the economic efficiency criteria in its own legislation.

Statewide pricing may represent such a case but we have been consistent in saying that the matter of the determination of the prices will be a matter for ESCOSA. However, this amendment would seem to permanently require statewide pricing, notwithstanding any review by ESCOSA of the principles behind the pricing structures. I acknowledge the comments made by the member for MacKillop that there is already, through postage-stamp pricing, a subsidy being paid to people in country South Australia on the basis that it costs more, in the main and in a general sense, to get that water there.

Under Water for Good, the government is committed to requesting ESCOSA to prepare a report on statewide pricing, and this amendment would constrain future governments by enshrining statewide pricing in legislation and would unnecessarily inhibit any future consideration of more efficient or more appropriate pricing structures which may, in turn, benefit consumers. So, we say that this is a job for ESCOSA to undertake.

Mr WILLIAMS: I am more frightened now than I have been to date in the debate on this bill. It seems obvious that the government has no intention of continuing the postage-stamp pricing regime across the state. What really frightens me is that this government has imposed what will be, by June next year, a trebling of water prices in South Australia upon every SA Water customer, including those in far-flung places, to pay for the desal plant.

Now, having imposed that on them, against their wishes and against their best interests, for the building of assets which will have no impact whatsoever on them, other than driving up the price of the service to them, the government is going to say that it will walk away from that, and anything might happen to your water price if you happen to live in a very small community, where obviously the cost of providing all sorts of services is relatively high.

The minister spoke passionately a few minutes ago about this government's attitude to people with hardship. He tried to tell the committee that he has a heart. The reality is that this government has no damned heart. If the government cannot stick by postage-stamp pricing for what is an essential service—that is, the delivery of water—to all of those places across South Australia that currently enjoy that service, what is this government doing? It has lost sight; it has no heart.

The earlier words of the minister that he takes the issue of hardship seriously are all a nonsense. I repeat: this is enshrined in the National Electricity Law, and ESCOSA is obliged under that legislation to provide a postage-stamp pricing regime right across South Australia, irrespective of the cost of providing electricity in some of those far-flung places. That principle, the opposition argues, should indeed be applied to the supply of the essential water service as well.

The Hon. P. CAICA: My father used to say to me that you cannot be half pregnant. Quite simply, what we have in place, through this bill, is ESCOSA becoming the mechanism by which prices will be set, and ESCOSA may come up with far more effective ways in relation to matters relating to the cost of water in remote areas. I have heard others but in particular the member for MacKillop banging on about the cost of sewerage.

Of course, the government's position is that, with regard to sewerage, it be a progressive tax, but ESCOSA will be looking at that as well. So, you cannot have it both ways. I am sure that you would like ESCOSA to look at that, but then, on another occasion, you do not want it to look at something else. Let us not limit the scope of what ESCOSA is going to look at with respect to the setting of prices.

Amendment negatived.

Progress reported; committee to sit again.

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

RADIATION PROTECTION AND CONTROL (LICENCES AND REGISTRATION) AMENDMENT BILL

His Excellency the Governor assented to the bill.

LIQUOR LICENSING (MISCELLANEOUS) AMENDMENT BILL

His Excellency the Governor assented to the bill.

VISITORS

The SPEAKER: I draw members' attention to the presence in the gallery of a group of students from the Modbury West Primary School Years 3 to 7, who are guests of the member for Florey. Welcome; we are very pleased to see you here. We also have a group of students from the Thebarton Senior College; I had the great pleasure of meeting their principal on Saturday night. Welcome to you also; I cannot see where you are, but I am sure you are here somewhere.

PALLIATIVE CARE RESOURCES

The Hon. J.D. HILL (Kaurana—Minister for Health and Ageing, Minister for Mental Health and Substance Abuse, Minister for the Arts): Presented a petition signed by 216 residents of South Australia requesting the house oppose the current euthanasia proposals and to urge the government to assign more resources to palliative care and initiatives that enhance and/or improve the quality of life for people with disabilities and/or illness.

MOONTA PEDESTRIAN CROSSING

Mr GRIFFITHS (Goyder): Presented a petition signed by 641 residents of South Australia requesting the house to urge the Department of Energy, Transport and Infrastructure and the District Council of Copper Coast to relocate the pedestrian crossing being constructed on Blanche Terrace, Moonta to a location adjacent to the McCauley Homes.

ANSWERS TO QUESTIONS

The SPEAKER: I direct that the following written answer to a question be distributed and printed in *Hansard*.

EMERGENCY SERVICES

235 Dr McFETRIDGE (Morphett) (29 March 2011).

1. What was the total cost of emergency services personnel attendance at the motor vehicle accident at the intersection of Africaine Road and Tapleys Hill Road, Glenelg North on Monday 21 March 2011?

2. What was the cost of helicopter retrieval of one of the victims?

The Hon. K.O. FOLEY (Port Adelaide—Minister for Defence Industries, Minister for Police, Minister for Emergency Services, Minister for Motor Sport, Minister Assisting the Premier with the Olympic Dam Expansion Project):

1. On Monday 21 March 2011, the South Australian Metropolitan Fire Service (MFS) responded to a motor vehicle accident at the intersection of Tapleys Hill Road and Africaine Road, Glenelg North.

Three appliances responded; two rescue appliances and one Skyjet appliance. A Command District Officer also attended the incident. The approximate total cost of the incident for MFS crews and appliances was \$1,612.23.

2. The Minister for Health has advised that MedSTAR did not dispatch a helicopter to this incident. A retrieval team attended the incident by road.

PAPERS

The following papers were laid on the table:

By the Speaker—

Final Report of the Select Committee on the Roxby Downs (Indenture Ratification) (Amendment of Indenture) Amendment Bill together with the Minutes of Proceedings and Evidence which has been received and published pursuant to resolution of the House on 18 October.
Auditor-General—Probity of the processes leading up to the awarding of a service contract: Regular passenger transport services in Mount Gambier Supplementary Report October 2011 (Report ordered to be published)
Local Government—Wudinna District Council Annual Report 2010-11

By the Attorney-General (Hon. J.R. Rau)—

Regulations made under the following Acts—
Intervention Orders (Prevention of Abuse)—General
Summary Procedure—
Restraining Orders
Rules made under the following Acts—
Magistrates—
Civil Rules—
Amendment 38
Amendment 39
Amendment 40

By the Minister for Planning (Hon. J.R. Rau)—

Interim Operation of the Statewide Wind Farms Ministerial Development Plan Amendment—Report

By the Minister for Business Services and Consumers (Hon. J.R. Rau)—

Regulations made under the following Acts—
Liquor Licensing—
Dry Areas Long Term—
Adelaide Area 1, North Adelaide Area 1
Kadina, Moonta, Port Hughes, Wallaroo
Dry Areas Short Term—
Alexandrina Council
Coffin Bay Area 1
Lobethal Area 1

By the Minister for Transport and Infrastructure (Hon. P.F. Conlon)—

Regulations made under the following Acts—
Road Traffic—Heavy Vehicle Driver Fatigue
Survey—General—Qualifications

By the Treasurer (Hon. J.J. Snelling)—

Construction Industry Long Service Leave Board—
Actuarial Review 30 June 2011
Annual Report 2010-11

By the Minister for Health and Ageing (Hon. J.D. Hill)—

Regulations made under the following Act—
Occupational Therapy Practice—General—Exempt Providers

By the Minister for The Arts (Hon. J.D. Hill)—

State Theatre Company of South Australia—Annual Report 2010-11
Windmill Theatre—Annual Report 2010-11

By the Minister for Sustainability, Environment and Conservation (Hon. P. Caica)—

Heritage Council, South Australian—Annual Report 2010-11
National Parks and Wildlife Council, South Australian—Annual Report 2010-11
Pastoral Board of South Australia—Annual Report 2010-11
Vulkathunha-Gammon Ranges National Park Co-management Board—Annual
Report 2010-11
Witjira National Park Co-management Board—Annual Report 2010-11
Zero Waste SA—Annual Report 2010-11
Regulations made under the following Act—
National Parks and Wildlife—Flinders Ranges National Park

By the Minister for Transport Services (Hon. C.C. Fox)—

Boundary Adjustment Facilitation Panel—Annual Report 2010-11

VISITORS

The SPEAKER: I draw your attention to the presence of the Thebarton Senior College, who are guests of the Hon. Tom Koutsantonis; I think they have just arrived. Welcome to you.

MEMBERS' BEHAVIOUR

The Hon. J.W. WEATHERILL (Cheltenham—Premier, Minister for State Development)
(14:06): I seek leave to make a ministerial statement.

Leave granted.

The Hon. J.W. WEATHERILL: Our profession is not held in high regard. That is regrettable because the reason we are here is a worthy one: striving to create a better society to improve the lives of every South Australian. There can be no doubt that our conduct in this place contributes to the perception that people have of us. My challenge to all of us today is to do better.

Civility is perhaps a quaint notion, but civility in parliament is something we should always strive to uphold. It sets the tone for the community about how differences should be resolved. It represents a cornerstone of our democracy—the capacity to reasonably differ on matters of importance. If we do not uphold it, we begin to abandon our responsibilities as members of parliament. Yet, too often, we put aside civility for trivial political gain, far removed from anything remotely to do with advancing South Australia's interests.

This parliament has stood for generations. We are simply the custodians of it for the relatively brief period we get to occupy these positions. As we look around us, we want the people tomorrow to look upon us as proudly as we look upon the faces of those who have come before us. I am not naive enough to believe that we can transform the common perception of politicians any time soon, but I am not prepared to accept the current state of affairs. So, what I ask is that we all make a real commitment to actions that will improve public debate in this place.

First, we should make a commitment to focus on debate about policy, about things that really matter to the people of South Australia. There will always be substantial differences between members. That is as it should be. Our community gets the best results from robust debate based on different points of view and different ideas, but this is where disagreements should lie. If we want genuine debate in the interests of South Australia, then we should be debating policy, not descending to the personal denigration that too often marks our politics. I will not tolerate that conduct from members of my government, and I hope the Leader of the Opposition will take a similar approach.

Secondly, when we are debating in this chamber we should consciously attempt to comply with the rules. That does not mean that the debate cannot be robust or that we abandon witty remarks, but it does mean asking legitimate questions, and it means giving questions the answers they deserve.

Members interjecting:

The SPEAKER: Order!

The Hon. J.W. WEATHERILL: Cheap pointscore questions can and should be treated dismissively, but questions with serious intentions should be given serious answers. It also means being courteous. If a person is answering a question, then let them be heard. Too often in this chamber, the braying and catcalling drown out any discussion.

Thirdly, we need to pay greater respect to you, Madam Speaker. We should address our remarks to you. We should support your rulings. We should comply with your directions and accept your remarks aimed at improving the conduct of debate. We should respect your right to be heard in silence.

These are relatively small things. They do not require a massive shift in the way we do things. If we can adhere to these few principles, we will go some way to winning back the respect of our community, and ensuring that we are worthy custodians of this place.

Members interjecting:

The SPEAKER: Order!

URBAN RENEWAL

The Hon. J.W. WEATHERILL (Cheltenham—Premier, Minister for State Development) (14:11): I seek leave to make a second ministerial statement.

Leave granted.

The Hon. J.W. WEATHERILL: Madam Speaker, a week ago, I was pleased to attend the industry launch of the Bowden urban renewal project. This is an outstanding project, not only because it will give new life to one of our oldest suburbs but because it will show us a whole new way of living in our city.

South Australia's strong economic prospects mean we need to plan for the growth that this brings. This growth also brings tremendous opportunities, not least of which are for our capital city, but we must plan carefully for this growth. Gone are the days when we can let Adelaide sprawl with no thought for the consequences.

The 30-Year Plan for Greater Adelaide clearly lays out where this growth will go, and it is more and more within the present boundaries of our city. By 2038, 70 per cent of our urban growth will be within existing urban areas. This is almost a direct reversal of current growth patterns. But, Madam Speaker, I emphasise that we are doing more than finding places for growth; we are making great places for people to live.

We will be creating places that are well-designed, that have been designed and built with people's lives as their purpose, that have buildings that people want live in, and that have spaces between the buildings that people want to spend time in. We will be creating inclusive suburbs that truly connect to the places around them, offer new transport options, and that are adorable and accessible to more people in our community.

Too many young South Australians feel that they will never be able to afford a house, and too many families watch their money being swallowed up by mortgage payments or rent. We have an opportunity now to make huge inroads in the around 10,000 homes each year that are needed to relieve the stress that housing costs can impose.

Our expectation of urban renewal projects are very high, so it is crucial that the renewal of our urban areas is properly coordinated from the outset. The best way to achieve this is to create a single body that will have responsibility for all urban renewal projects across South Australia. Today I announce our government's intention to create an urban renewal authority: a new body that will bring together all of those agencies that are responsible for land and housing development.

This body will identify both land and public housing stock within our suburbs that will benefit from urban renewal. Its oversight will create the certainty that is needed to release capital that will

drive investment. There is significant demand for affordable homes and significant capacity in our building sector to meet that demand.

This initiative will bring together these two opportunities, and will ensure that every place of urban renewal meets the highest standards of planning and design. The key to its success will be a close relationship with the community, because a successful urban renewal project must have a strong partnership with local people. Local communities where urban renewal projects are planned will be closely involved and consulted.

What we have shown with good planning at the Woodville West precinct is that we can renew a community, provide more affordable homes, and still provide public housing for those who need it. Our ambition is to provide a housing system where people can afford to buy or rent in their own community, and the new authority will be the best way to facilitate this.

The authority will bring together agencies responsible for land and housing development, including the Land Management Corporation, redevelopment functions of Defence SA, and strategic staff from Housing SA, and will work with Housing and Urban Development Minister Patrick Conlon to drive renewal in our cities, our suburbs and our towns. All of these organisations currently have an important role and much experience—

Ms Chapman interjecting:

The SPEAKER: Order, member for Bragg!

The Hon. J.W. WEATHERILL: —in Adelaide's land development. The new body will integrate these roles to best use their abilities and capabilities, with local government and local communities involved. Mr Andrew Fletcher, the Chief Executive of Defence SA, will chair a taskforce that will report to me on the final arrangements for the renewal authority. The former HomeStart chief executive, Mr Gary Storkey, will work with the task force and my department until the end of the year to advise on the best model for the new authority. I expect that it will take an immediate role in overseeing key urban renewal projects across Adelaide, including the expanded port waterfront development, the Bowden development and South Australian housing projects such as Woodville West on the Grange train line.

ABORIGINAL LANDS PARLIAMENTARY STANDING COMMITTEE

The Hon. P. CAICA (Colton—Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Aboriginal Affairs and Reconciliation) (14:18): I bring up the annual report of the committee.

Report received.

PRINTER CARTRIDGE SCAM

The Hon. M.F. O'BRIEN (Napier—Minister for Finance, Minister for the Public Sector) (14:19): I seek leave to make a ministerial statement.

Leave granted.

Members interjecting:

The SPEAKER: Order!

Mr Pederick: Did you get a toaster?

Mr Pisoni: They're borrowing to pay wages.

The SPEAKER: Order!

The Hon. M.F. O'BRIEN: You've picked that up. I rise to inform the house on the process that I have set in motion in response to instances of inappropriate printer cartridge purchases within South Australian government agencies. Recently the Victorian Ombudsman released a report titled 'Corrupt conduct by public officers' which highlighted the business practices of a number of companies that offered inducements to Victorian procurement officers in purchasing printer cartridges at inflated prices. Any members interested in this document can find it on the Victorian Ombudsman's website.

On 21 September 2011, specific allegations of inappropriate printer cartridge purchases in the Aboriginal Affairs and Reconciliation Division of the Department of the Premier and Cabinet were raised. They were referred to the Auditor-General and SA Police. The Chief Executive of the

Department of the Premier and Cabinet wrote to all agencies on 22 September 2011 seeking that they undertake an urgent review of their procurement practices, particularly in relation to computer consumables.

Those initial investigations indicate that the Consumable Management Group and associated companies have succeeded in also soliciting business within South Australia, with evidence of similar printed cartridge purchases in some South Australian agencies. In order to facilitate a more methodical cross-government approach to deal with this issue, I established the Procurement Working Group on 1 November 2011. This group is comprised of senior officials of the Department of the Premier and Cabinet, the Department of Treasury and Finance, the Crown Solicitor's Office and the State Procurement Board.

The Chief Executive of the Department of the Premier and Cabinet was appointed the chair of the Procurement Working Group as a way of ensuring the most effective cross-agency coordination. The aim of the Procurement Working Group is to coordinate and oversee the investigations by public sector agencies of their records and procurement practices to identify abnormalities or irregularities in the procurement of office consumables involving the provision of gifts or incentives.

The group will also assist to identify and provide advice and direction as to the resolution of any impediments to the task of gathering of information as to whether systemic or individual breaches of proper procurement processes have occurred. Also, the group will identify and oversee the immediate implementation of measures that are directed at ensuring that procurement practices are being undertaken lawfully and in accordance with proper procedures.

Importantly, the Procurement Working Group will ensure the prompt gathering and referral to the appropriate authorities of any evidence indicating breaches of policy or law on the part of any individual and will make recommendations on policies, practices and controls needed to enhance procurement processes across government.

At the first meeting, on 3 November, the Procurement Working Group looked at some high-level preliminary data that had been extracted by Shared Services SA from a search of known company names provided by the Victorian Ombudsman. This produced around 500 invoices, which totalled \$921,333 dated from 1 June 2009, which was when—

Mr Pisoni interjecting:

The SPEAKER: Order!

The Hon. M.F. O'BRIEN: —Shared Services SA took on the role of paying invoices on behalf of most government agencies.

Mr Pengilly interjecting:

The SPEAKER: Order!

The Hon. M.F. O'BRIEN: This analysis showed 41 government entities as having used suppliers identified by earlier Western Australian and Victorian investigations. Of these 41 entities, there are instances of gifts being received in around half of them, but this will be further investigated; some show that product vouchers have been issued by the supplier. Product vouchers allow for the pre-purchase of printer cartridges for future delivery at agreed prices which may or may not be inflated. This practice is potentially contrary to Treasurer's Instruction 11.

Any evidence of unethical or illegal conduct will be referred by the Procurement Working Group through the appropriate authorities, as is the standard practice in such matters. The government is committed to ensuring that a thorough and transparent investigation is conducted.

Members interjecting:

The SPEAKER: Order!

The Hon. M.F. O'BRIEN: To facilitate this aim, Ernst & Young were engaged to review the process that I have outlined above, to ensure that the utmost rigour is applied in this circumstance. Ernst & Young have assembled two senior consultants who have expertise in fraud investigation, audit and special purpose reporting.

I have also discussed this process with the Auditor-General and written to him, regarding the establishment of the working group. I have undertaken to keep the Auditor-General fully informed of the investigation as it unfolds. It is a matter for the Auditor-General to decide how he

will review the outcomes of process carried out by the Procurement Working Group. Under the terms of reference—

Members interjecting:

The SPEAKER: Order!

The Hon. M.F. O'BRIEN: Under the terms of reference of the Procurement Working Group, I will be provided with initial advice within the next two weeks and then further advice as required when progress is made against the terms of reference criteria. I look forward to updating the house as developments unfold.

Members interjecting:

The SPEAKER: Order!

ENVIRONMENT, RESOURCES AND DEVELOPMENT COMMITTEE

Ms THOMPSON (Reynell) (14:27): I bring up the 66th report of the committee, entitled Annual Report July 2010-June 2011.

Report received and ordered to be published.

NATURAL RESOURCES COMMITTEE

The Hon. S.W. KEY (Ashford) (14:28): I bring up the 61st report of the committee, entitled Adelaide Desalination Plant Fact-Finding Visit.

Report received and ordered to be published.

The Hon. S.W. KEY: I also bring up the 62nd report of the committee, entitled Adelaide and Mount Lofty Ranges Natural Resource Management Region Fact-Finding Visit.

Report received and ordered to be published.

PUBLIC WORKS COMMITTEE

Mrs VLAHOS (Taylor) (14:29): I bring up the 423rd report of the committee, entitled Whyalla Regional Cancer Centre Redevelopment.

Report received and ordered to be published.

QUESTION TIME

CARBON TAX

Mrs REDMOND (Heysen—Leader of the Opposition) (14:30): My question is to the Premier. In congratulating the Premier on his appointment and noting his commitment that we on this side of the house will at last get answers to our questions—

Honourable members: Hear, hear!

The SPEAKER: Order!

Mrs REDMOND: —I ask the Premier: why does he support the carbon tax?

The Hon. J.W. WEATHERILL (Cheltenham—Premier, Minister for State Development) (14:30): I thank the honourable member for her question. Can I thank all those honourable members who have given me their best wishes over the coming weeks and today and—

Mrs Redmond: Those on our side.

The Hon. J.W. WEATHERILL: Well, that's right. It goes without saying they are all on this side. Can I say that with the outbreak of goodwill I feel very warm, and I am sure it is going to last for the next—

Members interjecting:

The SPEAKER: Order!

The Hon. J.W. WEATHERILL: —30 seconds, I suppose. No, thank you very much to all those who have made their kind best wishes. The carbon tax, which I know has just passed the Senate, is a historic reform. It will do two very important things. First, it acknowledges that this massive threat not only to our country but to humanity has been grappled with by this nation. One thing we do know about the threats of climate change is that the costs of adjustment only grow the

longer they are left unaddressed. What we are seeing is a national Labor government, that I am proud to support in this endeavour, accepting responsibility for grappling with one of the great challenges that face not only our nation but our planet.

Members interjecting:

The SPEAKER: Order!

The Hon. J.W. WEATHERILL: It makes me feel proud to be a member of the Labor Party that we are actually facing up to the big issues that face our community. This has been an incredibly vexed issue. It is extraordinarily difficult to grapple with complex public policy issues when there is not a consensus in the community, especially when you have an opposition leader like Tony Abbott who has decided to take the most destructive approach to his role in the history, I think, of opposition leaders. This is the very thing—

Members interjecting:

The SPEAKER: Order!

Mr Marshall interjecting:

The SPEAKER: Order! Member for Norwood, you are warned.

The Hon. J.W. WEATHERILL: —that I was seeking to address in my ministerial statement. I do not think that this is the approach that leads to the resolution of complex public policy issues when you have an incredibly—

Members interjecting:

The SPEAKER: Order!

The Hon. J.W. WEATHERILL: It is a remarkable achievement, I must say, for the federal government, over the opposition of such a destructive approach to the fighting of this carbon price, to have achieved its result. So, I do support it, and I support it because it is—

Members interjecting:

The SPEAKER: Order!

The Hon. J.W. WEATHERILL: —an incredibly important reform to allow our economy to make the adjustments that are necessary to position itself for a carbon constrained future, which everybody accepts is going to be what faces us. The first movers—and we have been very early movers in this with our extraordinary encouragement of renewable energies in this state. We are well known, not only across the nation but across the world, for our investment in renewable energies. There are massive opportunities for us to continue our investments in that area.

There are opportunities that will be freed up today by the very instrument that the minister for planning has dealt with, that is, to provide some greater capacity for wind farms to be developed in our state, to take advantage of the fact that New South Wales and Victoria have set their face against the wind farm industry. This will allow us to continue to grow this industry that South Australia has already got an incredible start on. I think this is a historic day for Australia. I support the federal government's success, and I think all members should embrace this opportunity that allows us to—

Members interjecting:

The SPEAKER: Order!

The Hon. J.W. WEATHERILL: —develop the industries that will flow from the higher price on carbon.

Members interjecting:

The SPEAKER: Order! The member for Light.

MURRAY-DARLING BASIN PLAN

Mr PICCOLO (Light) (14:34): My question, obviously, is to the Premier. Can the Premier please provide an update on the government's recent consultations regarding the proposed Murray-Darling Basin Plan?

The Hon. J.W. WEATHERILL (Cheltenham—Premier, Minister for State Development) (14:35): Before the end of the month, it is understood that the independent Murray-Darling Basin Authority will release the proposed Murray-Darling Basin Plan for public consultation, and this proposed plan is a further step in this very important process.

The draft plan, it is hoped, will lead to a legally enforceable basin plan that will provide long-term, sustainable, whole-of-basin management of the Murray-Darling Basin. South Australia's position, of course, at the end of the river basin has meant that we have long experienced the worst effects of environmental degradation due to overallocation and state parochialism over the years. That is why South Australia took action in 2008 to remove the basin debate from the competition between states to an independent authority tasked with managing the basin holistically with a plan based on sound science rather than parochial state interests.

As we move towards this final stage, this is a once-in-a-lifetime opportunity for us to reset the rules of the basin to put the basin's resilience on a long-term healthy footing. Over the last two weeks I have had the great pleasure of travelling with my ministerial colleague the minister for water—who rescued me at one point from falling over in front of the cameras.

An honourable member: He pushed you in, Jay!

The SPEAKER: Order!

The Hon. J.W. WEATHERILL: No, no. That hand was a rescue. That was not a shove. And, all right, apart from a few silly photographs, it was a very successful trip. We heard about the impact of low flows, destructive levels of salinity and the degradation of wetlands and flood plains. I also had the opportunity to be invited to two public forums, and the member for Chaffey and the member for Hammond attended those meetings and contributed very constructively to them.

We heard at those forums a range of messages. One consistent message was: rivers die from the mouth up. And, so, maintaining a healthy river involves maintaining a healthy Murray mouth and ensuring that we have the environmental flows that will ensure that the whole of this river is sustained.

Much of the trip highlighted the terrible impacts of poor environmental flows on not only the river but also the communities that relied upon it. What it also revealed was the incredible resilience of the environment once rejuvenated by new water. In a way, what we were able to see were two futures: the future that we saw with the drought; and, then, with the recent floods, we were able to see how it could quickly be rejuvenated when it received the environmental flows that it needed.

We were there in our waders putting in the southern pigmy perch that were grown in captivity and then restored to the river in a much healthier state, and it was wonderful to see that those measures were taken. The emergency measures that we were forced to take really do remind us of how close we came to catastrophe. If I can just refer to a message that was given by one of the women at, I think, the Berri Town Hall forum (the member for Chaffey may recall) on 25 October. I think that her name was Tammy, and she said these words:

I was a kid who grew up on the river. My family and friends derived an income from it. I've been scared by what I've seen in the last couple of years. I'm a grandmother now and I want to be able to pass on this river. If we as a community, as a state, as a country, don't look after the river it will die.

I think that summed up how all the people I met over this period felt. I would like to thank the many people who made my recent trips to the Riverland and to the Lower Murray possible, including the members here and also local government representatives, and I look forward to further discussions on this critical topic.

CARBON TAX

Mrs REDMOND (Heysen—Leader of the Opposition) (14:39): My question, again, is to the Premier. What will be the yearly cost increase for the state budget because of the carbon tax? South Australia is the only mainland state that is yet to release modelling on the impact of the carbon tax on state finances.

The Hon. J.W. WEATHERILL (Cheltenham—Premier, Minister for State Development) (14:39): We will be undertaking an analysis about that which will be dealt with in the Mid-Year Budget Review. It involves—

Members interjecting:

The SPEAKER: Order!

The Hon. J.W. WEATHERILL: It will be revealed in the Mid-Year Budget Review, the effect on government agencies.

Members interjecting:

The SPEAKER: Order!

Ms Chapman interjecting:

The SPEAKER: Order, member for Bragg!

Ms Chapman interjecting:

The SPEAKER: Order! Member for Bragg, you are warned.

COMMUNITY SAFETY

Mr ODENWALDER (Little Para) (14:40): My question is to the Minister for Police. Can the minister advise the house how the Weatherill government is promoting community safety and how this will benefit South Australians?

The Hon. J.M. RANKINE (Wright—Minister for Police, Minister for Correctional Services, Minister for Emergency Services, Minister for Road Safety, Minister for Multicultural Affairs) (14:40): I thank the member for Little Para for his question and appreciate his ongoing commitment to community safety. Every South Australian deserves to feel safe and secure in their homes, in public places and on our roads. By bringing together the police, road safety, emergency services and corrections, we have the opportunity to develop a comprehensive, strategic and collaborative approach to community safety. This increased coordination across law enforcement and crime prevention, road safety as well as correctional services and our emergency responses will provide significant advantages for our community.

We will be better placed to focus on prevention, saving lives and saving families. Each year approximately 9,000 new migrants, 1,400 humanitarian arrivals and up to 25,000 international students come to South Australia. Some of these new members may have a fear and mistrust of police and limited understanding of the general principles of Australian law. Working together we can look to increase understanding through education and community engagement with multicultural groups.

The link with multicultural affairs will also help us ensure every person in the community, regardless of their cultural background, has access to good, clear information that they can easily understand and that will help them protect their lives and the lives of their loved ones in an emergency situation. We will continue to examine what can be done to make our roads safer and to help ensure our young ones arrive home safely to their parents.

This morning I announced, with Assistant Commissioner Tony Harrison, that we will be lowering speed limits from 110 km/h to 100 km/h on 45 sections of road on Yorke Peninsula and within 100 kilometres of Adelaide. This will be done—

Members interjecting:

The SPEAKER: Order!

The Hon. J.M. RANKINE: —in time for Christmas which, as members know, is one of the busiest periods on our roads each year. Placing corrections with these other portfolios consolidates our government's commitment to keeping our community safe. When offenders leave prison, we want to ensure better coordination between police, our community corrections staff and support agencies. We don't want people returning to a life of crime; we don't want them back in our prisons.

Policing in the 21st century is about the best people with the best technology engaging with their local communities. Police will continue to target serious and organised crime while expanding their focus on communities and families through the Family Safety Framework and Neighbourhood Policing Teams, bringing together police and other agencies such as education, health, the Victims' Support Service and non-government organisations to deliver a coordinated response to domestic violence. Police who are based in their local neighbourhood are getting to know the local people and address problems through partnerships with those they serve.

Since 2002, we have delivered more than 700 additional police, taking numbers to more than 4,400 officers, compared to just 3,700 under the previous Liberal government. SAPOL continues to train and equip its officers to meet the changing needs of our community and the police force, and now more than ever it reflects our community. At Fort Largs last week I saw new

officers from different cultural and professional backgrounds, ranging in age from their 20s to their 40s—South Australian men and women graduating police officers.

Keeping our families safe is a key issue for all of us. The Weatherill government understands this and is rising to the challenge of ensuring that structures and systems are in place to deliver a community where all South Australians can feel safe in their homes, in public places and on our roads.

CARBON TAX

Mrs REDMOND (Heysen—Leader of the Opposition) (14:44): My question is again to the Premier. What will be the yearly cost increases for households, including increases in water and electricity bills, because of the carbon tax?

Members interjecting:

The SPEAKER: Order!

The Hon. A. KOUTSANTONIS (West Torrens—Minister for Manufacturing, Innovation and Trade, Minister for Mineral Resources and Energy, Minister for Small Business) (14:45): The government accepts the science on climate change. The question is: why doesn't the opposition?

Members interjecting:

The SPEAKER: Order!

The Hon. A. KOUTSANTONIS: The compensation package detailed by the federal government will be enacted when the legislation is enacted. The Treasurer will release, in the Mid-Year Budget Review, the cost to the budget and the impact of a price on carbon. The real question is why the opposition doesn't support a price on carbon.

Members interjecting:

The SPEAKER: Order!

ADELAIDE RAILWAY STATION

Mr SIBBONS (Mitchell) (14:45): My question is to the Minister for Transport Services. Can the minister inform the house about the new customer information centre at the Adelaide Railway Station?

Members interjecting:

The SPEAKER: Order!

The Hon. C.C. FOX (Bright—Minister for Transport Services) (14:46): I thank the member for his question. I am very pleased to announce that I recently opened the \$1 million customer information centre at the Adelaide Railway Station. The 40,000 people who use that station every day will benefit from this state-of-the-art centre. It is part of our \$2 billion investment in the public transport network over 10 years, and will assist passengers with bus, train and tram journey planning, timetables, ticketing and real-time updates on train services.

This centre has a strong focus on face-to-face customer service. No longer will customers or commuters be served from behind a grille or a small window; they will actually get to speak to a real person. Even better, disability access and services such as touch screens, audio loops, Braille and improved access through wider doorways will be available.

The reason my portfolio was designed was to provide a greater opportunity to listen and respond to the needs of South Australian commuters, and this centre is a demonstration of exactly that. As the transport services minister I will be responsible for the operation of trains, trams and buses, the administration of bus contracts, special event services, regional services, provincial city bus services, alternative services during major rail projects, and the public transport works program, including minor rail refurbishment.

As the transport services minister I will be responsible for the regulation of the South Australian taxi industry, and strategies to increase public transport patronage in metropolitan Adelaide. As transport services minister I will be responsible for transport services operations, including light vehicle registration, delivery of driver licensing, and light vehicle inspections and vehicle standards.

As transport services minister I will be responsible for a number of funds, including \$5 million over four years for bus shelters, \$2 million each year over four years for disability improvements to shelters, stations and centres, and \$25 million over four years for minor works. My legislative responsibilities include the Passenger Transport Act 1994, the Motor Vehicles Act covering light vehicle registration, and the Road Traffic Act covering light vehicle standards and inspections.

Members interjecting:

The SPEAKER: Order!

The Hon. C.C. FOX: The development of a transport services portfolio is a reflection of this huge, indeed this unprecedented, investment that this government has made in public transport in this state: \$2 billion. We are committed to this investment—it would appear that not everyone is—and we are committed to ensuring that our commuters get as much benefit as they can out of the improvements we are making, and will continue to make, to this very important network.

CARBON TAX

Mrs REDMOND (Heysen—Leader of the Opposition) (14:49): My question is again to the Premier. Why does the Premier support the carbon tax, given that he has admitted that he doesn't know the impact on the state budget, and neither he nor minister Koutsantonis could tell us what would be the impact on households?

The Hon. P.F. CONLON: Point of order, Madam Speaker. It is a disorderly question. The Leader of the Opposition is making comment.

An honourable member interjecting:

The SPEAKER: Order!

The Hon. P.F. CONLON: The Leader of the Opposition has engaged in comment in the question, contrary to standing order 97, and it would be nice if we could have some orderly questions.

The SPEAKER: I will uphold that point of order. I ask the leader to be very careful about the wording of her questions, and to relook at her question and ask it in an orderly way.

Mrs REDMOND: Thank you, Madam Speaker, I will do that. My question again is to the Premier. Could the Premier please explain to the house on what basis he says he supports the carbon tax? In the second question today, I asked the Premier what his budget impact would be, and he was unable to tell us. In the third question today, I asked the Premier what the impact on household budgets would be, and he was again unable to tell us, and he got minister Koutsantonis to answer it, and he didn't provide an answer, in spite of the Premier.

The SPEAKER: Now you are getting into debate. Thank you; we don't need any more of your explanation.

The Hon. P.F. CONLON: Point of order, Madam Speaker. Again, I refer to standing order 97: factual explanation is allowed for the leader of the house; a debate is not allowed.

The SPEAKER: Thank you; I had already commented on that point of order.

The Hon. J.W. WEATHERILL (Cheltenham—Premier, Minister for State Development) (14:51): I thank the honourable member for her question. She asked why I support the carbon tax. Well, it is self evident from the first answer I gave; that is, it is an absolutely essential reform if we are to grapple with one of the—

Mrs Redmond interjecting:

The SPEAKER: Order!

The Hon. J.W. WEATHERILL: —great public policy issues facing our nation and, indeed, our planet. But, to go to more specific issues, I am advised that the average expected cost of living impact will be 0.7 per cent in 2012-13, or \$9.90 per week. Households will receive a combination of increased payments or tax cuts worth \$10.10 per week.

Mrs Redmond: That 's the nonsense put out by the feds.

The SPEAKER: Order!

Mrs Redmond interjecting:

The SPEAKER: Order! Leader of the Opposition, you are warned.

The Hon. J.W. WEATHERILL: You asked for the information; I am supplying you the information; now you don't want the information. Nine out of 10, that is around 8 million households in the country, expect to receive assistance. For two out of three households, this will be sufficient to cover the entire average price impact—

An honourable member interjecting:

The SPEAKER: Order!

The Hon. J.W. WEATHERILL: —for example, a single pensioner will receive a pension increase of \$338 per annum compared with the cost of living increase of \$204 per annum. A family with two teenagers where each parent earns \$50,000 receives \$679 per annum from tax cuts and increased family tax benefits compared with the cost of living impact of \$653 per annum. Those are the household effects. As I said before, the effects in relation to the state government agencies will be dealt with in the Mid-Year Budget Review.

I think anybody who has followed this debate, and has looked at the various reports that have been presented by Prof. Garnaut, understands that, whatever the costs of adjustment now, they are larger the longer we wait. So, it is welcome news that this has now passed the federal parliament and we can begin to make the adjustments that are necessary. There is a first mover advantage for this state which we have already sought to exploit, and we will embrace this change and use it to transform our economy in a way that will strengthen us for the future.

Members interjecting:

The SPEAKER: Order!

EDUCATION AND CHILD DEVELOPMENT DEPARTMENT

Ms THOMPSON (Reynell) (14:53): My question is to the Minister for Education and Child Development. Can the minister outline the role and reasons for the establishment of the new Department for Education and Child Development?

The Hon. G. PORTOLESI (Hartley—Minister for Education and Child Development) (14:53): Thank you, and I acknowledge the honourable member's outstanding advocacy and commitment that she—

Mr PISONI: Point of order: standing order 97. This is clearly opinion, Madam Speaker.

The SPEAKER: For heaven's sake, member for Unley, sit down. She has hardly started the question.

The Hon. P.F. Conlon interjecting:

The SPEAKER: Thank you, Minister for Transport. Minister for education; there was no point of order.

The Hon. G. PORTOLESI: I would like to acknowledge the longstanding advocacy—anybody who knows the member for Reynell, knows that she is always going on about opportunities for—

Members interjecting:

The Hon. G. PORTOLESI: —she is always working incredibly hard—

The SPEAKER: Order! The minister will be heard in silence.

The Hon. G. PORTOLESI: I would also like to take this opportunity to wish our SACE students all the best for their exams today.

Members interjecting:

The SPEAKER: Order!

The Hon. G. PORTOLESI: I think it's biology and ICT. I am very, very pleased to report to the house today on what is a very significant policy reform for our community, and that is the creation of the new Department for Education and Child Development. I have to say that the creation of this new agency is not the end in itself, but it is the means by which we will ensure—on

this side of the house—that every child and young person in our community gets the best possible start in life so that they can go on to be productive, active citizens in our community. That is the vision for our children, and that is why we are bringing together—

Members interjecting:

The SPEAKER: Order!

The Hon. G. PORTOLESI: —the three key agencies across government that interface the most with children and their families. That includes most of the services in Families SA, education, and many of the non-clinical children's health services, but we are still negotiating what they will be. These institutional changes respond to the neuroscience, the research—

Members interjecting:

The SPEAKER: Order! Members on my left will be quiet. I can hardly hear the minister.

The Hon. G. PORTOLESI: —into early brain development by experts like Adelaide Thinker in Residence, and international leader in early childhood development, Dr Fraser Mustard. The research tells us what many of us know instinctively.

Ms Chapman interjecting:

The SPEAKER: Member for Bragg, you are warned for the second time. Minister.

The Hon. G. PORTOLESI: The research tells us that the first five years of a child's life are absolutely critical and obviously last a lifetime, and we know that children do not learn and develop in isolation from their health and their family circumstances. The nurture and support they receive right from birth influences their opportunities throughout their life. This important initiative builds on the leadership already demonstrated here in South Australia in the area of early childhood.

For example, we have the pioneering and outstanding model in South Australia of our Children's Centres for Early Childhood and Parenting. We have more than 20 (I think we have about 23) of these centres across the state, and certainly more are on the way. They are a microcosm of what we are seeking to do with this agency. They bring together family, health and preschool support at the local school level, which means that they are much more easily accessed by families with young children.

I very much look forward to providing further reports to this house on this important policy reform and, in particular, the services that will ensure that every child, every young person and their family, gets the best start in life. I have to say some initial figures just for the benefit of the house in relation to the agency we are talking about: perhaps 27,000 public servants, about 14,000 teachers, about 700 social workers, and about 300 nurses.

In closing, in the words of someone very famous (I think he was Chinese), 'When the waters are rising, all boats go up.' I look forward to each and every person in this place to ensure that every child in our community gets the best start in life.

Members interjecting:

The SPEAKER: Order!

Members interjecting:

The SPEAKER: Order! Member for Bragg.

EDUCATION AND CHILD DEVELOPMENT DEPARTMENT

Ms CHAPMAN (Bragg) (14:59): I have a supplementary question, Madam Speaker. Minister, under the restructure, if you are going to provide for all children, why have the children in the children's prisons been excluded from your portfolios and transferred to Mr Hunter?

The Hon. J.W. WEATHERILL (Cheltenham—Premier, Minister for State Development) (14:59): This is my responsibility; I was responsible for designing the machinery of government changes. They were allocated to the Minister for Communities and Social Inclusion because that was the appropriate place for them. If the member had listened carefully, rather than interjecting throughout the minister's contribution, she would have realised that what we are creating here is an early childhood development agency. It doesn't seek to do all of the things that affect and have a bearing on children. There are important services that are provided to adults which have a bearing

on child development. This will not mean that there aren't important connections that need to be made with other agencies—

Members interjecting:

The SPEAKER: Order!

The Hon. J.W. WEATHERILL: —including the Minister for Communities and Social Inclusion. The juvenile justice elements of the former agency of families and communities remain with the Minister for Communities and Social Inclusion.

There is a difficult boundary to be drawn on all of these things because the truth is that all the things we do in government bear on the way in which our children develop, but we have created, we think, a sensible boundary which brings together for the first time in Australia all of these agencies that bear on the healthy development of children. I think it is a very important reform and I have chosen minister Portolesi to take those reforms through and I am very confident that she will succeed in them.

Mr Marshall: Why is she sitting so far back?

The SPEAKER: Order!

FORESTRYSA

Mrs REDMOND (Heysen—Leader of the Opposition) (15:01): My question is again to the Premier. Why does the Premier support forward selling the harvest rights to the state's forests?

The Hon. J.J. SNELLING (Playford—Treasurer, Minister for Workers Rehabilitation, Minister for Defence Industries, Minister for Veterans' Affairs) (15:01): Madam—

Members interjecting:

The SPEAKER: Order!

The Hon. I.F. Evans interjecting:

The SPEAKER: Order, the member for Davenport!

The Hon. J.J. SNELLING: In fact, the Premier has—

Mr Pisoni interjecting:

The SPEAKER: Order! The member for Unley, you're warned. I can't hear the Treasurer speaking.

The Hon. J.J. SNELLING: The Premier has indicated, I think, his intention to travel down into the South-East in the very near future and, no doubt, he will hear from local residents and local businesses any concerns they have. The simple fact is that the proposal to forward sell the forest rotations in the South-East was first announced by the previous treasurer as part of the Mid-Year Budget Review in 2009, if I recall correctly, so this is a proposal that has been much discussed and I have answered extensively questions—

The Hon. I.F. Evans interjecting:

The SPEAKER: Order! The member for Davenport, you've asked your question.

The Hon. J.J. SNELLING: I have answered extensively questions on this issue. We have established a South-East forestry roundtable to provide advice directly to me on what the conditions of the sale should be to ensure the future viability of the forestry industry in the South-East. We have been working very closely with industry representatives to make sure that this decision to forward sell the rotations does not have an adverse impact on the economy of the South-East. I think this is an important reform.

The simple reason, as I have often said, for our undertaking this extensive reform is that we have a capital expenditure budget of \$9.1 billion over the forward estimates.

Members interjecting:

The SPEAKER: Order!

The Hon. J.J. SNELLING: It is the largest capital investment ever undertaken in this state's history and it makes sense in that environment to realise some value that you have in other assets where it no longer makes sense for the government—

Mr Pederick interjecting:

The SPEAKER: Order, the member for Hammond!

The Hon. J.J. SNELLING: You don't need to get so angry, Adrian. I see before me—

Members interjecting:

The SPEAKER: Order! The minister will sit down until there is some quiet.

Mr Pisoni: You're not in Rann's office now.

The SPEAKER: Order! The member for Unley, you are warned for the second time.

Members interjecting:

The SPEAKER: Order! The Treasurer.

The Hon. J.J. SNELLING: It simply makes sense for to us to realise the value in some of those assets to enable us to invest in important projects such as the duplication of the Southern Expressway, such as the South Road superway, and any number of large capital projects that are happening over the next few years.

Members interjecting:

The SPEAKER: Order!

Members interjecting:

The SPEAKER: Order! We are not extending question time today. The member for Torrens.

BUSINESS PORTFOLIO

Mrs GERAGHTY (Torrens) (15:05): My question is to the Minister for Manufacturing, Industry and Trade. Will the minister advise the house on how the new business portfolio will advantage South Australia?

The Hon. A. KOUTSANTONIS (West Torrens—Minister for Manufacturing, Innovation and Trade, Minister for Mineral Resources and Energy, Minister for Small Business) (15:05): Thank you, Madam Speaker—

Members interjecting:

The SPEAKER: Order!

The Hon. A. KOUTSANTONIS: Madam Speaker, I want to thank the honourable member for this important question. Our economy is at an exciting turning point in the state's history. We are looking at the prospect of sustained strong growth, with our exports growth outperforming the national economy over the coming years. With 18 major mines currently approved and a further 30 in the pipeline, South Australia is highly regarded as a global destination to explore and invest.

As the resource sector continues to rapidly expand it is critical that we ensure other areas of our economy benefit from this growth. This government is committed to having a successful manufacturing industry as an important element to a strong and diversified economy. As members may be aware, a new department has been created to facilitate linkages between mining, manufacturing, innovation, energy and trade.

The Department of Manufacturing, Innovation, Trade and Resources will bring all these elements together to help prepare South Australia for the global transformation of the manufacturing, mining and energy industries. With a raft of new mining operations about to come online, this government is confident that there will be significant opportunities for the resources, services and technology sector.

That is why this government is focusing on the value chain development to ensure that the state captures maximum benefits from the mining expansion by local services, businesses and residents. This government is committed to continual research, innovation and change that will ensure high-value manufacturing continues to be one of our state's primary economic contributors for years to come. To this end, we have already announced the development of a new manufacturing strategy to guide future policy directions and strategies.

This manufacturing strategy will utilise stakeholder consultation to help develop a policy that ensures this state is aware of and prepared for the global transformation of the manufacturing industry. This portfolio will ensure that South Australia takes advantage of our resources growth by fostering local participation in the sector and expanding our innovation and research capability, positively influencing our economic value creation.

The department will be led by Geoff Knight as chief executive, with Lance Worrall as deputy chief executive—two very competent and hard working men. I look forward to the future success of this new department as it delivers sound economic growth for years to come.

FORESTRYSA

Mrs REDMOND (Heysen—Leader of the Opposition) (15:08): My question is again to the Premier. How will the Premier consult and decide during his upcoming trip to Mount Gambier, given that he supports the selling of the harvest rights to the state's forests, and will he guarantee the people of the South-East that there will be no job losses as a result of that sale?

The Hon. J.W. WEATHERILL (Cheltenham—Premier, Minister for State Development) (15:08): If you are going to quote me, at least get it right: it's debate and decide, but anyway, let's not be fussed about terms. The basic point is this: I am going down to the South-East because the community wants me to go there and listen to their concerns. I can solve—

Members interjecting:

The SPEAKER: Order!

The Hon. J.W. WEATHERILL: I can solve a lot of your problems and answer a lot of your questions by saying that there are a whole range of government decisions that have been taken, decisions that I have been part of and decisions that we have been making over a number of years now, that will remain in place. There is no suggestion that they will be—

The Hon. I.F. Evans interjecting:

The SPEAKER: Order!

The Hon. J.W. WEATHERILL: Yes, that will be one that will remain in place until it has changed, and there is no proposal to change it. I will be speaking with the community down there; I will be listening to their points of view.

Members interjecting:

The Hon. J.W. WEATHERILL: Well, we think there is some value in listening to the community, explaining your position. Sometimes we won't agree with every community that we do speak to. I think there is a bit of a misunderstanding by those opposite about the idea of consultation, or the idea of listening to points of view, that somehow that means abdicating the function of leadership to a point. It doesn't. We are elected to make decisions, and sometimes some of those decisions can't be made with a broad amount of consultation. Some decisions, like designing budgets—

Members interjecting:

The SPEAKER: Order!

The Hon. J.W. WEATHERILL: There is an obvious point to be made—that budgets can't be designed in Victoria Square. We don't bring out the butcher paper and start designing some of those decisions in a public process. There are some decisions that we as a cabinet must take amongst ourselves.

We do the best we can with the information we have to gather the views and perspectives of the community. That is why we have a cabinet. That is why we seek to replicate around the cabinet table the best points of view. Do we always get it right? No. Do we get it right a lot of the time? I would say yes, and I think the reason why we are in the position we are in this state is because we have made a range of good decisions over the last almost 10 years in this state, and I am proud to have been part of them.

The SPEAKER: The member for Croydon.

Members interjecting:

The SPEAKER: Order!

TREASURER'S PORTFOLIO

The Hon. M.J. ATKINSON (Croydon) (15:11): Can the Treasurer—

Members interjecting:

The SPEAKER: Order!

The Hon. M.J. ATKINSON: —please tell the house about his portfolio responsibilities since the recent ministerial reshuffle?

An honourable member: FOI it.

The SPEAKER: Order!

Mr Williams interjecting:

The SPEAKER: Order, the member for MacKillop!

The Hon. J.J. SNELLING (Playford—Treasurer, Minister for Workers Rehabilitation, Minister for Defence Industries, Minister for Veterans' Affairs) (15:11): The recent machinery of government changes to various departments has had no impact on the role and function of the Department of Treasury and Finance; however, my role and the ministerial reporting functions of my department have had some changes. I am pleased to tell the house that the government now has a Minister for Finance who will work very closely with me to focus on the service delivery and public—

Members interjecting:

The SPEAKER: Order!

The Hon. J.J. SNELLING: —administration functions of the Department of Treasury and Finance, including Shared Services, taxation administration, superannuation, the State Procurement Board, and some functions of the South Australian Financing Authority. The very able Minister for Finance (the honourable member for Napier) will have an important role overlooking—

Members interjecting:

The SPEAKER: Order!

Members interjecting:

The SPEAKER: Order! That's enough.

The Hon. J.J. SNELLING: —and ensuring that these key administrative functions of the department are delivered efficiently and effectively.

Acts committed to the Minister for Finance include the Taxation Administration Act, the First Home Owner Grant Act, the Superannuation Act, Southern State Superannuation Act, the Unclaimed Superannuation Benefits Act, the Parliamentary Superannuation Act, the Police Superannuation Act, the Judges' Pensions Act, The Governors' Pensions Act and the State Procurement Act.

As Treasurer, I will continue to focus on matters relating to taxation, economic and fiscal policy, including the critical role of managing the state budget, by prioritising and targeting our spending to ensure the state's long-term financial future. Other departmental areas I am responsible for under my portfolio responsibility as Treasurer are the Motor Accident Commission, Funds SA, the Essential Services Commission, the borrowing functions of SAFA, and electorate office matters.

I am also pleased to continue in the role of Minister for Workers Rehabilitation, allowing me to continue to oversee the direction of WorkCover, which manages the Workers Rehabilitation and Compensation Scheme and aims to achieve positive outcomes for—

Members interjecting:

The SPEAKER: Order!

The Hon. J.J. SNELLING: —injured workers, employers and the South Australian community. The government is carrying out several important reforms to WorkCover to help injured workers return to work and provide incentives to employers. With the aim of improving efficiencies and service within the WorkCover scheme, a tendering process has commenced for the provision

of future claims management and claims legal services. The current contracts with Employers Mutual and Minter Ellison expire in December of next year.

In addition to my responsibilities as Treasurer and Minister for Workers Rehabilitation, I am very happy that the Premier has given me back the responsibility for veterans' affairs and also the portfolio of Minister for Defence Industries—a very important portfolio for the future of jobs and our state economy. In my role as Minister for Veterans' Affairs, I will be helping our ex-service men and women and those who support them. The veterans' portfolio coordinates the state government's services to veterans across departments, including health, transport, disability and mental health, as well as providing local advice on programs, projects and funding for veterans and their families.

The portfolio also helps raise public awareness about the sacrifices made by South Australian veterans, with the government supporting initiatives such as the ANZAC Day Sporting Medals Pilot Program and the Veterans' Affairs Discretionary Fund. The government also has a Veterans' Advisory Council, which represents every ex-service organisation in South Australia and gives every member of the veterans' community a voice at the highest levels of government.

I am particularly pleased to have the defence industries portfolio, a portfolio that is of great importance and is in excellent shape, many thanks to the hard work of the member for Port Adelaide. Projects such as the air warfare destroyer program and the submarine program, both based at Techport (the nation's premier naval ship building yard), will help to increase employment in the defence industry. The government is supporting initiatives in maths and science to ensure we have a skilled workforce to help this industry grow.

The government is also working with the Defence Export Unit and Defence Teaming Centre to ensure that South Australian firms gain greater access into global supply chains, particularly for international programs such as the joint strike fighter project. We are continuing to pursue infrastructure initiatives to unlock industrial land required for the growth of the defence industry around our defence precincts of Techport Australia, Technology Park Adelaide and the Edinburgh Defence Precinct. It is hoped that all these initiatives will help to double the contribution defence industries makes to our economy. The decisions of the Premier to realign portfolios and agencies will assist the government to continue to deliver good results for South Australia.

LOTTERIES COMMISSION OF SOUTH AUSTRALIA

Mrs REDMOND (Heysen—Leader of the Opposition) (15:16): My question is again to the Premier. Why does the Premier support the sale of the Lotteries Commission when the Lotteries Commission is an asset that produces significant income for this state?

Members interjecting:

The SPEAKER: Order!

The Hon. J.J. SNELLING (Playford—Treasurer, Minister for Workers Rehabilitation, Minister for Defence Industries, Minister for Veterans' Affairs) (15:17): Nothing has changed since I announced this measure at budget time. It simply makes sense, firstly, to realise the value that we have—

Members interjecting:

The SPEAKER: Order!

The Hon. J.J. SNELLING: Nothing has changed, indeed, since the budget on this matter and the reasons remain the same. I am rather perplexed that the opposition need to ask it again. Nonetheless, for their benefit—

Members interjecting:

The SPEAKER: Order!

The Hon. J.J. SNELLING: —I will do so. The first one is—

Members interjecting:

The SPEAKER: You have asked the question, you will listen.

The Hon. J.J. SNELLING: —that it certainly makes sense to realise the value that we have in some assets where there no longer is a reason—

Members interjecting:

The SPEAKER: Order!

The Hon. J.J. SNELLING: —for the government to retain its money that it has got sunk—

The Hon. I.F. Evans interjecting:

The SPEAKER: Order! Member for Davenport, you are warned.

The Hon. J.J. SNELLING: —in those assets. Secondly, as I said at budget time, the gambling market has changed considerably since the creation of SA Lotteries back in the 1960s. It is now a far more competitive market. Importantly, it is also a national market. It does not make sense for us to continue to hold equity in SA Lotteries, so we will create—

Members interjecting:

The SPEAKER: Order!

The Hon. J.J. SNELLING: —a sublicence. We will then invite a public bidding process for an outside organisation to come up and run that licence on our behalf. With regard to the revenue, SA Lotteries provides to the state budget every year about \$80 million in revenue. Of that, \$60 million is in gambling taxes and \$20 million is in dividends. We will continue to receive the gambling taxes, which are overwhelmingly the bulk of the revenue that SA Lotteries provides to state government.

Members interjecting:

The SPEAKER: Order!

PRINTER CARTRIDGE SCAM

Mrs REDMOND (Heysen—Leader of the Opposition) (15:19): My question is again to the Premier. Why didn't the Premier, when he was Minister for Education, launch an inquiry into his own department's suspect purchase of printer cartridges?

The Hon. J.W. WEATHERILL (Cheltenham—Premier, Minister for State Development) (15:19): I thank the honourable member for her question. To the best of my ability, it wasn't drawn to my attention.

SKILLS STRATEGY

Ms BEDFORD (Florey) (15:19): My question is to the Minister for Science and Information Technology. Can the minister outline to the house how the South Australian government is working to promote awareness of the opportunities provided in the science, technology, engineering and maths sectors?

The SPEAKER: The Minister for Employment, Higher Education and Skills. I am having some trouble with titles today—learning these new titles.

Members interjecting:

The SPEAKER: Order!

The Hon. T.R. KENYON (Newland—Minister for Employment, Higher Education and Skills, Minister for Science and Information Economy, Minister for Recreation and Sport) (15:20): I thank the member for Florey for her question. Her seat, in fact, is named after one of our most famous and capable scientists—a very proud product of this state. I would also like to say what a privilege it is to have carriage of the science and information economy portfolio to complement the employment, further education and skills portfolio. We know that, to meet the needs of our increasingly high-tech world, our state needs more South Australians with skills in science, technology, engineering and mathematics.

We know that training more highly-skilled, workforce-ready graduates will be critical for the economic future of our state, and that is why the state government has launched the Science, Technology, Engineering, Mathematics Skills Strategy for South Australia, also known as the STEM Skills Strategy. This strategy brings together industry and government to shape STEM activities and to engage with educators and training organisations.

Mr Pisoni interjecting:

The SPEAKER: Order!

The Hon. T.R. KENYON: Also, through our schooling system we are engaging in the range of ways in which we can promote the take-up of maths and science in our schools. The growth in our biotech, minerals, defence and cleantech industries makes the partnerships between government, industry, education and training especially important. I have already had the pleasure of launching one of the most important events in boosting the profile of STEM activities, the Adelaide University School of Mechanical Engineering's MechExpo 2011—

Members interjecting:

The SPEAKER: Order!

The Hon. T.R. KENYON: —at the Wayville Showgrounds. My favourite exhibit was the model submarine that had been built by some of the students. It was exceptional. It had been designed and constructed in less than 12 months. Along with Adelaide's own NASA astronaut and aerospace engineer Andy Thomas, I was amazed by the range and complexity of the display of over 60 projects developed by the engineers of tomorrow. Each exhibit represents the culmination of a full year's work by the students, and the results reflect the exciting range of opportunities available within the field of engineering.

This was the 17th Annual Honours Students Project Exhibition and a fantastic showcase of the skills being developed in our state in mechanical, mechatronic, aerospace, automotive, sports and sustainable energy engineering. The member for Davenport might be keen to know that some of the sports engineering students have developed a new type of bowling machine as well.

The Hon. I.F. Evans interjecting:

The Hon. T.R. KENYON: A bowling machine. MechExpo also provides students with an all-important link to industry.

Members interjecting:

The SPEAKER: Order!

The Hon. T.R. KENYON: While they worked on their projects, they also had the chance to work with industry to develop their research, development, budget management and communication skills. I am sure that MechExpo 2011 sparked the imagination of all those who visited and showed them what it means to be an engineer, to see what engineering involves and to recognise the value it provides for our collective future.

Events such as this are complementary to our STEM Skills Strategy, which will ensure a strategic approach to investment required to ensure the supply of these skills to match forecast industry demand over the next decade. While the demand for science, technology, engineering and mathematic skills is a national and global challenge, South Australia is determined to lead the way. Our students need to be inspired to wonder about what problems they might solve in the future and how they can think about the world differently, and the South Australian government's STEM Skills Strategy aims to do just that.

PENALTY RATES

Mrs REDMOND (Heysen—Leader of the Opposition) (15:23): My question is, again, to the Premier. Why didn't the Premier consult with either Restaurant & Catering SA or the Australian Hotels Association about the impact of increasing penalty rates to 250 per cent for workers in the CBD before announcing the two new half-day public holidays which he announced yesterday? Restaurant & Catering SA CEO, Sally Neville, said that this 'disastrous deal uses our industry as a sacrificial lamb'. Ms Neville also said that the first she heard of the proposal was via a call from the Premier yesterday afternoon. She said, 'He was very nice and courteous, but that's not consultation.'

Members interjecting:

The SPEAKER: Order! The Premier.

The Hon. J.W. WEATHERILL (Cheltenham—Premier, Minister for State Development) (15:24): When two of the largest protagonists in what has been one of the longest-standing debates in South Australia come together and present to our government a proposition that not only will revitalise the city but will set a new set of social norms about how public holidays work in this state—

Mr Williams interjecting:

The SPEAKER: Order, member for MacKillop!

The Hon. J.W. WEATHERILL: —which are consistent with our values, we will endorse it, and that is what we chose to do. This is a very Labor deal. It protects the vibrancy of the city, it protects small retailers—

The Hon. I.F. Evans interjecting:

The SPEAKER: Order, member for Davenport!

The Hon. J.W. WEATHERILL: It protects the suburbs and those workers in the suburbs that want to enjoy their family life, but it also does something else. It actually looks after working people by giving them something which has never been acknowledged before but which has become a social norm. That is, Christmas Eve and New Year's Eve, when everybody is out enjoying themselves, we are now providing for the recompense and the acknowledgement of the fact—

Members interjecting:

The SPEAKER: Order!

The Hon. J.W. WEATHERILL: —of that disability that they are under and they should be compensated for it, and we support it. This will have benefits for the whole of the community—including the members, as I explained to Ms Neville when I spoke to her—including her many members in the CBD who have restaurants. An extraordinarily large proportion of the industry is contained within the CBD and the truth about this is that this is an initiative which is about revitalising our city and our state. That will lift activity—

Members interjecting:

The SPEAKER: Order!

The Hon. J.W. WEATHERILL: —across the whole of the state with benefits for every enterprise, including the restaurant industry. I also had the opportunity to speak with representatives of the AHA, and they are—

Members interjecting:

The SPEAKER: Order!

The Hon. J.W. WEATHERILL: —prepared to take a positive stance in relation to this measure. They, like the restaurant representatives, are looking forward to—I spoke to Mr Hurley.

The Hon. I.F. Evans: Before you made the decision?

The SPEAKER: Order! Member for Davenport, you are warned for the second time.

The Hon. J.W. WEATHERILL: I spoke to Mr Hurley as soon as the decision had been made and I spoke to Ms Neville as soon as the decision had been made and before we had made public announcements about it.

Mrs Redmond: As soon as the decision had been made?

The Hon. J.W. WEATHERILL: In cabinet—I spoke to them as soon as we had deliberated in cabinet—

Members interjecting:

The SPEAKER: Order!

The Hon. J.W. WEATHERILL: —and before we spoke to the broader community.

Members interjecting:

The SPEAKER: Order!

The Hon. J.W. WEATHERILL: I gave a commitment to both of them that there will be draft legislation that will be produced, that will be consulted upon. I don't know whether those opposite support this or not. We heard the member for Adelaide suggest that she supported it. It would be good to know whether the rest of those opposite—

Members interjecting:

The SPEAKER: Order!

The Hon. J.W. WEATHERILL: —support it—

Members interjecting:

The SPEAKER: Order!

The Hon. J.W. WEATHERILL: —whether they have—

The Hon. I.F. Evans interjecting:

The SPEAKER: Order!

The Hon. J.W. WEATHERILL: Did the member for Adelaide consult?

Members interjecting:

The SPEAKER: Order! The Premier will sit down until we have some quiet.

An honourable member interjecting:

The SPEAKER: Order! The Premier.

The Hon. J.W. WEATHERILL: I would be interested to know what the attitude of those opposite is. They, of course, have had up until this point a deregulatory stance on all shop trading hours. We think this is a sensible balance between the interests of workers and the interests of enterprises, and what it does reflect is our vision for a city and the broader Adelaide area. We want a vibrant city, we want suburbs that respect family life. We think this gets the balance right—

The Hon. I.F. Evans interjecting:

The SPEAKER: Order!

The Hon. J.W. WEATHERILL: Which part of it are you unhappy with? The fact that we have reached agreement now and we have resolved this issue and it is no longer an issue for you? I think this has been a very substantial achievement.

KANGAROO ISLAND FUTURE AUTHORITY

Mrs GERAGHTY (Torrens) (15:29): My question is to the Deputy Premier. Will the Deputy Premier inform the house about the first meeting of the Kangaroo Island Future Authority Advisory Board and its priorities for building the Island's economy?

The Hon. J.R. RAU (Enfield—Deputy Premier, Attorney-General, Minister for Planning, Minister for Business Services and Consumers) (15:29): I thank the honourable member for her question. Yes, I am delighted to inform the house today that the advisory board for the Kangaroo Island Future Authority met for the first time on Thursday 3 November. The board is led by Mr Raymond Spencer, who is the Chair of the Economic Development Board, and it reports to me as Deputy Premier. Its members also include Jayne Bates, who is the Mayor of Kangaroo Island; Craig Wickham, who is the co-owner of a tour company, Exceptional Kangaroo Island; Justin Harman, who is a Food Industry Development Officer for Good Food Kangaroo Island; and Jane Jeffries, who is the Chair of both the SA Tourism Commission and the Adelaide Convention Centre Corporation Board.

Importantly, the board will be advised by the heads of four government departments covering all the areas of crucial importance to the island's future. Three of these departments are newly formed and represent a logical bringing together of agencies to help improve coordination of government service provision to the island. The board is advised by the chief executive of the Department of Planning, Transport and Infrastructure and the chief executive of the Department of the Premier and Cabinet, the board also deciding to bring in, as advisers, representatives of the departments of manufacturing, innovation, trade, resources and energy and primary industries and regions, which of course now includes tourism.

Members interjecting:

The SPEAKER: Order!

The Hon. J.R. RAU: The authority was announced at the government's community cabinet meeting in July. The authority will build on the work of the Economic Development Board and its report, handed down in June this year, on future strategies and directions for the social and economic development of the island. The authority's key aims are to drive infrastructure development on the island, build the island's economy, and better coordinate state government

service delivery. I am happy to report that last week's inaugural meeting represented a very successful and enthusiastic beginning.

Members interjecting:

The SPEAKER: Order! Members on my left, if you want to discuss things can you go outside.

Members interjecting:

The Hon. J.R. RAU: Dear me.

Members interjecting:

The SPEAKER: Order! If members wish to discuss things, would they please go outside the chamber. We are trying to hear the Deputy Premier's answer.

The Hon. J.R. RAU: The board decided that the authority's initial priorities would be: firstly, enhancing the Kangaroo Island food brand; secondly, developing experience-based tourism opportunities; thirdly, a renewed approach to ensuring the island's power supply—and I hope the member for Finniss is happy about that—and fourthly, a review—

Mr Pengilly: What about doing something about the cost of getting back and forward across the water, John?

The SPEAKER: Order!

The Hon. J.R. RAU: —of the island's planning policies. This is not an exhaustive list but represents the first of many steps to be taken by the authority to develop the island, including finding solutions to long-term issues.

Members interjecting:

The SPEAKER: Order!

The Hon. J.R. RAU: I am very pleased with the unprecedented multi-agency support for this initiative and the skills brought to the task by the new board and its members. Kangaroo Island has always been one of South Australia's gems, and the work of the authority will help the island to reach its enormous potential.

SPEED LIMITS

The Hon. J.M. RANKINE (Wright—Minister for Police, Minister for Correctional Services, Minister for Emergency Services, Minister for Road Safety, Minister for Multicultural Affairs) (15:32): I seek leave to make a ministerial statement.

Leave granted.

The Hon. J.M. RANKINE: Today I advise that the Commissioner of Highways has approved the reduction of speed limits on 45 sections of road within approximately 100 kilometres of Adelaide and Yorke Peninsula from 110 km/h—

Members interjecting:

The SPEAKER: Order!

The Hon. J.M. RANKINE: —to the default rural road speed limit of 100 km/h. By reducing the speed limit—

Mr Venning interjecting:

The SPEAKER: Order! Member for Schubert, behave—yes, you.

The Hon. J.M. RANKINE: By reducing the speed limit on these roads, I am told we can save 12 casualty crashes per year. Importantly, these changes will be in place before the busy Christmas holiday period. The Weatherill government is taking immediate action to achieve the community's target to reduce the road toll by at least 30 per cent by the end of the decade. This is outlined in the new road safety strategy, Towards Zero Together, and features prominently as part of the State Strategic Plan.

Over the past five years, around \$371 million has been spent on road maintenance in rural South Australia, using a combination of state and federal funding. In the same period, more than \$110 million has been invested in arterial roads through the Rural Road Safety Program, the

shoulder sealing program, the Responsive Road Safety Program and the state Black Spot Program.

Road safety infrastructure improvements are an integral part of our road safety strategy but must be complemented with other measures. Reducing average travel speed is the most effective way to reduce trauma and produce significant and immediate road safety benefits.

Members interjecting:

The Hon. J.M. RANKINE: There's no-one better in this chamber than you at flapping their gums.

Members interjecting:

The Hon. J.M. RANKINE: In 2003, the speed limit on around 1,100—

Members interjecting:

Ms CHAPMAN: Point of order: that was a most wicked, vicious statement against you—

Members interjecting:

The SPEAKER: Order! Point of order. Pardon, I can't hear you. Can you start again?

Ms CHAPMAN: That was a most wicked statement made by the minister against, and reflecting on you, Madam Chair, and I think she should withdraw it.

The SPEAKER: I'm sorry, I didn't hear the statement made. I will read the *Hansard* later. If there is an issue, I will ask the minister to withdraw it.

The Hon. J.M. RANKINE: I can assure you, Madam Speaker, no comments were made in relation to you whatsoever. In 2003, the speed limit on around 1,100 kilometres of rural arterial roads was reduced to 100km/h. Research by the Centre for Automotive Safety Research shows this reduced casualty crashes on those roads by 20 per cent. The roads included in this announcement are undivided rural roads. The Northern Expressway, Port Wakefield Road, South Eastern Freeway and Sturt Highway are divided roads with controlled access and will retain their higher speed limits.

In the past five years, almost one fifth of all fatal and serious injury crashes in South Australia happened in the inner rural area within 100 kilometres of Adelaide. There are 45 sections of road within this 100 kilometres of Adelaide, and on the Yorke Peninsula, with a speed limit of 110 km/h, that have been approved for the change. The Yorke Peninsula was included in this measure as many of its busier roads are already 100 km/h.

To provide consistency across the peninsula, the remaining 110 km/h roads on the Yorke Peninsula will also be changed to 100 km/h. These road sections range from 1.2 kilometres in length to 58.2 kilometres, with an average length of 17 kilometres. I am told the longest time added to a journey on one of these stretches of road is three minutes and 10 seconds for 58.2 kilometres of travel. There were 290 casualty crashes on these roads from 2006 to 2010, resulting in 22 fatalities and 121 serious injuries. Six of these fatalities were on the Yorke Peninsula.

Seven other sections of road within the nominated areas come under the care and control of local government. The respective local mayors have been informed of our intentions and I urge them to support us to reduce the pain and suffering brought on by the road toll, and to get this done before the Christmas holidays.

I have heard criticism that this change is not necessary and casualties can be avoided through greater investment in road infrastructure. Over the past five years, \$17 million has been invested into the 45 roads through road safety improvements such as the installation of safety barriers and shoulder sealing. In addition to the lower speed limit, we will continue to invest in these roads through the Rural Road Safety Program, the Shoulder Sealing Program, the Responsive Road Safety Program and the State Black Spot Program.

The Department of Planning, Transport and Infrastructure will be moving swiftly to change signs on the roads under their care and control by Christmas.

Mr Pederick: Are they going to book people before that?

The Hon. J.M. RANKINE: It only changes when the sign goes up.

Mr Pederick: Thank you; we got an answer.

The Hon. J.M. RANKINE: The speed change comes into place when the sign goes up. Brightly coloured 'Speed Limit Changed' signs will be used on these roads to alert drivers to the new speed limit and a public information campaign will follow. The Weatherill government does not believe that deaths or serious injuries on our roads are acceptable or inevitable. We will do everything we can to reduce casualties, and reducing the speed limit on rural roads is one way we can achieve this. We are confident this measure will help reduce the unacceptable burden that road trauma imposes on the South Australian community.

GRIEVANCE DEBATE

HEALTH SYSTEM

Dr McFETRIDGE (Morphett) (15:39): I am sorry that the new Premier has gone as I was going to congratulate him on being appointed to the job but also draw attention to his ministerial statement today where he states:

My challenge to all of us today is to do better.

He goes on to say:

...I'm not prepared to accept the current state of affairs.

Well, can I draw his attention to the state of the public health system in South Australia. If he is just relying on what his minister is telling him, he is being very badly advised. Can I just suggest that the Premier go to my website and download the instruction booklets on the hospital dashboards and learn to read the hospital dashboards, because the government's own website is damning of the public health system in South Australia.

He should also ask the minister about the internal key performance index dashboards, which show the absolutely abysmal state of our health in South Australia. No wonder the nurses are threatening legal action again, and no wonder the doctors are complaining all the time, because the state of the South Australian health system is absolutely atrocious.

Even down in the Premier's own electorate, The Queen Elizabeth Hospital is being downgraded and killed off by a death by a thousand cuts as we speak, with moves to take out the intensive care unit, remove the vascular surgery unit and move many of the services. We have already seen millions spent on removing the renal transplant unit down to the Royal Adelaide Hospital on Frome Road, which they are going to bulldoze—millions and millions.

The Premier seems to be ignoring this altogether. He seems to be in denial, or just does not want to know. He cannot be Sergeant Schultz on this; he has to know, he has to listen, and he has to understand that it cannot be 'announce and defend'. It cannot be the denial that we have from the Minister for Health at the moment.

As at 2 o'clock yesterday afternoon at the Royal Adelaide Hospital, the emergency department dashboard showed there were 16 patients waiting for beds. Three of those had been waiting for nearly four hours, four had been waiting for nearly eight hours, one had been waiting for between 12 and 24 hours, and two patients had been waiting for more than 24 hours. We see on the emergency department dashboards regularly that the departments are full to bursting, and they are often in the white zone.

I remind members in this place that, if they cannot understand this, they should go to my website and download the instruction book. When the emergency departments are in the white zone, they are at 125 per cent capacity and over. Do not just believe what the dashboards say or what the shadow minister says; listen to what the doctors say.

At the general meeting of the Medical Staff Society, held at the Royal Adelaide Hospital in August, a doctor raised the issue of 'block beds', 'i.e. beds placed in a corridor for an extended period of time in Emergency waiting assessment'. The hospitals are full to bursting—absolutely full to bursting—yet this minister stated in the *Sunday Mail*, 'I do not accept the claim that there is an overcrowding problem in our public hospitals.'

I got an email this morning from a doctor at the Lyell McEwin hospital, which stated the Lyell McEwin hospital was 'so full last night hospital was on SAAS [South Australian Ambulance Service] diversion for a few hours with patients in corridors everywhere and nowhere to see newly arriving patients.' I understand this was the same on Sunday night at Lyell McEwin.

The most important thing that this Minister for Health can do is resign, because he is in complete denial. He told this chamber on 24 October 2007, 'The buck stops with me,' but he

refuses to accept the fact that the buck does stop with him. I would be interested to see where all the bucks are going, because we saw in the last Auditor-General's Report that there was an absence of the audit report on Health.

My understanding is that the Auditor still has not been able to complete that report because it is in such a mess—an absolute, abysmal mess. This minister is in denial; he is not on top of the subject, not on top of the detail and not on top of the concerns of South Australians. He is not listening to nurses and he is not listening to doctors; he is just continuing to listen to bureaucrats who are so out of touch.

To further compound that, when there is a complaint aired in the media, what does this minister do? He gets stuck into the individuals involved. We saw that just recently, where a doctor in Gawler was trying to place a patient in one of our hospitals. The Gawler *Bunyip* raised the issue, and the minister made a disgraceful statement in this house—at the insistence of our new Deputy Speaker—where the minister got stuck into the doctor.

The doctor (Dr Joe Tamer) stated in the Gawler *Bunyip* that he '...stands by the public statements he has made about hospital accessibility in *The Bunyip* on September 28'. Dr Tamer stated, 'These are the facts and the truths which everyone tries to ignore and attack myself as the doctor...' This minister is in denial. This Premier needs to listen and wake up.

MURIEL MATTERS

The Hon. S.W. KEY (Ashford) (15:44): I was honoured recently to be part of a function to commemorate our very own Muriel Matters, hosted by the Governor-General Her Excellency Quentin Bryce, and co-ordinated by the member for Florey. One of the participants at this function was former Labor federal minister and senator Susan Ryan. The Hon. Susan Ryan AO is now the Age Discrimination Commissioner of what was the human rights and equal opportunity commission which, as people would know, has been renamed the Australian Human Rights Commission.

In the discussions that we had, it was apparent that Susan Ryan certainly since she left parliament has been very involved in the superannuation industry and I would say is one of Australia's experts in the area. I was talking to her about what she could see in terms of changes with regard to the policy to change the retirement age in our community.

As members would know, the government is now saying that from 1 July 2017 the qualifying age for the age pension will increase from 65 to 65.5 years. The qualifying age for the age pension will rise by six months every two years, reaching 67 by 1 July 2023, and these changes will be introduced four years after women's qualifying age for the age pension has reached 65 under existing rules. It is very interesting when you actually look at the table. I was a bit concerned to see in my age bracket that the retirement age really does start to go up to 66 from 60, which is what it was for those women born before 1935.

As luck would have it, I am certainly in that category and for anybody who was born from 1947 to 1948, it is 64.5; from 1949 to 1952, it is 65; from 1952 to 1953, 65.5; and, as I said before, in my category of 1954 to 1955, it is 66. That is the way the cookie crumbles, I suppose. Having a background as a workers compensation advocate, I was also interested to know what changes may be afoot in regard to entitlements for workers who are injured on the job past the age of 65 in particular.

We are very well served. There is a quite excellent but huge tome, called *Comparison of Workers' Compensation Arrangements Australia and New Zealand* (and I was referring to the most recent publication which came out last year), which actually looks at the age limits across the states, as well as at the commonwealth level and in regard to the New Zealand provisions. Part of the discussion that I had with Susan Ryan was that in fact superannuation needed to be looked at, and I understand the federal government has taken up that issue, but also obviously, as the member for Bragg has already pointed out, workers compensation is going to be another area that we really do need to look at.

In South Australia, of course, the retirement provisions say that weekly compensation payments are not payable after a worker reaches retirement age unless the worker is within two years of retirement age or above retirement age, in which case weekly payments are payable for a period of incapacity falling within two years after the commencement of the incapacity. That is in sections 35(2) and (3).

As we know, there are more and more people in the workplace who are over 65, and it would seem to me that one of the things we do need to address is the issue not only of weekly

payments but also of people having their medical support paid for through the scheme. South Australia, of course, is no orphan. When you look at the provisions for Victoria, Queensland and other states, that provision is not there.

MINISTER FOR MULTICULTURAL AFFAIRS

Ms CHAPMAN (Bragg) (15:49): I rise today, in the spirit of the edict issued by the Premier, to congratulate the Minister for Multicultural Affairs on her appointment to her new portfolio. There are some other important portfolios which she has acquired, but this is one to which I draw attention today. This is particularly because on the last day of our parliament the minister addressed her attention, in a grievance, to what appears to be, in summary, a complaint about my attendance at Ecuador and to the Galapagos Islands as part of my travel allowance. I do bring this to the house's attention and to you, Madam Speaker, because I want to assist her in her duties.

It is important in being the Minister for Multicultural Affairs that she attends a number of functions and that she ensures, notwithstanding other allegations of other ministers in this area that they have not looked after a wide spectrum of people in different multicultural communities, that she does so. Of course, she is also ensured, by taking on this appointment from the Premier, to be able to provide a white car service to the member for Croydon. I am sure on many occasions that he will be attending. He, of course, has coveted a great pride, as he should, in attending a wide variety of multicultural events, and may that continue.

What I draw to your attention, though, is that I would not want the minister to be overly embarrassed or unfairly cornered in a circumstance should she come across South Australia's Honorary Consul for Ecuador, Ms Gladys Arboleda, who in South Australia represents the interests of Ecuador, including the Galapagos Islands, which is, of course, a province of Ecuador.

There are two matters which the minister brought to the attention of the house. One is her complaint that there seemed to be no justifiable reason for there being a delay in my reporting to the parliament. Can I bring her attention to two things: one is that in fact I gave a report within weeks of returning to the parliament on 28 September 2010. I urge her to have a look in the *Hansard* and to learn from it, in particular the importance of the UNESCO listing of world heritage for the Galapagos Islands. What is important is that she has a look at that, because that, of course, was presented to this parliament within weeks of return.

The other thing to ensure so that she avoids embarrassment at the next function that she comes across with the Honorary Consul is that she takes the time to read the covering letter with the ultimate final written report to the Speaker, which covers the presentation of the report. In that she will be able to identify the attempts to consult with the Honorary Consul and the circumstances surrounding an issue in relation to ill health. There are two things: one is the initial meetings to be cancelled and the attempts to make subsequent convenient times to her. This is to be in no way reflected on the Honorary Consul. I think she does a sterling job, and I think it would behove the new Minister for Multicultural Affairs to forward a letter of apology to the Honorary Consul when she has read that covering letter.

The other area of concern by the minister appeared to be that she found pest management a rather remarkable issue to investigate because she did not consider that to be relevant to my constituents or relevant to my portfolios. She made that very clear. I again urge the new minister to view a map of South Australia, and in particular a map of the electorate of Bragg. About two thirds of it is in the Adelaide Hills, a region of which takes up a number of areas of concern about pest management. One, of course, is bush fire management, and one is the invasion of species into our parks, and, very significantly, at many of our public meetings the invasive species and pests affecting adversely our horticulture industries in those areas and, of course, some marine environments.

All of these things are very important. She also mentioned during her contribution that I only need to look at some of this pest control by catching a ferry to Kangaroo Island. Let me say, it is the very projects, particularly of goat control on Kangaroo Island, of which I learnt from the Galapagos Islands that this government have failed to deliver properly. This is a very important issue to my electorate. Next time she wants to have a briefing with me, with the Minister for the Environment, on pest matters she's welcome to attend.

ST CLAIR LAND SWAP

The Hon. M.J. ATKINSON (Croydon) (15:54): On 3 December, on his last day in parliament and on the last sitting day of parliament before the March 2010 state election, David

Winderlich alleged that I was guilty of corruption and 'worse than corruption' in connection with the Charles Sturt council's St Clair land swap.

Under parliamentary privilege, Mr Winderlich, reading from an anonymous email, but sometimes making allegations on his own authority, read into the *Hansard* and, through it, into the mainstream media, allegations that I had corruptly offered money and benefits to councillors, bought votes on the St Clair land-swap motion, hacked the Save St Clair group's website, damaged personal property of a political opponent, spied on people, ran smear campaigns out of my electorate office and conducted myself in a way that made people fear for their personal safety.

These allegations were extensively reported in the Adelaide media. After making the allegations, David Winderlich walked to the Parliament House bar and announced, 'I've just tipped a bucket of shit on Atko!' On the same day Mr Winderlich made his allegations, the Legislative Council resolved on a party-line vote to refer my role in the St Clair land swap to the Ombudsman for a report. At the March 2010 state election, David Winderlich and Kirsten Alexander ran for the Legislative Council on a ticket entitled Independent Communities Against Corruption.

After an inquiry lasting almost two years, costing taxpayers and ratepayers more than \$500,000 and using all the coercive powers of a royal commission, not only is not one of these allegations sustained but not a jot or tittle of evidence was ever put to me to substantiate any of these allegations; nor has any other authority or inquiry or investigation approached me or put any substantiating evidence to me about any of these allegations, though they have been in the public arena for two years.

No evidence, as distinct from hearsay, was presented to the Ombudsman's inquiry that I had ever, in 21 years, asked any Charles Sturt councillor to do or refrain from doing anything, other than by routine constituent correspondence. The threshold St Clair land-swap vote on 9 November 2009 was taken without any influence from me, let alone improper or undue influence. It is now clear from the report that each and every one of these allegations is false, and I can now say definitively that there is no evidence for any of them.

After the Charles Sturt council voted for the St Clair land swap, I studied the proposal and thought it was, on balance, a good idea. The topic was discussed in cabinet with a variety of points of view canvassed about how to deal with the Charles Sturt council's decision and the determination of the protesters to blame the state government and make the controversy part of the election campaign until March 2010.

On cabinet's instruction, from 11 November, in the media, I put the land-swap decision in the context of transit-oriented developments and the Labor government's plan to electrify the Outer Harbor and Grange railway lines and run light-rail vehicles to Semaphore Beach and West Lakes. I participated in radio debates and blog sites and I wrote the first draft of letters supporting the land swap to constituents.

The fallacy applied by David Winderlich and Kirsten Alexander to my role in the St Clair land swap was known to the Romans as post hoc, ergo propter hoc: after this, therefore because of this. For daring to disagree with the Save St Clair group, David Winderlich and Kirsten Alexander, I have been subjected to the smear campaign outlined above. I have no recourse, other than for journalists and presenters who ran the original defamations under parliamentary privilege to run the outcome of the investigation into these allegations.

WOOLWORTHS, MURRAY BRIDGE

Mr PEDERICK (Hammond) (15:59): I rise today to talk about the contribution that Woolworths has made to Murray Bridge over many years, since 1957. They came to Murray Bridge in 1957 with their first store, which was built on Bridge Street near the current Workskill site. The next store was opened on the corner of Bridge and Sixth streets, where I shopped with my family many years ago as a child. Back in those days, you found some boxes to put your groceries in, and I think that is a practice that should be reintroduced to supermarkets for recycling purposes.

Mr Piccolo interjecting:

Mr PEDERICK: They did. What I want to speak about today is the opening of the Murray Bridge Marketplace Shopping Centre precinct, which mayor Allan Arbon and I were part of. There has been a vision to get some retail development of the Rural City of Murray Bridge, and this has been achieved.

In the year 2000, negotiations commenced with the state government for the responsibility of transfer of crown land to the council. Over time, negotiations went on with the various people involved with this land, including the RSL whose clubrooms and bowling greens were on the land. In 2006, mayor Allan Arbon, the chief executive officer at the time (David Altmann) and council members revitalised the vision for a shopping centre development, which would incorporate a new library which would overlook the River Murray, through a preliminary expression of interest to develop the land.

In 2007, there were negotiations with landowners to gain an agreement to sell the land, including obtaining crown land approval. The Murray Bridge council also appointed an agent to advertise and seek expressions of interest to develop the site. In 2008, the expressions of interest were received and council approved Fabcot's (Woolworths Pty Ltd) submission proposal. Negotiations commenced in 2008 between Fabcot and council in relation to the development of the site and the provision of a regional community library. Also in 2008, concept plans were received from Woolworths for the proposed shopping centre and library.

As I indicated earlier in this contribution, last Thursday, along with mayor Allan Arbon, I was very privileged to assist in opening the new shopping precinct. There has been a \$90 million investment. It is the biggest Woolworths development in South Australia, catering for the Murraylands and beyond to neighbouring towns and communities. When I say 'neighbouring towns and communities', this will involve communities as far out as Pinnaroo, Karoonda, the Riverland and Callington. All places around will come to the hub of Murray Bridge. It is the only Big W east of Adelaide, and it will also draw people from towards Bordertown and across the border.

There are 51 specialty shops involved, with 92 per cent occupancy at the opening on Thursday 3 November. There are also water tanks in place to hold one megalitre on site, with the opportunity to harvest a further five megalitres. I wish to note that the Woolworths site is the site of the former RSL clubrooms and bowling greens and the cooperation of the RSL members of Murray Bridge, and Ray Duthie their president, in selling their site to the Woolworths corporation and getting their new fantastic facilities across the original bridge at Murray Bridge.

Badge Constructions have done a great job, and it is a fantastic facility. I came up the travelator not knowing what to expect, and I could have been forgiven for thinking I was in the member for Bragg's electorate and in Burnside Village. It is flash. It is very nice. It is—

Mrs Redmond: Has it got a great big tree?

Mr PEDERICK: No, there are no trees inside. This building was completed on time and close to budget. It will open up development opportunities in the future at the former Woolworths site on the corner of Bridge and Swanport roads. That will stay open for a while, but there are certainly opportunities for other operators, such as Foodland, to come into that precinct. I congratulate everyone involved in this project over the years: the council and all its members, Woolworths and Badge Constructions.

VOLUNTEERS

Mr PICCOLO (Light) (16:04): Today I would just like to talk about a couple of community events I attended recently regarding volunteering. On 26 October I had the pleasure of attending the Annual General Meeting of Volunteering SA & NT, along with the new minister, minister Hunter, from the other place.

I was given the honour to MC the AGM. Volunteering SA has a history which goes back to 1982. In fact, on 23 August 1982 the South Australian Volunteers Centre (the pioneer organisation of Volunteering SA) opened its front doors for the first time. Located in the City of Adelaide, the centre was the brainchild of two dynamic women: Mavis Reynolds and Joy Noble. At first the centre was fully staffed by volunteers, however, with the support of the South Australian Council for Social Services, funds were made available from the then department of community welfare and the Co-op Building Society and a part-time coordinator was put in place.

In 1994 the South Australian Volunteers Centre was incorporated as Volunteering SA Incorporated, and in 2007 it changed its name to Volunteering SA & NT, which obviously took in the Northern Territory. As the peak body representing the interests of volunteers and the volunteering sector in South Australia and the Northern Territory, Volunteering SA & NT's mission is to promote volunteering and to play a key leadership role in advancing volunteering by providing an extensive range of services, support and resources for some 600,000 volunteers and over 1,400 volunteer organisations.

The other event I attended was on 4 November last week. I attended the Northern Volunteering SA 2011 graduation ceremony for those people who graduated from the Advanced Diploma in Community Sector Management—Volunteer Management diploma course. Also present at the graduation ceremony was the member for Florey, Frances Bedford, the member for Taylor, Leesa Vlahos and the member for Little Para, Lee Odenwalder.

I was also privileged to be a guest speaker at the actual ceremony itself. Northern Volunteering SA has a history which goes back to 1984. The new service was introduced into the northern region (then called the Para Districts Volunteer Referral Service). It was originally established for the purpose of matching volunteers with voluntary jobs. Initially, the service operated just one day a week from the office of the Para Districts Counselling Service in Sidney Chambers in the Elizabeth Town Centre.

By May 1985 the number of registered organisations was 10 and registered volunteers numbered over 70. In 1997 the name of the service was changed to Northern Volunteering SA Incorporated, and in October 1999 Northern Volunteering moved to its current address at 39 Johns Street, Salisbury. Today, Northern Volunteering continues to support the northern community through volunteer referrals, management support and, most importantly, training programs.

I mentioned that I was there to see the graduates of that advanced diploma program, and I would like to congratulate all the graduates who spoke on the day—a couple spoke very well and spoke very highly of the program. South Australia is the only state in Australia to offer volunteer management programs to the advanced diploma level. The initial diploma course was initiated by Volunteering SA and TAFE SA to meet the growing demand for people with skills in managing volunteers in various situations.

The advanced diploma seeks to provide volunteer managers with the highest level of knowledge and skills to enable them to get the best from their volunteers and to create an environment which will encourage volunteering. At the graduation ceremony I spoke briefly about the challenges facing volunteer groups, and particularly those people who are actually involved in managing volunteers.

It is interesting that, in recent weeks, the local media have reported and highlighted the steady decline (and, unfortunately, ageing) in membership of many of the traditional volunteer organisations like service clubs. Interestingly, though, while membership of formal organisations (like service clubs) was declining, the volunteering activities were not. So, one of the messages from that is that, obviously, a lot more people are now volunteering in an informal way. The challenge for volunteer managers then is to better understand the motivations and challenges which each volunteer faces. By understanding their volunteers and the diversity of volunteers, they will be able to better match up the volunteer effort with the volunteer jobs around. Quite clearly, one model does not fit all the needs of each volunteer.

Time expired.

AUDITOR-GENERAL'S REPORT

The Hon. J.W. WEATHERILL (Cheltenham—Premier, Minister for State Development)

(16:10): I move:

That standing orders be and remain so far suspended as to enable the report of the Auditor-General for the year ended 30 June 2011 to be referred to a committee of the whole house and for ministers to be examined on matters contained in the report in accordance with the timetable as distributed.

The SPEAKER: An absolute majority not being present, ring the bells.

An absolute majority of the whole number of members being present:

Motion carried.

In committee.

The CHAIR: The first minister under examination is the Premier and Minister for State Development for 30 minutes. I remind members that the committee is in its normal session, so any questions have to be asked by members on their feet, and all questions must be directly referenced to the Auditor-General's Report.

Mrs REDMOND: Thank you, Mr Chairman, and may I congratulate you on your successful conquest of the member for Croydon in obtaining appointment as the Chairman of Committees.

The CHAIR: I can assure you it was a very friendly affair.

Mrs REDMOND: I am sure. Just like the replacement of the Premier.

The CHAIR: That's right. You are quite right. I agree.

Mrs REDMOND: The note of sarcasm in the Chair's voice is remarkable.

The CHAIR: There was no sarcasm there. That is something you are just attributing to me. Leader of the Opposition, do you have a question you wish to ask?

Mrs REDMOND: Yes, I do. I do have a question.

The CHAIR: You are using your time up. There are 28 minutes left now.

Mrs REDMOND: I refer to the Auditor-General's Report, Volume 3, page 893, under the Statement of Financial Position and Adelaide Studios but probably more easily to page 911 and the grants to the Film Corporation. Premier and Cabinet makes grants to the Film Corporation, hence they appear with the heading of Premier and Cabinet in the top corner of that page. Could the Premier please advise how much is budgeted for future years, and what was the total amount spent by the government on the Adelaide Studios at Glenside?

The Hon. J.W. WEATHERILL: I am advised that the completed project cost for the Glenside arts precinct is \$40.2 million.

Mrs REDMOND: Are all works now completed and all costs finalised, or is there budgeting for future years at that site?

The Hon. J.W. WEATHERILL: That figure represents the total of completed works for the project, and all works will be completed this financial year (they are largely complete now). It is assumed that there is ongoing Arts SA recurrent funding, but my answer is confined to the capital works project.

Mrs REDMOND: Is the Premier able to advise the anticipated income stream from the film corporation, once all the office space is let?

The Hon. J.W. WEATHERILL: I will take that question on notice. It is not strictly related to this examination, but I am happy to take it on notice and bring back an answer.

Mrs REDMOND: Is the government charging for car parking at this area, given that it is adjacent to the new Glenside Hospital mental health facility?

The Hon. J.W. WEATHERILL: There is no present car parking regime in relation to the car parking facility.

Mrs REDMOND: On page 911 of Volume 3, the South Australian Film Corporation operating grant at the top of the page is an amount of almost \$6 million. Is that budgeted for each year of the forward estimates? Can the Premier advise whether the film corporation will ever be viable without government support?

The Hon. J.W. WEATHERILL: Without knowing precisely what the sums are going across the forward estimates, it is intended that a similar level of funding would be maintained. I think it would also be fair to say that film corporations of this sort, by their nature, involve public subsidy; it is in the nature of industry development.

Mrs REDMOND: That's why commercial ones are not interested.

The CHAIR: Was that another question or a comment?

Mrs REDMOND: Another question thank you, Mr Chairman. Further down that page, with the list of grants and subsidies, is the international university precinct project, about halfway down the page. I note that no grant was paid in 2010-11. Does that mean that Carnegie Mellon—I mean, Mellon—received no government money in 2010-11, and is any money budgeted over the forward estimates for Carnegie Mellon—Mellon?

The Hon. J.W. WEATHERILL: The particular line item that the member is asking about concerns RiAus for a project that was completed in 2010, and so there is no 2011 funding amount. In relation to Carnegie Mellon, we will take that question on notice and bring back an answer.

Mrs REDMOND: Premier, while you are taking that on notice, can I ask some other questions that are relevant to that. In particular, what are the Carnegie Mellon enrolments for 2012,

and how do they compare? How many students graduated or will graduate this year? Will you continue to fund it after the current contracts expire? Will you be approaching Carnegie 'Lemon' University to ensure that it reaches its student number targets? One of the main questions that I want to ask you is: why should the taxpayers of South Australia continue to subsidise Carnegie Mellon when it has not reached its promised enrolments and in September 2011 the university in Pittsburgh was the beneficiary of a single bequest of \$265 million, as reported in the *Pittsburgh Tribune*?

The Hon. J.W. WEATHERILL: I will take all those questions on notice. They are not strictly Auditor-General questions concerning this report, but I am more than happy to bring back an answer.

Mrs REDMOND: On page 909 of the same volume, near the top of the page, under 'Employee benefits', is long service leave. Premier, I understand that you took to cabinet a submission to allow public servants to cash out their long service leave, but the Under Treasurer instructed departmental CEOs to discourage public servants from cashing out their long service leave. Will you be reversing the government's decision to discourage public servants from cashing out their long service leave and now freely allow them to do so; if so, what will be the annual impact on the state budget?

The Hon. J.W. WEATHERILL: In relation to long service leave, there is provision for cashing out long service leave, and there are criteria which have been promulgated, and those employees are able to make application consistent with those criteria, and grants of long service leave cash payments have been made in those circumstances.

Mrs REDMOND: Premier, are you saying that the Under Treasurer did not instruct departmental CEOs to discourage public servants from cashing out their long service leave? My understanding is that that was widely reported and never denied.

The Hon. J.W. WEATHERILL: I will need to check on that. I can remember there being some discussion about this some time ago, but I am advised that there was not an instruction that chief executives should deny people access to this benefit. If I recall the conversation, it was a concern that if all the long service leave was cashed out at one point it would make a fairly substantial change to our budgetary position, but I do not think that there has ever been any suggestion that that would be sought or that it would be granted.

I think that there was some concern expressed by the Under Treasurer at some point, but I do not think that was ever likely to be an issue, and certainly the criteria would mean that it is unlikely ever to be pursued in that way. In fact, I do not think it was in the interest of employees to cash out their long service leave benefits in that fashion, and so it is not regularly accessed, and the criteria, of course, confine its operation.

Mrs REDMOND: I am just a little puzzled as to why, then, you took a submission to cabinet to encourage them and allow them to cash out their long service leave—but never mind, we will move on.

The Hon. J.W. WEATHERILL: I have already answered that, as you posed the question. This was part of the Public Sector Act; it was part of the bill that was passed by this parliament, so the question could equally be directed at you: why did you support the legislation? It certainly provided for it. The Under Treasurer expressed some concern about its application, but I think those concerns were not in the nature of a direction to chief executives, preventing people from actually accessing them. There were certain criteria which permitted them to access that entitlement. Some have taken advantage of it, and many have not.

Mrs REDMOND: Just two lines further down is Employment on-costs—superannuation. Former premier Mike Rann had a policy of paying some members of his staff more than 9 per cent superannuation. My question, Premier, is: are any of your staff being paid more than 9 per cent superannuation? If so, how many, and at what rate? And, are any ministers paying their staff above 9 per cent?

The Hon. J.W. WEATHERILL: I don't know the answer to that question; I will certainly take it on notice and bring back an answer.

Mrs REDMOND: What was the value of the total of the redundancy packages taken by the premier and the other ministers, with the departure of the former premier?

The CHAIR: I will just remind members that this is an examination of the Auditor-General's Report ending 2011. My understanding is that those people actually left employment in the 2011-12 financial year.

Ms Chapman: How do you know?

The CHAIR: That they did not leave before?

Ms Chapman: How do you know?

The CHAIR: Because the Premier was still here.

Members interjecting:

The CHAIR: If the Premier thinks my interpretation is wrong, I am happy for him to correct me, but I would remind members that the questions have to relate to the report.

Members interjecting:

The CHAIR: My ruling is that the question needs to relate to the report and the period of the report.

Mrs REDMOND: Can I perhaps ask a question about the figures at the bottom of the page which refer to the number of employees who received remuneration in excess of \$130,700 during the year. Whilst the total from 2010 has gone down by four in 2011, if you look at the very bottom bands, last year, in the band of public servants who were paid in excess of \$300,699, there was one in the band of \$310,000 to \$320,000, two in the band of \$360,000 to \$370,000, and one in the band \$400,000 to \$410,000, whereas this year, we find there is one in the band of \$300,000 to \$310,000, two at \$310,000 to \$320,000, two at \$340,000 to \$350,000, one at \$390,000 to \$400,000, and one at \$420,000 to \$430,000. Can the Premier please explain what change of duties has occurred that, instead of four people earning in excess of \$300,000-odd, we now have seven people, including people way up over \$400,000?

The CHAIR: Can I just ask what page you—

Mrs REDMOND: That is the same page—909, volume 3.

The Hon. J.W. WEATHERILL: It might assist the member to know that this sum of money is total remuneration, so it includes not only salary but also, if they are to leave through the payment of the TVSP, the TVSP plus their salary. So, a relatively modestly-paid employee in terms of salary, plus their TVSP, can take them up into some of these higher bands—plus annual leave and long-service leave. So, all their accrued entitlements, together with their TVSP, can take them into that band, and that is certainly the case for a number of those employees.

Mrs REDMOND: Can the Premier then provide a breakdown—and I know he might have to take it on notice—as to what of these people are in that category (people whose other departure entitlements have totalled that amount) and what are the people who are actually earning incomes at that level in the Public Service?

The Hon. J.W. WEATHERILL: I am certainly happy to do that. For instance, the person who was in one of the top bands was in fact a non-executive employee, but all the other entitlements on termination took him into that category. I will certainly bring back that breakdown for her.

Mrs REDMOND: Going to page 910—the previous page—there is a whole series of activities of the department listed on that page. The first question I have is: which of those activities does the Thinkers in Residence fall under, and will you be abolishing the Thinkers in Residence?

The CHAIR: Is it page 908?

Mrs REDMOND: Yes, sorry.

The CHAIR: That's okay. I am just making sure we are on the same page.

The Hon. J.W. WEATHERILL: It fits within Activity 3 which is found on page 898, and there is no present intention to abolish the Thinkers in Residence program.

Mrs REDMOND: If I can go back to page 911 and the list of grants and subsidies, I note that grants to Aboriginal groups including the Aboriginal Community assistance, Anangu Pitjantjatjara operating grant, Wiltanendi Project, funding for the Aboriginal Sports Training

Academy and the Aboriginal Community Essential Services assistance have all dropped or went to zero in 2010-11. Why have the grants to these groups been reduced?

The Hon. J.W. WEATHERILL: In the main, they are one-off grants or completed programs.

Mrs REDMOND: Can the Premier give any more definitive response, particularly in relation to the operating grant applicable to the Anangu Pitjantjatjara which went from \$1.326 million to \$465,000, a reduction by about two-thirds?

The Hon. J.W. WEATHERILL: There is a classification error here and the AP operating grant is very similar in each year. There is a longer answer, but it is essentially about how payments to health and the AP operating grant have been classified. I am happy to provide the longer answer to you but, essentially, it does not reflect a reduction in the amount that is paid to Anangu Pitjantjatjara.

Mrs REDMOND: I would appreciate it if we could get more detail on that at some point.

The Hon. J.W. WEATHERILL: I undertake to give you the long answer to that. Just while I am on my feet, I clarify that the person in the top category of remuneration was in fact a director but not a highly paid director. The termination payments, together with the other leave payments, the accrued entitlements, took him into the highest category of remuneration.

Mrs REDMOND: Perhaps, Premier, you can give me an explanation as to why two things particularly dear to my heart have had their funding decreased in the current year; that is, the Adelaide Symphony Orchestra operating grant has gone down from \$1.867 million to \$1.839 million, and the South Australian Opera from \$1.536 million to \$1.477 million. What is the explanation for decreasing the funding to those when, clearly, the people involved have had increases because of the expenses of living in this state, thanks to this government?

The Hon. J.W. WEATHERILL: As part of the general savings strategy, we have applied savings; we have apportioned them across a range of grants. There was substantial advance notice to both of these organisations of that relatively modest reduction in their grants.

Mrs REDMOND: Can the Premier please explain the basis upon which those who are to get an increase are chosen and the basis upon which those who are to get a decrease are chosen?

The Hon. J.W. WEATHERILL: It needs to be borne in mind that there is a savings task, but that does not mean that there are not new initiatives or programs that might require additional funding. There is an overall savings task that has been apportioned across agencies. The DPC is of course, not immune from that effort, and it seeks to apply its savings burden as equitably as it can, but it does not prevent there being new programs or specific decisions taken to increase funding for other programs.

Mrs REDMOND: What I am curious about, Premier, is: who makes the decision that, for instance, the State Theatre Company of South Australia operating grant should go up but that that of the orchestra and the State Opera should go down?

The Hon. J.W. WEATHERILL: The decision would be taken by the Premier on advice from the chief executive of the agency, who would also be given recommendations from Arts SA.

Mrs REDMOND: I refer to the previous page, that is, page 910. Under 'Supplies and services' there is an amount for contractors and consultants. The DPC 2010-11 annual report itemises these consultancies. Can the Premier expand on each of the following and explain what the consultancy was for? Was the 8,250 paid to Ferrier Hodgson for forensic computer investigation in relation to the Sustainable Budget Commission's leaked report or related to the unnamed Labor MP charged with child pornography offences?

The Hon. J.W. WEATHERILL: I would have to take that on notice, what the subject of that investigation was.

Mrs REDMOND: I have another question on the same consultancies and that is: could the Premier explain what was meant by the \$15,281 paid to consultant Martin Seligman for Positive Psychology?

The Hon. J.W. WEATHERILL: I will also have to take that on notice.

Mrs REDMOND: Premier, could I ask you to also take these on notice: firstly, \$34,205 paid to Price Waterhouse Coopers for a governance health check; then, \$39,900 paid to Laura Lee for Sustainable Futures and Integrated Design Strategy for South Australia. In particular, can I ask the Premier: in relation to that last one, Laura Lee was clearly a Thinker in Residence and was then going to be appointed as the Integrated Design Commissioner. Having recommended the design commission and there having been no advertising of the job, she was going to be the appointed person.

Mr Marshall interjecting:

Mrs REDMOND: Indeed, as the member for Norwood points out, she was appointed, then she suddenly for some unexplained reason didn't take the job.

Ms Chapman: 'Picture an airport'.

Mrs REDMOND: 'Picture an airport'. Picture Hyde Park in London, if you will. So, \$39,900 was paid to Laura Lee for something called Sustainable Futures and Integrated Design Strategy for South Australia. Given that it falls under Consultancies and Contractors, is that in addition to money paid to her to come here as our Thinker in Residence?

Similarly, an even larger amount of \$62,747 was paid to John McTernan for 'Are you being serviced?' There's an appropriate title for a report for this government—'Are you being serviced: a new partnership between citizens and government'. It takes it to a whole new level, really. The same question applies: is this a payment that was in addition to anything paid to Mr McTernan as a Thinker in Residence?

The Hon. J.W. WEATHERILL: I will get an answer but it seems that a number of these above, just looking through the list, relate to Thinkers in Residence. I think they are the payments that are made to our Thinkers in Residence but I will bring back an answer.

Mrs REDMOND: Thank you. On the same page, at the very top of the Supplies and Services, is Accommodation. It is noted that accommodation for this year has gone up slightly from last year at \$11,295,000 in the Department of the Premier and Cabinet. Can the Premier please explain what accommodation it is that costs this state \$11,295,000 a year?

Members interjecting:

The Hon. J.W. WEATHERILL: I think it is not generally appreciated when those opposite seek to make a bit of fun about the number of staff who work at the Premier's department that there is a whole range of institutions—State Records, Arts SA, SafeWork SA—that all come within the Department of the Premier and Cabinet. There are over 1,000 employees and a range of institutions that have accommodation space, so that represents the accommodation cost for those employees and the institutions.

The CHAIR: That being the time allocated for the examination of the Premier and Minister for State Development, we now proceed to the examination of the Auditor-General's Report in relation to the Deputy Premier, Attorney-General, Minister for Planning, Minister for Business Services and Consumers, for 30 minutes.

I remind members that the committee is in its normal session, so any questions have to be asked by members on their feet and that all questions must be directly referenced to the Auditor-General's Report. I also remind members that the questions have to relate to the Auditor-General's Report; it is not general question time and it is not estimates. I invite the member for Bragg.

Ms CHAPMAN: Thank you, Mr Chairman. Congratulations on your appointment.

The CHAIR: Thank you very much.

Ms CHAPMAN: I am referring today to Auditor-General's Report Volume 1, which is part B of the agency audit reports. In particular, I will be asking questions from page 102. Minister, the audit has noted here on the Attorney-General's Department that we do not have their report. They note that the financial report of the department had not met the expected standard and, in particular, met the expected quality standard. My question is what specific problems with its financial report has the Auditor-General raised with you or your department?

The Hon. J.R. RAU: Mr Deputy Speaker, can I join in this first opportunity I have to congratulate you on your appointment.

The CHAIR: Thank you very much.

The Hon. J.R. RAU: As to the question the honourable member asked, I am advised as follows: the Auditor-General has advised that, based on the quality of the financial reports submitted as at 11 August 2011, the report will now be included in the Auditor-General's supplementary report to parliament rather than in the main report. It should be noted that the non-inclusion of the department's financial report in the Auditor-General's Report to parliament does not, I am advised, reflect on the audit opinion likely to be issued, but it does reflect that the audit could not commence as originally scheduled.

Since 2009-10, Shared Services SA has had the primary responsibility for the preparation of the financial report. Any detail regarding why the financial report was not included in the Auditor-General's Report to parliament should be referred to Shared Services SA.

Ms CHAPMAN: Do I take it then that that is the explanation that was given to you, minister, from the Auditor-General as to why it used the words 'did not meet the expected quality standard'? The report does not say, 'Look, Shared Services just didn't get their act together and get it to me on time,' it actually says that there is a failure to meet the expected quality standard. So, what aspects are missing, or have you been told nothing? Has nothing been asked of your department by the Auditor-General's office?

The Hon. J.R. RAU: First of all, to the best of my recollection nothing has been said to me personally by the Auditor-General about any of these matters. Secondly, my understanding from the department, as I have indicated in the answer, is that the movement of these functions to Shared Services has meant that the primary responsibility for discharging the function remains with Shared Services. I am advised that, for reasons that are not entirely known to us, Shared Services was unable to meet the original date for the presentation of material.

Ms CHAPMAN: Is your understanding, minister, that all the information required by Shared Services to prepare the financial accounts to ultimately go on to be audited has been provided by your department. If so, when do you say that your department made provision of all that information, or even answered the last query that they might have had so that they may complete their report?

The Hon. J.R. RAU: Again, I am advised that the answer to this question is that the information that is required by Shared Services, my department believes, should already be substantially in their possession. I understand that there has been no recent call for further information—or certainly since August nothing of substance. We are really in the hands of Shared Services in relation to that matter. As I said, I believe that Shared Services is now the responsibility of the Minister for Finance, and it might be that some more information could be obtained there.

Ms CHAPMAN: Thank you for that recommendation, minister; I will certainly be following that up. Your department, having made the provision available to Shared Services (that being by August and we are now in November), we do not have a report from the Auditor-General. He or members of his department cannot undertake their duties without it. Presumably, it is one of the explanations as to why we do not have your annual report from your department; similarly, that information would need to be made available to complete that report. That being the case, have you made any inquiry of Shared Services about what is holding them up?

The Hon. J.R. RAU: I personally have made no inquiry of Shared Services in relation to these matters—at least, I cannot recall having made one. I understand that there have been discussions between my department and Shared Services, but can I say that (and I do not want to truncate this unnecessarily), to the extent that the honourable member would like me to explain the nuances of Shared Services, I am neither the minister nor equipped in any event to do that. What their priorities might be and the way in which they go about their businesses are really matters for Shared Services.

I can say that, for my part as minister, I have no wish to frustrate or interfere with or impede, or in any way cause any delay to the process, and any request for information will be dealt with as quickly as we are able to deal with it.

Ms CHAPMAN: Thank you, minister. I think we have got to that stage. I think I could fairly assume that, from what you have told us, your department has done everything that is reasonably expected of them and that they have undertaken that diligently and provided the information. You have not, but they have had some discussions with Shared Services. My question is: what explanation has been given to your department from Shared Services or anyone else as to why there is a delay in the finalisation of your department's accounts?

The Hon. J.R. RAU: Yes. Can I emphasise again I am not an expert on Shared Services and I am not able to speculate on what is or is not going on within Shared Services. The only thing I can offer by way of a response to the honourable member's question is that I am advised by my department that they believe—and we are already well and truly into hearsay here, aren't we, but let's keep going—that there has been some loss of corporate knowledge in relation to a full understanding of the Attorney-General's Department numbers and information.

Shared Services is working their way through that, and we expect them to be sooner or later in a position where we expect and anticipate that there will be a report which, as in past years, has been okay. We do not anticipate any problems, but the management of all of that and the particular issue as to how and why things are going on inside there is something that I am neither equipped nor able to answer.

Ms CHAPMAN: Minister, I am not asking you that. I have not asked you that for the last 12 minutes. I have asked you what information your department has been given by them. If I understand your response to the last question, your understanding is that the explanation given to your department is that Shared Services, which currently has the responsibility to prepare these accounts, does not have sufficient personnel with the capability to complete the accounts. It is something to do with not having the corporate knowledge, not having the information historically, for example, as to how they might present them or whatever. I am not asking the specifics of that.

It seems that they have come to your department and said, 'We haven't finished your accounts. We have a deficiency here but we are working on it.' That is something that is not causing you such alarm. You have obviously accepted that as the minister, but two months later frankly you are a member of the government who is having to come in here and not be available to answer questions because a report has not been prepared. That may not be your fault, and I am not blaming you for it, but it is reasonable that your department has inquired as to what has happened. If there is a deficiency in the capability of the people to prepare this report, what has your department done, if anything, to offer them some personnel to fix it up or to remedy it so that this report can be completed?

The CHAIR: I have allowed the member for Bragg quite a bit of latitude. The minister has indicated that he is not the minister for the Shared Services.

Ms Chapman interjecting:

The CHAIR: Let me finish. I did not interrupt you. The question: how you have rephrased it, I accept that, but it is still the same question. He is not the minister responsible for Shared Services. I am happy for you to put that question to the minister responsible for Shared Services. I suggest we move on to another question.

Ms CHAPMAN: Minister, having received an explanation—apparently you are not allowed to answer that question, so we will just move on—

The CHAIR: I think the minister took my direction; he did not require your direction, member for Bragg.

Ms CHAPMAN: Well, he doesn't need to, no, but he has heard yours and perhaps he was speaking at the time ready to give me an answer before you intervened. Nevertheless, minister, having received this explanation about the lack of capability of Shared Services to complete your accounts, have you or your department inquired of Shared Services as to when they will have this report ready for you?

The Hon. J.R. RAU: Again, I am advised by officers of my department that their expectation is that we are looking at a time frame of about a week or so.

Ms CHAPMAN: Assuming for the moment that it is forthcoming, and that the Auditor-General may need some time for his department to go over them, will you make yourself and your department advisers available when we do have the addendum report, so that we can ask questions when the report is ultimately provided on that area?

The Hon. J.R. RAU: My understanding is that within a week or so we will have not only Shared Services in a position where it has what it needs but, because of a collaboration between Shared Services and the Auditor, the expectation is that the audited report would be ready. Regarding the second part of your question, I am not familiar with the practice of the parliament in relation to these matters, but whatever it is I will observe it.

Ms CHAPMAN: I cannot remember, in the nine years I have been here—and you have been here the same time, Attorney—when we have had a situation where whole slabs of the Auditor-General's Report are missing as a result of departments not being able to present their financials, as you have indicated. Now it may all be Shared Services' fault, I do not know; but in this instance we have Health, part of your department, and Health alone is a third of the state budget. So I simply ask the question about you being available. I do not know whether there is any precedent for this, but I would like an indication from you as to whether, in the areas that your department has not been able to provide, we can have some time—not necessarily another half an hour, but some time—to cover this portfolio.

The CHAIR: Given that this will be a session I will chair, I would be happy to advise the member if there is any precedent, and what the protocol is.

Ms CHAPMAN: I am just pointing out that I am not aware of any because we haven't had this situation.

The CHAIR: Believe it or not, this parliament has actually been here longer than you have and there may be some precedent prior to your election.

The Hon. J.R. RAU: Can I just add to that? Without in any way wishing to be unhelpful to the honourable member—because I know that her question was not asked in an attempt to capture me in a flytrap in any way—I cannot answer unilaterally on that, particularly when there are other members of the government who may or may not be affected. I know nothing about what other ministers' arrangements are in relation to this because, quite frankly, I have not been focused on them. I have some understanding of what is going on in the areas that concern me.

I imagine that if it came to the point where there was a widespread series of late reports, which is really what the honourable member is envisaging, the way the executive would approach that would be a matter on which there would be some consultation amongst the affected people. I think that is as much as I can give by way of a commitment. I think the rest of that discussion is one, I guess, that I should appropriately have with my colleagues. I do not know how many of them are similarly affected and I do not know to what extent they are similarly affected.

Ms CHAPMAN: I thank the Attorney for that. I am sure he will be able to persuade his colleagues of the importance of being open and transparent. That is exactly why we have these question sessions; it is an opportunity for the parliament to identify concerns raised by the Auditor-General.

I come to the Auditor-General's correspondence with you. From time to time in the year we are talking about, the 2010-11 year, the Auditor-General may well have written to your department, and your department written back to him, about issues that have been raised during the course of the—

The CHAIR: We are referring to the Auditor-General's Report.

Ms CHAPMAN: I am talking about the 2010-11 year, that is entirely covered on page 102. Whilst we do not have the information, we have the Auditor-General's assessment of the 2010-11 year. My question is: will you make that correspondence available to the committee? I am happy for you to take that on notice—as the correspondence between your department and the Auditor-General and response.

The Hon. J.R. RAU: I think I will avail myself, Mr Chair, of the kind invitation to take it on notice.

The CHAIR: I think that would be wise. Member for Bragg, do you wish to ask another question?

Ms CHAPMAN: Of course, I can FOI it, Mr Chairman, so I did not appreciate that smart remark, thank you very much. I am asking the Attorney, in the spirit of cooperation here, that it be provided. I accept his indication that he will take that on notice and thank him for that.

The Hon. J.R. Rau: That was not a 'no'.

Ms CHAPMAN: I understand.

The CHAIR: Nor a yes.

Ms CHAPMAN: Absolutely, but it was a little more accommodating than the chairman's quip.

The CHAIR: I have been corrected already.

Ms CHAPMAN: I would like to go to the Court's Authority, of which there has been a portfolio of financial accounting available to consider. On page 191 of the same volume, under Fines, Levies and Fees, the total amount of un-locatable receivables has decreased by \$28 million in the two years from 2009-11. How much of this was written off?

The Hon. J.R. RAU: I think it would be unhelpful to the committee and to the member for Bragg for me to respond in a way that constituted something little better than an educated guess, and I think it is better for me to take that on notice.

The CHAIR: You do not know, in other words?

The Hon. J.R. RAU: I certainly do not know off the top of my head, and I can indicate my departmental officers are in a position to make what you might call a stab at it, but I would prefer not to do that, because that might mislead people or be unhelpful.

Ms CHAPMAN: I would be very happy for that to be taken on notice and, in doing so, minister, would you also identify what has been written off in the following classes of debt write-off: (a) people un-locatable; (b) court varied enforcement orders; (c) died; (d) gaoled interstate or (e) imprisoned in South Australia?

The Hon. J.R. RAU: Again, Mr Chairman, yes.

Ms CHAPMAN: Page 207, volume 1, consultancies: were any of the consultancies paid for during 2010-11 for projects to look at upgrading the courts, including making courtrooms disability friendly, and will you provide on notice the names of the consultants who were paid for reports?

The Hon. J.R. RAU: The answer to the question in detail I will take on notice, because, again, I think that will be more helpful. I can talk in general terms, however, and say that the vast majority of the funds expended were in relation to the consideration of deficiencies in the Supreme Court.

Ms Chapman: Deficiencies?

The Hon. J.R. RAU: Deficiencies, yes, and what might need to be done, in particular, for the Supreme Court. I think I had best leave further information for a more considered answer.

Ms CHAPMAN: On page 105, on the Public Trustee, is a statement that the annual statement reviews were not performed for approximately 70 per cent of personal estate clients. Firstly, my question is: what is the target?

The Hon. J.R. RAU: Sorry, what page was that?

Ms CHAPMAN: Page 105.

The Hon. J.R. RAU: I am advised that the target is 100 per cent review, and as a result of additional resources, which were provided, I believe, in the last budget, the expectation is that 30 June next year will be the point at which that target is achieved.

Ms CHAPMAN: As at 30 June next year, I think your Public Trustee is also going to be taking responsibility for managing disability accounts, which are being transferred on a fee-paying basis from the Department for Families and Communities. Has your department budgeted to have any provision for those?

The Hon. J.R. RAU: I am advised that it is intended that the cost implications associated with that additional workload will be defrayed by the fees which are charged. So, there will be a zero net change to PT.

Ms CHAPMAN: Can the Attorney give some explanation as to why 70 per cent of those personal estate clients had not been completed in that financial year and had not been provided?

The Hon. J.R. RAU: I am advised that the situation is that, given the resources PT had at the relevant time, this particular function—which is largely an audit or review function, really—was not regarded as as important as some of the other more pressing functions within PT, and for that reason the resources available were allocated to the more pressing aspects of the PT's work. As I have indicated in a previous answer, that is now a matter that is being addressed by the additional provision of resources to PT, and the expectation, as I said before, is that by 30 June next year the 100 per cent will be achieved.

I think it is probably relevant to say also—if I am not straying too far from the spirit of these proceedings—that it is no secret that in years gone by there has been criticism of PT by various people. I think the evidence you are seeing before you today, and the answer I have given to you now about the review, should confirm in everyone's mind the fact that the PT is very, very seriously seized of improving its performance and is extremely well led.

Ms CHAPMAN: I am certainly encouraged by that, but there is something I have heard from you previously, Mr Attorney, and from your predecessor, and in assurances given to the inquiry by this parliament. As user of this service myself in providing annual reports to the Public Trustee for a relative, in the preceding two years there has been a fee charged for that, so there should have been somebody there at the other end of the line who, with a fee, could actually attend to this service.

To find that 70 per cent of these have not been completed is very concerning; whether a low or high priority, it is a regulation which is required with good reason. To find that there has been such a woeful performance in that regard is concerning, but we will see in next year's report whether that has been remedied. I have a couple of questions on planning.

The Hon. J.R. RAU: In relation to that little bit of commentary, can I just say that I am advised that these are not private clients. These are PT's own matters.

Ms Chapman: That's even more concerning.

The Hon. J.R. RAU: Indeed. Can I say, member for Bragg, I was not attempting to say that the results are something that we are content to see continue. That is not the view.

Ms CHAPMAN: Planning, page 834, volume 3: the report states that the department's fraud and corruption prevention policy has not been endorsed. Can the minister provide details to us on that policy and why it was not endorsed? Has the policy now progressed and been covered and implemented or what is the time frame expected on that?

The Hon. J.R. RAU: I am advised that the answer, as best as I can give it, is that the policy was completed. However, unhappily, the department has been abolished, and so it now falls into the new, bigger department.

Ms Chapman interjecting:

The Hon. J.R. RAU: There will be, but the particular question you asked relates to the generation of a policy within a department that has now been abolished. In relation to what the policy is for the larger department, that is I guess a matter for the CE and whoever of the larger department. It was completed, I am advised, just in time for the department to be abolished.

Ms Chapman interjecting:

The CHAIR: Member for Bragg—

Ms CHAPMAN: I think we are finished. Just so we can clarify it for the next section, can the minister explain to me which department it is going to?

The CHAIR: Member for Bragg, time has elapsed.

Ms CHAPMAN: Because I will ask Patrick. Has it gone to urban planning or has it gone somewhere else?

The CHAIR: You can answer that question.

The Hon. P.F. Conlon interjecting:

Ms CHAPMAN: Or don't you know?

The CHAIR: Where has that department gone to?

The Hon. J.R. RAU: As I understand it, this is now a matter for the new, larger department which is headed up by Mr Hook which has, primarily, my friend the member for Elder, the minister, as the main minister, but with me administering a proportion of the department and the Minister for Transport Services, in effect, working in association with the infrastructure and transport element which is the minister for infrastructure's main area.

The CHAIR: The time having elapsed for the examination of the Deputy Premier, Attorney-General, Minister for Planning and Minister for Business Services and Consumers, we

now proceed to the examination of the Minister for Transport and Infrastructure and the Minister for Housing and Urban Development.

I remind members that the committee is in its normal session so that any questions have to be asked by members on their feet and all questions must be directly referenced to the Auditor-General's Report. I also remind members that this is examination of the Auditor-General's Report. This is not estimates and this is not question time.

Mr GRIFFITHS: Thank you very much, Mr Chairman, and I also congratulate you on your appointment as Deputy Speaker. I privately offered my congratulations, but I do it publicly now. I wish it was estimates: there is actually a lot less detail on here. It is hard to find things.

The CHAIR: Unlike the previous questioner, I suggest you spend more time on questions than the commentary and we will cover more area.

The Hon. P.F. Conlon interjecting:

Mr GRIFFITHS: True. I refer to Part B, Volume 2, page 630, the Land Management Corporation. It confirms that there will be a need for a supplementary report to be submitted to the parliament. It refers to the fact that the corporation's joint venture activities require further work to be undertaken, resulting in it coming through later. It talks about one of its joint venture activities, which has been the hold-up here. Can the minister confirm which of those joint venture activities is the problem?

The Hon. P.F. CONLON: As I understand it, the matter is now resolved and they are just about ready to make a report; I do not know if it will be here by the end of the year. The financial report for the Land Management Corporation was submitted to the Auditor-General in August. During the course of the audit it was noted that some further work was required. The joint venture in issue is the Port Adelaide Marina joint ventures.

Very simply, because there are private sector parties—and I understand there are some private sector auditors—an issue had arisen because one of the JB parties disputed valuations used by the Valuer-General in the calculation of land tax. My understanding is that the matter is now largely resolved, that it is no greater than that and that we should see the report quite soon.

Mr GRIFFITHS: I certainly understand that it would be a far better situation to have a report that included all activities, but was any consideration given to submitting a report based upon the joint venture activities that were without dispute and a supplementary report only for the Port Adelaide one?

The Hon. P.F. CONLON: That's not our decision. The Land Management Corporation, which delivered its financial report in August, believed it had addressed all the matters it needed to address. This arose, and it is up to the Auditor-General how he deals with this, and this is the manner in which he has chosen to deal with it.

Mr GRIFFITHS: The minister, as part of his first answer, has referred to the Port Adelaide situation as being the problem area and, indeed—

The Hon. P.F. CONLON: No; the Adelaide Marina joint ventures.

Mr GRIFFITHS: If I can refer a question about the Newport Quays project to you and seek your indulgence—

The Hon. P.F. CONLON: I'm a bit at large because I haven't got a report on it.

Mr GRIFFITHS: I live in the hope. Unless I ask a tricky question for the minister to confirm the other projects the Land Management Corporation is involved in and I get a question to come from that—but there is no data available for the minister to refer to in an answer, I take it?

The Hon. P.F. CONLON: In truth. I am as fair as I can be, but we do not have an Auditor-General's report into the Land Management Corporation. When there is a supplementary report, I am sure you will be able to ask questions on it, but I do not have a report and it would be very hard to ask me about something that I do not have.

Mr GRIFFITHS: As well-informed as you are, minister, no doubt you could give me an answer on it. At the time of the supplementary report being considered by the parliament, what level of time will be available to scrutinise it?

The CHAIR: That question has already been asked. To make sure that there are consistent questions and answers provided, you will be given some advice on that. That question was asked by the previous questioner.

Mr GRIFFITHS: I refer to Part B, Volume 5, pages 1474 and 1475, the Adelaide Oval redevelopment. The Auditor-General's Report points out that some \$9 million has been expended from the funds provided to DTEI to progress the Adelaide Oval redevelopment. Are you able to confirm how much of this money was spent on the tender process to undertake the major package of works for the project?

The Hon. P.F. CONLON: I assume you are referring to the tender for the main construction contract that has just gone to Public Works. I do not think we have anyone here from the area. What I might do is see if I can get a phone call made and find the answer. You can go on with something else and we will try to find it. I would have to get either Rod Hook or Manuel Delgado to let me know about that.

Mr GRIFFITHS: I also have a question about the workforce participation, skills development requirements and the level of industry participation in South Australia. That is all part of the question I intended to pose here, but does that rely on other people to be present?

The Hon. P.F. CONLON: I actually do not think it is commented on in the Auditor-General's Report in any event. If you want me to bring back details on that sort of thing, I will try to do that, but the entire tendering process was Public Works. Given that your people asked many, many questions there, I cannot imagine that there is any area they have not been provided detail on; if there is something that they have not, we will try to find it for you, but it will be a fairly common tendering process for government.

Mr GRIFFITHS: I will accept that. Indeed, my understanding is that Public Works is meeting tomorrow morning to have some further questioning about the Adelaide Oval redevelopment.

I refer then, minister, to page 1474 and the Building the Education Revolution, for which your department was responsible. There is some commentary attached by the Auditor-General about the time lines on it, but I just have some general questions. Are all the projects complete, and are you able to detail to us the number of BER projects that have been undertaken in South Australia?

The Hon. P.F. CONLON: I think the school builds are more than 90 per cent complete. Again, I will have to get the appropriate people on it. My understanding is that most of the school programs are complete. There are some other housing programs that I think are largely completed. I would have to get the appropriate people to get the details for you, but what I can say is that the program in South Australia—as in many other places, but in particular in South Australia—was an outstanding success. It was a program that the master builders organisation said saved the industry in South Australia.

I can assure you that the vast bulk is complete because we are now getting something like 18 tenderers per job when we used to get three, which in itself is a bit of a concern. There is a bit of a gap there between what is happening now and what will be kicked off by Olympic Dam, but it would be nice to have another one of these programs. I will get you the details, but I can absolutely assure you and the house that the outcome was a very, very good one for the people involved and for the state.

Mr GRIFFITHS: Minister, the shadow minister for education and I had a briefing quite early on in the process. Mr Hook and Mr Bob—I have forgotten his surname—

The Hon. P.F. Conlon: Boorman.

Mr GRIFFITHS: —Boorman, yes. He was involved in coordinating it, and he was also quite helpful to us in providing details. I suppose the reason I pose the question is that, in the last paragraph of the Building the Education Revolution section, on page 1474 it refers to certain matters that were raised within the department for consideration and comment. Do you have any information available to you as to what those areas were about during the audit process?

The Hon. P.F. CONLON: From memory, the Auditor raised some questions about the fact that we had put out standard designs, but some of those had been changed in response to the local schools wanting something different. We sorted that out. We thought it was actually a good part of the program that we were able to have some flexibility to meet local requirements; once

explained to the Auditor, my understanding was that he was perfectly content with that. Let me see if I can make it more succinct for you.

There were some matters raised around compliance with certain requirements, such as the Construction Industry Training Board and employment of apprentices. My understanding is that the compliance was, in fact, proper with those. There was some slowness, perhaps, in contractors providing a response to us. Ultimately, payments were withheld until we got that appropriate documentation. But it is my understanding that all compliance issues were thoroughly addressed and completed. I see Rod Hook has come in now.

I would say that the sheer speed of the rollout was one that was challenging to ordinary processes because there were something like 670 public school builds in that period of time of between \$1 million and \$3 million, or something like that. Sometimes the jobs ran a little ahead of the ordinary processes of government and we did not think that was necessarily a bad thing.

Mr GRIFFITHS: Having been invited to the opening of facilities in my electorate, I know the community saw it as a once-in-a-generation opportunity, too. Given that Mr Hook is in the room now, is it appropriate to go back to some of these?

The Hon. P.F. CONLON: I am not too sure that it is actually from the Auditor-General's Report. You wanted to know the expenditure on Adelaide Oval?

Mr GRIFFITHS: Just on the tender process for the major component of the build.

The CHAIR: Was the tender process completed by 30 June this year?

The Hon. P.F. CONLON: No. There will be no reporting on matters that are not completed this year. You asked about tendering for local content and suchlike.

Mr Griffiths interjecting:

The Hon. P.F. CONLON: That is a matter that is before a parliamentary committee for a thorough examination as we speak. Your colleagues met last week, I think last night and are meeting again tomorrow morning. What I would suggest, perhaps, is that you get either Martin or Michael to ask any of the questions that you have there, because it is more appropriate. The Auditor-General's Report looks back on completed matters in the previous financial year, not what is going on at the moment.

Mr GRIFFITHS: And in as much as that is a bit of a shame, minister, I understand that. We might change our questioning, therefore.

The CHAIR: I have been very patient this afternoon.

Mr GRIFFITHS: You have.

The CHAIR: Tomorrow I will not be.

Mr GRIFFITHS: I turn to the State Aquatic Centre, page 1474. The Auditor-General's Report does detail a time line of that process and it talks about practical completion for the State Aquatic Centre and partial practical completion for the GP Plus centre. It is the last paragraph that I find interesting:

At the time of the preparation of this report, Audit was reviewing aspects of the project, including procurement processes, approval and financing processes, final project costs/obligations, and management and operating arrangements.

It is difficult to pose the question to you—and I should pose this question to the Auditor-General; but if, indeed, the Auditor comments on those but does not identify any problems, is the minister in a position to outline to me what those issues were that the Auditor is reviewing?

The Hon. P.F. CONLON: I cannot because they are not completed. The project itself still has some things to be completed before the Auditor-General will consequently report on it, for this financial year, next year. In particular—I do not think it is a secret—there is a claim and a dispute between the builder and the government as to the builder's entitlements to extra payments. I think that is following an arbitration process under the contract at present and will be resolved at some time. The matters that were referred to, as I understand it, are matters that the Auditor-General has not advised us on yet because, I suspect, they will be the subject of next year's report.

Mr GRIFFITHS: I am just going to seek clarification; so, not necessarily a supplementary report but next year's report?

The Hon. P.F. CONLON: No; there will be no supplementary report on this or the oval, for that matter. As I understand it, there were matters that had been completed in the financial year which were the subject of audit, and matters that have not been completed will be the subject of further audit. It does not raise anything untoward in it, it merely shows that those matters are not completed for audit.

Mr GRIFFITHS: I suppose that I took the words 'practical completion' to therefore mean 'hand over the facility, public use of a facility', therefore, as that occurred before 30 June 2011, it should have been available as part of this report.

The Hon. P.F. CONLON: As I point out, the Auditor-General is very concerned about money. There are outstanding claims. For those that remain unresolved there is a process under the contract for the arbitration of them, and it is our duty to defend the taxpayers' position in that dispute.

Mr GRIFFITHS: I refer to a different area now, minister, pages 1460 and 1461 of Volume 5. Minister, are you able to confirm whether the problems that were identified with the department's asset capitalisation processes were included in the Auditor-General's recommendation for improvement of the review of project expenditure recorded in the department's 'job cost system' to identify costs which could be allocated to other accounts, that is, capitalised or expended?

Did those problems impact on your capacity as a minister and, certainly, the department's capacity to make decisions about project and funding?

The Hon. P.F. CONLON: No. You have to understand that there was a record year in relation to capital work in progress: spending \$858 million and capitalising \$1.2 billion across all asset classes. In terms of the issue of projects referred to as 'completed in prior years', these were very small in value—in fact, \$22 million out of \$1.3 billion, which had no practical effect.

One of the other comments made related to projects not capitalised on a timely basis as required by departmental policy. One specific policy has a very tight time frame for project completion. It is four weeks from practical completion. I think the response is actually to review the policy because the time line is too tight, and my understanding is that the Auditor-General will not have difficulties with that. In terms of what is a record capital spend for the department, the problems or the issues raised were very minor.

Mr GRIFFITHS: Just to confirm for my purposes, then, minister, only \$22 million out of the total capital spend was involved in the concerned areas that the Auditor has identified?

The Hon. P.F. CONLON: That is one area. One area that was raised was that a number of projects were capitalised during the year which were completed in prior years. What I am saying is that that was \$22 million out of \$1.3 billion. There was an issue, I think, about monitoring the timeliness of the completion of project completion forms by project managers. None of these were in the least bit serious matters, and, as I said, one specific policy will probably be changed to make it easier to make the time lines because they are unnecessarily tight. It has had no material effect upon the department's rollout of capital or the interests of the taxpayer.

Mr GRIFFITHS: I can appreciate the fact that it is an accounting issue, but then accounting issues do impact on good decisions sometimes, too. Minister, I think you referred in an earlier answer about the fact that currently a one-month time line was in place—that was the policy?

The Hon. P.F. CONLON: Four weeks.

Mr GRIFFITHS: Four weeks, and that that was unduly tight. Are you able to confirm what it is proposed to put that policy out to?

The Hon. P.F. CONLON: That is being worked through at the moment with the Auditor-General to make sure the change is appropriate. As soon as it is resolved, we will let you know.

Mr GRIFFITHS: Minister, as to the references on page 1461 by the Auditor-General, for example about the audit for 2010-11, they also highlight that spreadsheets rather than automated system reports were provided to project managers to review projects and not all capital work in progress sheets were recorded on the department's job cost system. Is it intended to completely remove these problems so that you have an automated system in place that allows accurate information to be available all the time and up-to-date costs?

The Hon. P.F. CONLON: No, we will not be using an automated system. We are using the current system but we will be working through new procedures to ensure that the current system addresses the issues that were raised. You will find in these big departments with very big capital spends that there is almost every year a conversation between the Auditor and the department about the processes that should be used for reconciliation for classification and suchlike. It is why we have the Auditor, so that they can go through and second-guess everything that is done and make sure we do it better the next year.

Mr GRIFFITHS: I will move to a different area. It is the report provided by the Auditor-General today about the Mount Gambier Passenger Service. I note page 1 refers to the fact that the audit examination disclosed some matters of procurement procedure and practice that were not satisfactory. I must admit that I would have thought that the processes would have been fairly mature by now and indeed that this level of problem would not have existed. Can you outline to me the problems that were found, and are they evident in any other procurement processes?

The CHAIR: Are you in a position to comment?

The Hon. P.F. CONLON: Not only that, probably we have another minister you should be addressing these questions to now. I think that would be appropriate. This was tabled today. I am not sure who in the department has seen it, but I would point out—and it should be placed on the record—that the Auditor-General makes it very clear that the issues were not sufficient to undermine his confidence in the process.

As I said, what you might want to do is have a look at the RIA and whether it details some of those issues, but really there is now an appropriate minister responsible for the contracting of services. I would point out, too, that while contracting for metropolitan services is more mature, the Mount Gambier services were the subject of a significant change even while I was minister when the local government pulled out of its part of the costs, so it was a relatively new process down there. In short, it is not my contract anymore; it is the Minister for Transport Services.

The CHAIR: You can ask that question on Wednesday 23 November.

Mr GRIFFITHS: I shall. I refer now to pages 1463 and 1464 about TRUMPS and everything that occurs there. I note that there is a new system that is designed to assist with the reconciliation process and it is called T-Recs—not as in dinosaurs, presumably, but someone will explain to me what it stands for. It is an automated reconciliation system. It says on the top line of page 1464 that it is a commercially available property and that the department is acquiring it, but on the first line of the second paragraph it talks about the fact that it is still in development. I suppose I am confused about something commercially available that is still being developed.

Members interjecting:

The CHAIR: I remind members that we are still in session here and it is very hard to hear the speakers. Minister, did you hear the question?

The Hon. P.F. CONLON: Yes. The T-Recs system is not, I am assured, a large dinosaur. It went live on 1 July 2011. During 2010-11 the department acquired, implemented and tested a commercially available automated reconciliation system. It is expected to reduce the need for human intervention and provide increased controls that go to the matters raised by the Auditor-General.

The system did require testing, and went live on 1 July 2011, which, of course, is the new financial year. Even before that there was a pretty thorough address of most of the issues that had been raised, in any event, by the previous processes. So I do not think we will see too much more difficulty in this area. I do not know how they do automatic reconciliation systems.

Mr GRIFFITHS: We rely on intelligent people out there who know how to do these things. Minister, are you able to confirm what was the cost of putting T-Recs in place as of 1 July?

The Hon. P.F. CONLON: I will have to bring that detail back; I do not know. We will come back to you.

Mr GRIFFITHS: Just to confirm though: there is every intention of still using TRUMPS; TRUMPS will still be the main process and T-Recs will just assist with the reconciliation?

The Hon. P.F. Conlon: Yes; did you want me to stand up and say yes?

Mr GRIFFITHS: No; I am quite happy with that. I will jump forward to page 1476 and the reference to targeted voluntary separation payments. I note that the numbers have jumped around

on that in recent years. Can you confirm—and this might be a bit of a guess, because it is looking at the forward years—how many people are targeted for TVSPs for the 2011-12 financial year?

The Hon. P.F. CONLON: The relevant fact you are looking for is the FTE reduction target, which is 420 between 2008-09 and 2014-15, to be achieved in that timetable. So it is an FTE equivalent reduction target of 420 in that period of time.

Mr GRIFFITHS: In the short time available I will jump to the question that the member for Bragg attempted to pose to the Attorney.

The Hon. P.F. CONLON: Good luck.

Mr GRIFFITHS: Well, we were told that it was your responsibility.

The Hon. P.F. CONLON: I don't think that is what he said, but ask the question.

Mr GRIFFITHS: It relates to page 834 of Volume 3. I took that as being the comment, Mr Chairman. Did you understand that to be the position?

The CHAIR: I did not hear the question or the comment; sorry.

Mr GRIFFITHS: On page 834 it refers to the department's fraud and corruption prevention policy and the fact that it had not been endorsed.

The CHAIR: Yes; your colleague did say that it was your department now, minister.

The Hon. P.F. CONLON: What I can tell you is that the existing department, or the department I had last week, does have a fraud and corruption policy, and planning, joining the department, will adopt that policy we already have within the larger department. So there you go—whether they like it or not.

The CHAIR: Which the previous minister indicated.

Mr GRIFFITHS: I go to page 1471, about smart card technology and the SA Transport subsidy scheme. We both know that there have been some problems in the past with that. A recommendation on page 1471 talks about the investigation of the smart card technology to be implemented as part of the transport subsidy scheme. Does that have your support to roll that out? Do you see it as an opportunity to fix some flaws in the system?

The Hon. P.F. CONLON: It is something we have under consideration but have not made a commitment to as yet. It would be expensive, so we would have to be assured that the investment was worth the problem it would cure. But that does not mean that we would sit idly by where difficulties arise with the transport subsidy scheme, and we have made some very thorough investigations into that.

The CHAIR: The time is now completed for the examination of the Minister for Transport, Infrastructure, Housing and Urban Development.

Progress reported; committee to sit again.

WATER INDUSTRY BILL

In committee (resumed on motion).

Clause 35 as amended passed.

Clauses 36 to 43 passed.

Clause 44.

Mr WILLIAMS: Clause 44 is entitled, 'Power to carry out work on land,' and it gives a whole host of powers to allow water entities to go onto land, to have access to land and to do the jobs that they need to do. The opposition is quite happy with that but, again, the minister makes the claim (and I heard him earlier in the day when we were debating the bill) that he wants a level playing field.

The reality is that subclause (23) states, 'Subsections (3)(b) and (7) do not apply in relation to SA Water.' To my mind, that means there is a conflict with the comment from the minister about wanting a level playing field—and he wonders why I am cynical about this third-party access regime. Subclause (3) provides:

Subject to this section, if an unauthorised entity seeks to enter public land under this section, the entity must—

and paragraph (b) states 'secure the authority's agreement to the carrying out of the work'. If subclause (23) stands that does not apply to SA Water; it applies to everybody else but not to SA Water. Similarly, subsection (7) provides:

(7) If a dispute arises between an authorised entity and the authority responsible for managing public land about whether work should be permitted under this section on the land or about the conditions on which work should be permitted on public land, either party to the dispute may refer the dispute to the Minister.

But that does not apply to SA Water. My question to the minister is: why don't these two subsections (3)(b) and (7) apply to SA Water, and how can he sustain his claim that he is trying to develop a level playing field?

The Hon. P. CAICA: I thank the honourable member for his question. As he said, the dispute resolution mechanism in subsection (7) relates to subsection (3)(b), from which SA Water is exempt. There is therefore no need for subsection (7) to apply to SA Water. I would say this in addition: SA Water is responsible to the Minister for Water and the River Murray, who is the minister responsible for administration of the bill.

It is not considered appropriate for a dispute between two parties to be elevated to the owner of only one of the parties, and this would be seen, in the government's view, as favouring SA Water. Also for the reasons that I have previously given to the house, being a public corporation, SA Water is subject to a much greater degree of public scrutiny than other water and sewerage providers. To get to the nub, for the member for MacKillop, for these reasons, SA Water has been excluded from the requirement to have unresolved disputes with responsible authorities escalated to the minister.

Mr WILLIAMS: I accept what the minister has told the house, and that is fine, but it does not provide us with a level playing field; there should be some other process. I accept what you are saying—that the minister is responsible for one side of the argument, and it is probably not fair that that minister become the arbiter—but if you want a level playing field, Minister, you have to have some mechanism to overcome that. You have to have some mechanism by which SA Water would have to go through the same processes as any other water entity.

I am quite happy for us to move on—I note the time—and to pass this clause as it stands, but I indicate to the minister that, in light of his answer, I will probably be seeking to move an amendment in the other place.

The Hon. P. CAICA: Without responding to the member for MacKillop now, what we will do is frame that response for the other place.

Clause passed.

Clauses 45 to 57 passed.

Progress reported; committee to sit again.

AUDITOR-GENERAL'S REPORT

The Hon. J.W. WEATHERILL (Cheltenham—Premier, Minister for State Development) (17:59): I seek leave to make a personal explanation.

Leave granted.

The Hon. J.W. WEATHERILL: In answer earlier today to an examination of the Auditor-General's Report, on advice, I informed the committee that the completed project cost for the Glenside Arts Precinct was \$40.2 million. I have since been advised that the correct figure is \$48.021 million.

[Sitting suspended from 17:59 to 19:30]

ROXBY DOWNS (INDENTURE RATIFICATION) (AMENDMENT OF INDENTURE) AMENDMENT BILL

The SPEAKER (19:31): I lay on the table the report of the committee, together with the minutes of proceedings and evidence which has been received and published pursuant to the resolution of the house on 18 October.

The Hon. A. KOUTSANTONIS (West Torrens—Minister for Manufacturing, Innovation and Trade, Minister for Mineral Resources and Energy, Minister for Small Business) (19:32):
I move:

That the report be noted.

In doing so, I will give a brief overview on the select committee. On 18 October 2011, a select committee was formed to investigate the indenture agreement between the state government and BHP Billiton. Its members included me, and people I would like to thank are the Minister for Transport, the Treasurer, the member for Little Para, the Leader of the Opposition, the Deputy Leader of the Opposition and the member for Davenport. The committee called representatives from the Olympic Dam Task Force, BHP Billiton and the Conservation Council. It invited written submissions from the cities of Whyalla and Port Augusta and the Arid Lands Natural Resources Management Board; and the committee established a number of facts. Those facts are:

- The open pit would extend more than four kilometres, being three kilometres wide and reaching a depth of one kilometre.
- The committee noted that BHP Billiton is bound by the environmental impact statement process and the government's assessment report.
- BHP Billiton gave evidence to the committee that the project will contribute \$45.7 billion in net present value (that is, in today's dollars) to the South Australian gross product over the next 30 years.
- This will create 6,000 new jobs during the construction phase—4,000 jobs at the mine, and 15,000 indirect jobs, greatly impacting on the Upper Spencer Gulf regions (including, Madam Speaker, your electorate of Whyalla).
- The state's taxation revenue will be increased by payroll tax and, of course, royalties.

Local content was very important. Clause 12 of the variation deed provides for the use of South Australian-based professional services and labour as far as reasonable, and that local companies can bid for contracts and be pre-approved. In regard to processing, on-site processing will be doubled from 190,000 tonnes per annum of refined copper to 350,000 tonnes of refined copper.

I note that the opposition today has announced that it will support the passing of the indenture ratification bill without amendment and without delay. I note that this is a ringing endorsement of the government's negotiating skills and, for that matter, I put on the record my considerable thanks to the Olympic Dam Task Force for their very hard work, and all those who participated—including, of course, the member for Port Adelaide, Hon. Kevin Foley, who led those negotiations. Quite frankly, the state does owe those fine public servants a great deal of debt and gratitude.

The royalty rates that have been set are the same as the Mining Act. They are: 3.5 per cent for refined metals and 5 per cent for unprocessed metals. That is a very good outcome for the people of South Australia, a very good outcome for the project, and a very good outcome for the people of Whyalla, Port Augusta, the Upper Spencer Gulf and Port Pirie.

BHP Billiton will now for the first time pay for water they extract from the Great Artesian Basin and saline well fields. It is important to note that the committee took evidence that, if the expansion did not go ahead and the current indenture continued, BHP Billiton could continue to draw water from the Great Artesian Basin at no cost.

Native title and Indigenous land use agreements were discussed, and we understand that an ILUA has been registered with three planning groups in the mining lease area. We also noted that the workers village to be established between Roxby Downs and Andamooka will accommodate up to 10,000 workers.

The committee also noted that BHP Billiton agreed to reimburse the state for the \$25 million cost to upgrade the Sturt Highway. We received a number of unsolicited submissions, Madam Speaker and, as I addressed in my report that you tabled today, 'The main submission addressed matters outside of the committee's area of examination.'

A lot of people were tempted to reargue the environmental impacts of the approval. The committee's role was very simple. The committee's role in looking at the indenture agreement in a hybrid bill, as deemed by you, Madam Speaker, is that we would look at conferred rights on BHP that are not available under a normal process as a private right to an organisation. The committee

noted those. The government members on the committee then recommended that we noted those advantages given to BHP.

We accept them; we think they are in the best interests of the state and the people of South Australia and recommend to both houses of parliament that the indenture ramification bill pass both houses of parliament without amendment and without delay. I also note that the opposition members, out of courtesy to their party room, did not recommend that on the committee. However, I do note that on the committee they said that they noted the committee's findings and would defer until a party room meeting was held to canvass opinions from the party room.

I note today that the Leader of the Opposition has announced that her party room will be supporting the indenture ramification bill without amendment and without delay, we are told. I also note that members of the upper house have made comments. I will say this, Madam Speaker: Mr Mark Parnell is a man for whom I have a great deal of respect and admiration. I think he is a fine advocate for the environmental movement. I think he argues his case well. However, I think he is being just a little bit dishonest.

It is one thing to say that you wish to move 100 amendments to this bill. However, the honest answer is to say: 'We don't support uranium mining. We will be voting against every clause of the indenture ramification bill and not supporting it.' What Mr Parnell and the Greens are attempting to do is to delay. I think they should be honest and tell the people of Australia, 'We oppose the mining of uranium, we oppose taking water out of the Great Artesian Basin, we oppose the export of uranium for peaceful uses, we oppose the mining of uranium full stop and all the fuel cycle that is used for uranium, and therefore we cannot support this bill.' But that is not what we are hearing from Mark Parnell.

What we are hearing from Mark Parnell is 100 amendments he wants to move to this bill, which is really about frustrating the government's agenda. What it is really about, what they don't want people to know, is that they really oppose the expansion of Olympic Dam. I think it is important that as politicians we are completely honest with the public about our voting intentions in the parliament.

My view is that the Greens' view should be that they oppose it. Do not try to amend it to death; just vote against it. If he is going to attempt to use the parliament to stymie this bill, I think he is behaving with utmost disregard to the people of South Australia in an act of economic vandalism. The most important thing about this bill is that the entire world is watching us. South Australia is about to signal to the entire world that we are one of the safest places in the world to do business. There are no sovereign risk issues in South Australia. There is a jurisdiction that does—

Mr Treloar interjecting:

The Hon. A. KOUTSANTONIS: Sorry? I thought you said something.

Mr Treloar interjecting:

The Hon. A. KOUTSANTONIS: Good. There are no sovereign risk issues in this state. This state, when it negotiates an indenture, keeps its word. Every mining company is looking at what is happening in the Gawler Craton and what is happening with BHP Billiton and this indenture. This is the greatest advertising campaign for investment in this state's history, and the swift passage of this indenture will signal to the world that South Australia is the centrepiece, the epicentre of mining around the world. We are about to have the largest ever endeavour in human history—

The Hon. K.O. Foley: Any history!

The Hon. A. KOUTSANTONIS: —any history of mining, with the largest order of trucks, the largest ever logistical exercise in mining ever undertaken by any company anywhere in the world. When considering the impacts on South Australia, my personal view, and I think that of the government, is that this is a game changer. Future generations will look back at this moment in 2011 and say, 'This is the time, this is the moment when South Australia changed forever.' That change will be for the better. That change will be in the way we view ourselves, with confidence about ourselves, and it will not simply be about the expansion of Olympic Dam because I believe this is the first of many.

This signals to the entire mining industry that we are about to take our rightful place amongst the titans of mining: a safe regime to invest, the best regulatory system in the world, the fastest approval process in the world, and the highest environmental standards in the world. Just

quickly on environmental standards, what we have subjected BHP Billiton to are some of the most rigorous environmental standards on any company anywhere in the world—and BHP has passed those tests. We have not bent to their will: they have bent to ours. I say that because, if you look at the standards we placed upon the desalination plant, they are some of the strictest and most rigorous in the world.

I urge members when considering this to note that we have struck the right balance between royalties—and it is very easy in hindsight to get up and say we could have done a better job. I think the truth is that, under the careful negotiation that was led by the Hon. Kevin Foley, Bruce Carter, Dr Heithersay and others in the OD task force, this government held its nerve and struck the right balance. We were negotiating with a very sophisticated company which has a very skilled and adept way of negotiating with governments, and I think the stars lined up just right for the people of South Australia in this deal. The right people were in place at the right time to strike the right negotiation.

No doubt our opponents will say that they could have got a better deal. Our opponents will wax lyrical about what they think the royalty rate should have been. The truth is that we will be the pacesetters for royalty rates with copper and uranium in this nation in striking the right balance between a massive capital investment and a return which is way out in the never-never and setting a royalty rate that will not only encourage investment but, of course, make sure that it is prudent for us at that rate for it to be sustainable for the people of South Australia. I think we have that balance absolutely right.

If you set royalties too high, you risk capital investment; if you set them too low then, of course, you have problems with HFE. We have the balance absolutely right, and for that I commend our former treasurer and the former minister for the Olympic Dam task force for his good work. I also want to thank members of the opposition, especially the Leader of the Opposition and her deputy, the member for MacKillop. It was a very productive select committee with some very difficult questions asked on both sides. Obviously, there were people who wished to play politics with this outside the committee, but the committee was a very good example of how well we can work together for the betterment of this state.

I want to place my personal thanks on the record to the Deputy Leader of the Opposition, the Leader of the Opposition and the member for Davenport for the constructive way in which they conducted themselves; and, of course, to you, Madam Speaker, for the timely way you have received the report, to your Clerk, Mr Malcolm Lehman, for the good work that he did on the committee and, of course, to all the witnesses and Hansard. I commend the committee report to the house.

Of course, I will say that, given that the second reading speeches have concluded, the government has undertaken to ensure that government time is given so that all members of the opposition may comment on the committee report. Madam Speaker, we ask for your leniency in terms of standing orders. Members may wish to discuss other aspects of the indenture that are outside the committee's scope because they did not have an opportunity during the second reading stage, so I expect the debate to be wide and far-reaching about this very historic moment, Madam Speaker. Thank you very much for your time.

The SPEAKER: The member for MacKillop.

Mr WILLIAMS (MacKillop—Deputy Leader of the Opposition) (19:45): Thank you, Madam Speaker—

The Hon. A. Koutsantonis: Are you the lead speaker, Mitch?

Mr WILLIAMS: Yes, I am.

The SPEAKER: You identifying you are the lead speaker?

Mr WILLIAMS: I will be the lead speaker for the opposition, Madam Speaker—and I hope to finish my comments sometime tonight.

An honourable member interjecting:

Mr WILLIAMS: No, I do hope to finish tonight. I listened with interest to the minister's comments there, and I agree with most of what he said, particularly when he was praising the opposition. The opposition has approached this matter in good faith, and I will talk some more about that in a little while.

I agree to some extent with the minister about a game changer for South Australia. If it gets the tick of approval from the BHP Billiton board—which, we hope, will happen sometime in the first half of next year—this will indeed be a huge project for South Australia and for this nation.

The reality is that the game changer occurred almost 30 years ago for South Australia. The game changer occurred when the then Liberal government, led by David Tonkin, took great pains against great odds to ensure that the original mine started at Roxby Downs. That government, in very difficult political times, faced up to the then opposition, the Labor Party, who were anti uranium mining, in just the way the minister has said that Mark Parnell and the Greens are today, and stared them down.

I have made the comment before in this parliament that that government of David Tonkin was aided by one of South Australia's heroes, one Norm Foster, in the upper house, who crossed the floor, against his party's wishes, to ensure that that original indenture was passed through this parliament and saw the beginning of mining activity at Olympic Dam. That was the game changer. We are now seeing the next iteration.

There have been a number of iterations on the way through. Now we are seeing the next iteration. Let us not lose sight of the hard work undertaken by David Tonkin and his government. His mineral resources or mining minister at the time, one Roger Goldsworthy—I might talk a little bit more about Roger Goldsworthy in a while, but he is the father of the now member for Kavel—led the debate at that time on the original indenture and saw that South Australia was indeed going to have a mining industry.

I have made these comments in the house before, but can I say again that when I was a boy growing up way down in the Lower South-East of the state, I was very proud of our state, very proud of South Australia, because, at that stage, we had a bigger population and greater economic activity than our cousins in the west, in Western Australia. Adelaide as a city was challenging Brisbane to be the third city in this nation, after Sydney and Melbourne. We were challenging Queensland to be the third powerhouse state, after New South Wales and Victoria, in this nation. The one mistake we have made over the last 40 to 50 years is that we have not embraced the mining industry. Our cousins in Western Australia embraced the mining sector in the early 1970s, and you would be a blind man not to see the difference that has made.

I have spent most of my life, since those early days, lamenting that South Australia has failed to maximise the potential for the citizenry of this state by embracing a mining industry. I accept that it is more difficult in South Australia than it is in Western Australia, because we recognise that there is a considerable depth of cover over the mineralisation, particularly in the north of the state, which makes it more difficult to discover minerals.

South Australia was saved in the 1800s by the copper industry in Burra, in the Copper Triangle on Yorke Peninsula. South Australia was saved even earlier than that by gold discoveries in the Adelaide Hills. South Australia had a very proud history of mining in the early days of European settlement, and we lost our way, probably in the 1970s. We had embraced manufacturing as the key economic driver in the state, and we lost our way with regard to what is now regarded as a most important industry for this nation, and that is mining.

The game changer, I believe, was indeed the original indenture, in 1982, driven by David Tonkin and his government and the minister of the day, Roger Goldsworthy. The Liberal Party payed a heavy political price at that stage, because the uranium industry was certainly out of favour right around the world. Notwithstanding that, the Liberal Party, at that stage, did what was the right thing for this state. Notwithstanding the political backlash, the Liberal Party stood up and did what was right for South Australia.

I and all my colleagues are very proud that we are able to stand up today and say to the people of South Australia, 'The genesis for what is about to occur in South Australia occurred way back in 1982, and it occurred because the Liberal Party knew what was the right thing to do for South Australia.' I repeat: I am very proud to stand here as a member of the Liberal Party, that same party that drove that.

The Liberal Party, since then, has had a very strong and proud history of supporting the mining industry. In fact, it was in 1989 that we established a minerals task force. As luck would have it, when John Olsen, the then premier, established that task force—

The Hon. K.O. Foley: No; you said 1989.

Mr WILLIAMS: 1999; sorry. In 1999, John Olsen established a minerals task force because he could see the potential for a minerals industry and a mining industry in this state. As luck would have it, he was able to appoint Roger Goldsworthy as the chairman of that task force, and that task force consulted with the mining sector and the industry in general in South Australia and came up with a series of recommendations, which were adopted by the government of the day.

In the meantime, we had already established in government an accelerated exploration initiative called Targeted Exploration Initiative, South Australia (TEISA). That was the forerunner of what this government now calls PACE. I do not even know what the acronym stands for, to be quite honest, but it is basically the same: it is a government-sponsored plan to drive exploration in South Australia.

I am somewhat disappointed that this government has tried to take all the credit for the burgeoning mining industry. We see the former premier on very regular occasions claiming that it was all from his good work that we now have 16 or 18—whatever it is—operating mines in South Australia.

The Hon. A. Koutsantonis: Eighteen.

Mr WILLIAMS: Eighteen today.

The Hon. K.O. Foley: Whose good work?

Mr WILLIAMS: I am saying the former premier kept claiming it was all due to his good work.

The Hon. A. KOUTSANTONIS: Aren't we bipartisan?

Mr WILLIAMS: We are. I am just putting it on the record. The reality is that the only one of those eighteen mines that are operating in South Australia today where the ore body was discovered since the change of government in 2002, to my understanding, is the Iluka Resources Jacinth-Ambrosia heavy sands mine north of Ceduna.

To the best of my knowledge, notwithstanding that the former premier goes out and claims that in 2002 there were only three or four mines operating in South Australia and now there are 18, the reality is that all bar one of those ore deposits that are now being worked as operating mines were discovered prior to the change of government. The reality is that South Australia achieved a change to the game 30 years ago and we have slowly been moving towards where we find ourselves today.

I am absolutely delighted that we now at last have bipartisan support for the mining sector. I am absolutely delighted that the Labor Party has seen the error of its ways from previous times and has now embraced the mining sector, and actively pursues mining companies and talks up the mining sector. It is not going to happen overnight, even with potentially the biggest mine in the world on our doorstep.

Even with that it is not going to happen overnight, but South Australia's economy could potentially turn around dramatically due to mining activity over the next 20 or 30 years. That only augurs well for the future of this state. It is just a pity we took so long to get there. I have a significant interest in the mining sector. My eldest daughter has worked in the mining industry for about 15 years since she graduated from the University of South Australia here in Adelaide.

She did her geology degree out at The Levels at the Gartrell School of Mining. It is a pity that in the meantime that school of mining has disappeared. It was allowed to wither. The other thing that has disappointed me is that, notwithstanding that my daughter was educated here in South Australia in geology, she has never worked one day of her working life in South Australia.

She has worked in three other states in this nation and now works in jurisdictions as far away as Papua New Guinea and West Africa but has never worked in South Australia. I can tell the house that her mother would wish that that changes. Her mother would wish that we have a viable mining industry in this state such that her daughter might live much closer to home. I would enjoy that myself.

The reality is that we have come a long, long way as a state, and the Labor Party has come a long, long way as a party and is now embracing mining, and I welcome that. With regard to this particular project, it has been on the horizon for many years. I made this comment to my colleagues only yesterday when we were discussing this in the party room.

The Hon. A. Koutsantonis: How did that go?

Mr WILLIAMS: It went very well. The minister just quipped, 'How did that go?' As the minister said a little while ago, our leader has announced that we will be supporting it.

The Hon. A. Koutsantonis: You're talking about it like it was some sort of victory, like there was some opposition from within.

Mr WILLIAMS: No, not at all; we will be supporting this. I can tell the minister that the party room supported the recommendation that we support the indenture and the ratification bill without amendment unanimously, and I am pretty pleased with that, too. To be quite honest, it is not very often—I am sure it is the same in your caucus—that we get unanimous support for a position, on a whole range of issues.

The Hon. A. Koutsantonis: We always have unanimous support.

Mr WILLIAMS: I am sure you do, minister. Until you said that you were almost believable. This has been on the horizon for a long time. As I said to my colleagues in the party room yesterday, the reality is that Western Mining, which has been operating at Roxby Downs from the early 1980s through to five or six years ago, had plans for this expansion. Western Mining understood that the best way to go forward would be to move to an open-cut operation, but I think it realised very early on that it did not have the capacity to bring that to reality because this is such an enormous project. Indeed, there are probably very few companies in the world that could take on this project.

I am delighted that BHP Billiton became involved in this particular project and has taken over the operation at Olympic Dam, buying out Western Mining a few years ago. It has been a fair while. There was an expectation, I think, that we would get approval for the project at least two or three years ago. It has been a long time coming, but we are on the cusp of something very special and very important.

The process which the government has gone through has been, again, a long process. I will not say drawn out. It has been a long and thorough process. It is a process which is, to a significant degree, subject to the statutes of the state. The proponents sought and needed a significant number of approvals for a whole range of parts of the whole which will form the total operation, and I will go through those in a little while.

When they started the process it was obvious, under the Development Act, that they were going to have to go through an environmental impact statement (EIS) process, which is a process that is set out in the Development Act, and all the various elements of the project went through that process. I understand that BHP has spent something in the order of \$30 million in that process.

I said a few minutes ago that there are not too many companies or businesses in the world that would undertake this project. There are not too many businesses in the world that would invest that sort of money up-front just seeking the approvals. It has been at least a three-year process. I happen to have a full copy of the original environmental impact statement; it is in a large box. I confess that I have not read it all, but I have picked it up and read the parts that I thought were relevant and the parts which were particularly contentious.

I have read many pages of it, particularly those concerning the desalination plant and the barge unloading facility adjacent to Port Augusta, but I confess that I have not read the whole document. I doubt whether there is anyone but Steve Green and a few other people in BHP who have, and he may not even have read the whole of the final draft either, but that process had an incredibly thorough examination of the various environmental aspects of every element of this project.

Then, under the EIS process, it went out to public consultation, which in itself is a lengthy process. There was something in excess, I think, of 4,000 submissions and each one of those had to be responded to. We eventually had the release of the final EIS. The first one was the draft, then we had what I think is officially called the supplementary EIS, and then we have had the response to that, more recently, by the government. Parallel to this process, the same process was going on in Canberra with regard to the commonwealth government's interest in this project under the EPBC Act (the Environment Protection and Biodiversity Conservation Act), and the federal government has gone through all the elements which are pertinent to that legislation, and it has produced a final assessment report with regard to its interests as well.

The process has been long, but I believe that it has been thorough. We have got to the point where the government has come to the parliament with an indenture agreement and it is now asking the parliament to ratify that indenture agreement. I particularly want to spend some time

talking about that, but, first, I want to talk about the way in which the opposition has approached this—'this' being what I believe will probably be the most important legislation that goes through the parliament in my political career and probably the political career of everyone currently a member of this parliament.

As the opposition shadow minister for mineral resources, I was to take carriage of this particular matter. I went to the Leader of the Opposition and suggested that, first, I did not particularly want the total responsibility for making the recommendations to my colleagues on this; that I would like some support and some help in going through and assessing the indenture, the EIS process and the associated reports and, along with a small committee, to take a considered recommendation back to our party room.

The leader saw that that was probably a fairly wise way to approach it, and we established a small subcommittee in the opposition consisting of the Leader of the Opposition, me, the shadow treasurer (the member for Davenport) and two of our colleagues from the upper house, the Hon. David Ridgway (the leader in the upper house) and the Hon. Michelle Lensink (our shadow environment spokesperson). It was a committee which covered off on virtually all the relevant portfolio areas, and I am delighted to be able to report to the house that that subcommittee has worked diligently on this project on behalf of the opposition for about the last month.

I also want to take the opportunity to thank the former deputy leader of the government, the former deputy premier, Kevin Foley, because, when we were discussing the passage of this, I put to the member for Port Adelaide (the Hon. Kevin Foley) that I understood the time frames that the government had set itself to get this through the parliament, and I understood the time frames and the imperatives of BHP Billiton, but we were put into a fairly tight situation with regard to getting our heads around the whole series of documentation and the whole understanding of the indenture and the possible ramifications.

To his credit (and I think that the government and the opposition have both worked in good faith on this and worked very well together), he made available documentation to that subcommittee I have just referred to. Although we did not get copies of it, we were able to read it in a government office, but we had access to that document well before it was published. We were then given very good access to the government agencies that had been working on the EIS over a number of years, and particularly the Olympic Dam task force.

A number of other government agencies and government consultants were brought in and put at our disposal so that we could ask questions and they could aid us to get a complete understanding of all the elements of the EIS that we were of a mind to question and the elements of the indenture itself. That process, I think, has worked very well, and I thank my aforementioned colleagues who were on that subcommittee who basically had to put everything else on hold for the last three or four weeks because of the sheer volume of work involved in that.

It did not escape our attention that the government has had about six years working on this, and we had to get our head around it in a matter of probably less than six weeks. So the process has worked well, although it has been fairly tiring and testing.

I think it is worth just going through what the indenture is. The indenture is a special contract between the government and, in this case, a public corporation, BHP Billiton. The indenture confers particular rights on that public company which are not enjoyed by other citizens and organisations in the state. The reality is that everybody else who wants to operate a mine in South Australia has to go through various other processes and has to work within various other pieces of state law, principally the Mining Act and the Development Act, but there is a whole range of other acts—the Aboriginal Heritage Act, etc., and various environmental law. It is quite an involved process but, on the scale of most operations, it is not beyond the average operation, the average mine proposal, to go through those processes. In fact, it is much easier than what I believe BHP Billiton has been through in this process, which has been, as I said, long and contracted.

Notwithstanding that, the indenture does give to special projects surety, I guess. That is what BHP needed for this project because it is such an enormous project and because of the uniqueness of the ore body, particularly the fact that it is some 300 metres below the surface. To create an open pit to allow access to the ore before you can even start processing it and producing refined output involves such a huge investment of both time and money. The proponent required an extraordinary amount of surety.

People say to me, 'Why are we giving all these things away to BHP?' The reality is that the indenture process does not actually give anything away. To my mind, there is very little that

BHP gets under this indenture that it would not get under the normal laws of South Australia, but what it does get is the surety that, on the day it starts, on the day it bounces the ball, so speak, it knows where the goalposts are and it knows that it is going to stay there for an extended time. That is basically what the indenture does.

The other thing that I think needs to be understood is that what we are talking about here tonight is a variation to the existing indenture. A number of my colleagues and a number of other commentators have asked why we are doing it through this process and what are we giving away, etc.? I have been at pains to say to them that they have to understand that, if this indenture fails, the pre-existing indenture, the one that was started back in 1982—the one I talked about earlier—remains in force. There have been some amendments to that indenture in the intervening years, but it remains in force.

What we are doing today is ratifying a variation to that indenture. We are not talking about a brand new indenture. In fact, the vast majority of the words in the document are probably unchanged but, because of the size and scope of the project that has been envisaged by BHP Billiton, there is a whole range of brand new elements that were not in the original project; therefore, they were not contemplated by the original indenture. So, the scope of the indenture has to expand to allow for this expanded project, and I will talk through a number of those shortly.

We are talking about a variation to an existing indenture. The bill we are debating today is what is called the ratification bill, and that actually gives the legality to the indenture. If the bill is passed through the parliament, the indenture forms a schedule to the ratification bill.

One of the elements of the ratification bill is that there is a date by which the ratification should occur—that is, the bill should be enacted—and that date is 20 December this year. Within the bill there is an opportunity to extend that date, but we have been given evidence which has convinced us that there are important reasons why the parliament should endeavour to meet that time line. I might come back to that a little moment.

Once that ratification is achieved—and if that is achieved by 20 December, all well and good—BHP Billiton then has a period of 12 months in which to trigger the variation by serving on the minister (and I think that is probably the term) a project notice. I am assuming that if BHP Billiton's board signs off and gives approval for phase one of the project that the company will then serve on the minister a project notice and that in itself will then trigger the variation and the old indenture will be varied as to become the indenture which forms schedule 1 of the bill.

An interesting point here is the triggering by the project notice. There is a clause that says that has to occur within 12 months. To my mind, that is a bit of nonsense. The government and the task force argued that it was necessary to ensure that BHP kept to a fairly tight time frame. I suspect that was driven by politics more than anything else, that the government wanted to use that (and has used that) as a lever to suggest that they are very hard negotiators and are forcing BHP along. I do not think that in reality the government are forcing BHP along too much. That is the process to get from the current indenture to the varied (or new) indenture and that will then enable all the elements of the project to proceed.

I talked about the opposition forming a sub-committee to investigate the elements of the EIS, the indenture and the passage of it through the parliament and bring back recommendations to this side of the house. One of the real problems that we found was that there was nobody to take advice from who was at arms length from the negotiations that occurred. Obviously the negotiations had occurred between the government, principally represented by the Olympic Dam Taskforce and BHP. We were given open access to those two parties and they answered all of our questions.

One of the dilemmas we had was that we did not know whether we were asking the right questions. We did not know which questions maybe we should have been answering that we were unaware of. Very fortunately, and I am thankful to my leader for part of this at least, we were able to access some significant expertise—possibly as good as expertise that is available in this country who have had experience in these matters. We were able to access a number of parties as a sub-committee to give us—

There being a disturbance in the Strangers' Gallery:

The SPEAKER: Can I just ask those people in the top gallery to move back from the rail? It is not appropriate to be leaning over the rail. We do not want them to jump.

Mr WILLIAMS: We were able to avail ourselves of some very good advice. In reality, we were in a couple of instances pointed to some matters which we were not aware of; maybe we would have become aware of them through our own investigations, but certainly it short-circuited some of our investigations, and more latterly we were given significant confidence that the conclusions that we were drawing from our investigations of the matters before us were the right conclusions. We were fairly confident to take to our colleagues recommendations which we believed were the right recommendations and actually we had covered off on the issues with what I think could be described as the appropriate due diligence.

That was a difficult thing to achieve and we achieved it through some of the contacts we were able to make with people who had considerable experience in these matters. I am not going to name names but I certainly do not mind putting on the record our thanks and appreciation to those people—they know who they are—for their time freely given to us, and to advise the opposition, with regard to this matter.

I want to spend a little bit of time going through the indenture itself and putting on the record what is happening with regard to the special powers and privileges that the parliament is about to extend through the indenture to BHP Billiton. Let me reiterate that there are two processes involved in the approvals for this project. I have talked about the EIS. The development approvals have already been achieved by BHP through that EIS process, so the indenture is not about giving the development approvals.

When we looked into the indenture and this ratification bill, one of the things that we had to stop ourselves from doing was going back over the old ground of, particularly, some of the environmental issues to do with things like the desalination plant, the use of water out of the Great Artesian Basin, and some of those other individual elements. That had already been covered off in the EIS process. As I said, not only has that been finalised and this parliament can do nothing to alter that—the appropriate ticks are in the appropriate boxes—but I am quite convinced that that process has been rigorous and that the approvals that have been given have been given properly, bearing in mind that notwithstanding that those approvals have been given there are still 600 licences and permits that will have to be issued to provide for the totality of this project.

One of the interesting things is that some of those are probably some years away and not necessary for a number of years, and when they are given they will be given with regard to the regulations and the law at the time. So if BHP Billiton was building its desalination plant today, it would be built to the standards expected of it today. If it builds it in 10 years' time—I hope it is not quite that far away but it will be a few years away, I expect—if there is a significant improvement in standards they will be incorporated into the design and into the final permitting, so that is one of the elements.

The operation currently occurs at Roxby Downs on what is called a special mining lease. I said a little while ago that if somebody came along and wanted to operate a mine they would apply under the Mining Act for a mining lease. That is all established in the Mining Act—how you would go about that and what conditions might be imposed in that mining lease.

The Hon. A. Koutsantonis: They can ask for an indenture.

Mr WILLIAMS: Yes. They can ask for an indenture but under this particular operation there is a special mining lease because the operation is not subject to the Mining Act, it is subject to the indenture, so there is a special mining lease. There has been considerable discussion in the community about the fact that a freehold title has been offered over this special mining lease.

I need to inform the house that the special mining lease, as it exists today, has had freehold title over it since, I think, 1986. Freehold title was granted at that time by the state of South Australia in the realisation that at some stage there would probably be some sort of native title legislation coming out of the federal government and the realisation that one way of, I guess, extinguishing native title on the area of the special mining lease would be to grant freehold title. That is what I have been told is the background to the reason that freehold title exists on the current special mining lease.

BHP needs an enlargement of that special mining lease. It will be a very different operation there from what currently exists. I suspect that the new operation would not fit on the footprint of the existing special mining lease. There will be significant expansion of that, and I think BHP has reasonably asked that the expanded special mining lease have an expanded freehold title associated with it. That is what has been asked for, that is what has been granted in the indenture, and personally I do not have any problem with it.

Some people in the community have argued that this gives BHP Billiton some sort of right that it should not enjoy, particularly some sort of right to onsell the project. Well, anyone who runs any business in this state can sell it at any time, and I do not think it is up to this parliament—and it is certainly not Liberal Party policy—to stop people doing that sort of thing. So, we fully support the granting of freehold title over the special mining lease and (I will say it at this stage to save me coming back over this ground) over the other elements of the project where the indenture gives the right for the company to request of the minister of the day that freehold title be provided over other parcels of land for other components of the project. That is the issue of freehold title.

Regarding the desalination plant, there is argument—in fact, I have drafted a letter only this afternoon to some gentlemen in New South Wales. I am sure that the minister, and possibly every member of this house, has had correspondence from them about the continuing ability of BHP Billiton to extract water from the Great Artesian Basin. The suggestion is that BHP Billiton has agreed to build a desalination plant to provide water for its operation, and we should take the opportunity to withdraw its licence from the Great Artesian Basin and make it totally reliant on its desalination plant for water.

The minister talked about the Greens; interestingly, I think that they subscribe to that thought as well, that we should take the opportunity to stop BHP from using water from the Great Artesian Basin. But the Greens also subscribe to the position that we should not allow it to build a desalination plant in the gulf either.

An honourable member interjecting:

Mr WILLIAMS: That's right; they want the uranium left in the ground. Again, BHP Billiton was granted a water licence way back in the original indenture in 1982 to take water from the Great Artesian Basin. As I said earlier, if we do not ratify this indenture that original indenture stays in vogue and that original licence carries on. The licence is not being increased, but at the same time it is not being decreased. It carries on for a number of reasons, not the least of which being that its extraction is sustainable. There is no evidence to suggest that the extraction from the Great Artesian Basin is damaging the Great Artesian Basin or adversely impacting on neighbouring users.

In addition, BHP, their forerunners, have invested a significant amount of money in establishing the bore field, which is quite remote from the operation—I think there are some hundreds of kilometres of pipeline transferring the water from the bore field back to the Olympic Dam site. There is a significant investment there and it would be a nonsense to say to BHP that it had to write-off that investment, particularly given that the extraction is shown to be sustainable into the medium to longer term.

I say the medium to longer term—I talked about the special mining lease—one of the clauses gives that special mining lease a 70-year life, with the opportunity to extend it and, at the end of that 70 years, from memory, if it is shown that the mine has another 30 or 40 years life in it, it will get another 50 years extension and will go on. It is certainly my expectation that this mine will be here operating in over 100 years' time and possibly 200 years' time.

It is very interesting—and I was totally unaware of this—but one of the facts given to the subcommittee I have referred to a number of times was that some mines have a very, very long life, and they talked about the company Rio Tinto, which is based on a silver mine in Spain from which, I was told, silver was being mined at the time Julius Caesar invaded Britain, and silver is still being extracted from that mine. That is the mine that Rio Tinto started out from: that is a little bit of trivia, but I found it quite fascinating.

With the desalination plant, we have had the EIS process and the approvals for that have all been signed off under that process, but again the company has asked for the opportunity to have freehold title to the land on which the desalination plant will be built, and the appropriate easements and in some cases freehold title, to allow for the inlet and outlet into the sea and also for a connecting pipe back to Olympic Dam.

One of the things I found particularly interesting in the EIS is that the government has put into the clause on the water and desalination plant that, if there is an excess of product water, in excess of BHP Billiton's requirements, the government will have first opportunity to purchase that water and nobody else can buy it unless the government has indicated that it does not wish to buy it. I found that quite curious, particularly in the context that the parliament is also currently debating the Water Industry Bill, which is about opening up our water industry to third party access.

I was having this debate with the minister today, expressing my cynicism at this government's actual desire or want to achieve third party access to SA Water's operations, and this is one of the reasons. If that is the government's current policy, I do not know why it put into the indenture that it should have first right of refusal to any excess product water.

Notwithstanding that, when I put that curiosity to the Olympic Dam Task Force, they said that they were unaware of the Water Industry Bill and the government's policy position there. Notwithstanding that, it is in the indenture and I do not necessarily have a problem with it, but am just curious about two parts of the government having different policies, apparently.

As the shadow minister for energy I am very pleased that, if this project is approved and developed in the way we expect it will be, it will provide a significant additional electricity load to the South Australian grid—some 600 megawatts I believe will be the load required for the fully developed operation. One of the real problems we have with electricity in South Australia is that we have this very peaky demand curve. By having a new and significant load like this, it will to some degree smooth out our demand curve and to some extent make the supply of electricity into South Australia an easier thing to achieve.

The indenture provides for a number of options for electricity for the expanded mine, including new power stations at either Port Augusta or Olympic Dam and a new powerline between those two sites, but there is also provision for a—

The SPEAKER: Order! Can we have a little bit of quiet? It is very difficult for the member for MacKillop to be heard, and I am sure you are all as enthralled as I am in what he has to say.

Mr WILLIAMS: Thank you, Madam Speaker—combined cycle generator at Olympic Dam, which will utilise waste heat from other parts of the processes to produce electricity. It is expected that not only will the township of Roxby Downs virtually double in size from its current population of about 4,000, heading towards 10,000—I think 9,000 is the figure that it is expected to reach—but, in addition, a workers' village to house up to another 10,000 workers, which will be required during the construction phase, has been planned. This again has been allowed for in the indenture agreement.

A new airport will be required. We were told both in the committee and in the briefings that we had, particularly from BHP Billiton, that an airport will be required to bring in quite sizeable aeroplanes, particularly for the construction phase when there will be a significant number of workers flying in and out of the operation.

They will be coming from (we hope) principally South Australia, but they will also obviously be coming from other areas. I doubt whether we have the capacity to provide up to 10,000 workers—more often probably of the order of 6,000 workers, we were told. I do not know that South Australia has the capacity to provide that amount of workers for the duration of the project. So there will be fly-in fly-out, but hopefully that will be maximised from within South Australia.

It is also proposed that a new rail spur line will be built between Pimba and the Olympic Dam site to allow for the export, particularly of copper concentrate, and there will be a barge unloading facility and associated infrastructure built adjacent to Port Augusta to allow for the importation of large components which will be used to build particularly the processing facilities at the expanded operation.

The indenture allows for all that infrastructure to be built. The indenture also provides for a one-stop shop for the company for any of the approvals that it will need. That will go through the minister responsible for the indenture (the Minister for Mineral Resources and Energy), where the company can make applications under any of the state legislation through that one minister.

The ratification act does ensure that the minister—notwithstanding the applications that are made through the indenture minister—does have to consult with the relevant minister in the particular policy area, and must get the approval of that relevant minister before giving any of the authorisations. This excludes environmental authorisations, which will be made through the EPA.

There has been—and the Greens have been mentioned a couple of times—much comment about the environmental implications. Obviously, you cannot construct what will probably be the biggest hole in the world without having some impact on the environment, but the reality is that I am quite convinced the EPA will have the tools necessary to make sure that the highest standards are met.

The indenture also provides that the company produce biennially an industry and workforce participation plan and that it reports on that plan annually. This is one of the areas I asked about at each of the briefings we had and also in the select committee, where the company is obliged to report regularly to the minister and the minister, according to the indenture, 'may' publish those reports. I question why the government has put the word 'may' in.

In fact, when we asked the Olympic Dam task force, they said, 'Well, "may" allows the minister to do it and of course the minister will do it.' In reality, when you sit in opposition for a few years, you realise that quite often, notwithstanding that ministers have the power to release information, it seems that they do not like releasing information.

The minister looks at me as though I have said something that has surprised him, but I can tell the house that I and my colleagues spend an inordinate amount of time putting in requests for information under the Freedom of Information Act. An inordinate amount of government time is taken up responding to those requests, and an open government would obviate the need for that time, on behalf of both the opposition and the government agencies, in addressing those requests.

I, for the life of me, cannot understand why in those particular clauses the word 'shall' was not used instead of 'may' when it comes to publication of those reports. BHP gave evidence to the select committee that it was BHP Billiton's intention to publish all that information on their website in any case. Can I say, it will be the Liberal Party's intention at any time that we are in government during the life of this indenture to automatically publish that information. We will not be party to saying, 'We may do it but we do not have to.' I urge the current minister and the current government to come out and give a similar undertaking that they will in every case publish that information.

The same goes for reports under the environmental clauses of the indenture. The same language is used: that the minister 'may' publish environmental reports, mitigation reports, etc. Again, I state that the Liberal Party in government will always publish those reports where we are able to, where it says 'may'. Again, I think it was BHP's intention that they would also publish those reports. Again, I do not know why the word 'may' is used and not the word 'shall'.

The two areas that are of the greatest importance to the public of South Australia with regard to this indenture are industry and workforce participation, and the matter of royalties. I will just spend a little time on the industry and workforce participation plan. The publication of the company's plan and of the annual reports, I think, is the way to maximise the benefits to South Australia. That is why I say that the Liberal Party in government will always publish those documents and those reports. That is the way to ensure, by a process of accountability, that we maximise participation by a South Australian based workforce and participation by South Australian industry.

Only last week—I think it was in Friday's *Advertiser*—we learned that BHP Billiton has placed a significant order for units for their workers' village that I talked about a few minutes ago offshore. That has occurred simply because South Australia does not have the capacity to provide. When some of my colleagues and I met with the CEO of BHP, Marius Kloppers, a week ago, he expressed to us that one of his fears was that South Australia would fail in a number of areas to have the capacity to provide for the needs of this particular project and that the company would be forced to go outside South Australia. That would be a pity.

Might I say that the opposition has been raising for some time the fact that this government has been quite willing to issue major contracts, particularly for some of the major infrastructure works such as roadworks and the Northern Expressway, to interstate companies. That very act by the government of South Australia mitigates against South Australian contractors being ready and up to capacity to tender for some of the works that will be open for tender through this project. I think that is a failure of the government. Notwithstanding there has been a huge amount of rhetoric for a long time, I am not convinced that the current South Australian government has made South Australia ready for this particular project.

The indenture talks about the normalisation of the township of Roxby Downs with regard to local government. The township currently is run by an administrator who has all the powers under the Local Government Act. I was talking to the federal member, Rowan Ramsay, about this last week. He is somewhat dismayed that there is an expectation that normalisation will not occur for probably 15 years. There are three triggers in the indenture that would then allow the minister to give notice that normalisation is about to occur and after that notice there is a two-year process. The three triggers are 15 years, or 10,000 tonnes of production of refined copper, or the population

of the town exceeding, I think, 9,000 people. Certainly, the local federal member was somewhat concerned.

Each of those triggers probably will not occur for 15 years and then the two-year time frame between the minister giving notification to the company and the normalisation occurring means we are probably talking about 17 years, which puts us somewhere heading towards 2030 before we will have democratic local government in Roxby Downs. I must admit, I was somewhat convinced by Rowan Ramsay's argument that that seems to be a long time, and there are plenty of communities of well under 9,000—in fact, with only a couple of thousand people—that have normal democratic local government. I am not too sure that the best interests of the people of Roxby Downs are served by that, but that is the position we are given.

The other issue that I need to spend a couple of minutes on is that of royalties. I was somewhat surprised when I read the indenture to learn that the royalty regime has been locked away for 45 years. Before I got access to the documents, I was expecting a royalty regime of 25 to 30 years and I think that would have been quite reasonable. I am not saying the 45 years is unreasonable, but I remind the house that in the original indenture in 1982 there was a clause—I think it was 32 or 32A—which established a surplus-related royalty regime, a regime which is not unlike the super profits tax, or the mineral resource rent tax, as espoused by the federal government.

I am a little bit surprised that the government did not argue the case—I do not know that it did not argue the case, but it did not insist on the case—that such a regime be built into the varied indenture. I think it was a reasonable thing to do. I strongly suspect that the government has had the attitude that it does not really matter, first, because of horizontal fiscal equalisation, and we only get a small percentage of any increase in royalties, combined with its belief that the royalty area of taxation will be taken over by the federal government through some sort of mineral resource rent tax which will be applied much more widely than the current proposition.

As an old-style federalist, I do not see why the government of South Australia is playing into the hands of those centralists in Canberra and setting us up to have to have them walk in and take over this area of taxation which has been the province of the states hereto. I think that probably is the real downside of the fact that we do not have something equivalent to the old clause and the surplus-related royalty clause in the original indenture.

I think I have covered most of the key elements of the indenture bill, but one I just remembered have not covered is rehabilitation bonds. The Mining Act in South Australia is a 1971 act, so it is a fairly old act, but it has been modernised a number of times. Within the last, I think, 12 months, or a bit more, we modernised it substantially again.

It is common practice that rehabilitation bonds are established for mining operations. There is a bond established under this which protects the government and protects the state of South Australia in case something untoward happens and the company, for one reason or another, walks away from the project and leaves a mess there. The bond is established by way of an audited assessment of the cost at any time to rehabilitate the mine as it is at that time.

The bond can be made up of a guarantee from a recognised financial institution—and there are certain qualifications for that—and up to 50 per cent of the value of the bond provided by a parent company guarantee. I fully endorse the idea of having a rehabilitation bond, and I think that protects the state's interest into the long term.

I said that the opposition took some advice from people who had a lot better understanding and knowledge of these matters than we had as parliamentarians. One of the things which gave me and my colleagues great comfort was that we were told that the indenture, as it is written, is what you would normally expect in any Australian jurisdiction. All the elements that I have talked about, including the rehabilitation bond, are the sorts of things that would always appear in a modern Australian indenture of this nature; so, there are no surprises.

We took this advice from people who know the business of making indentures with significant mining houses. We are comforted that what you would expect to see in an indenture is here. There is nothing here that you would not expect to see in an indenture. So, I reiterate my earlier comments in closing, that I am delighted that particularly the Labor Party has come so far in the last 30 years to now embrace the mining industry the way it has.

I am particularly delighted and proud to stand here as a member of the Liberal Party knowing that if it was not for the hard work done by my predecessors in the Liberal Party some

30 years ago we probably would not even be debating this matter today—and I have mentioned Roger Goldsworthy, David Tonkin and Norm Foster several times. I look forward to BHP Billiton giving the tick of approval to this project.

I know there is a significant degree of enthusiasm for this project within BHP from all the people we spoke to, including right to the top. I am sure it will be presented in the best possible light to the board. I look forward to the board's approval, I look forward to this project getting underway, and I look forward to a much improved future for this state as a result of the mining industry being embraced by both sides of politics.

The DEPUTY SPEAKER: The member for Port Adelaide.

The Hon. K.O. FOLEY (Port Adelaide) (20:55): Thank you, Mr Deputy Speaker. I congratulate you on your elevation to the position, well deserved, and you will make an outstanding deputy speaker, as you are already as an outstanding member of parliament. I want to talk briefly—certainly no more than 20 minutes—

Members interjecting:

The Hon. K.O. FOLEY: I hope that members will give a respected former deputy premier and treasurer the respect he deserves and listen to me in silence.

Mr Hamilton-Smith: We will, Kevin, we will.

The Hon. K.O. FOLEY: I know you have a soft spot for me, Marty.

Members interjecting:

Mr Hamilton-Smith: We do.

The Hon. K.O. FOLEY: You always have. I commend the deputy leader's speech; it was a good contribution. This is one of the very rare moments where I want to acknowledge the role of the leader, Isobel Redmond, the deputy leader and the shadow treasurer for what I consider to be a very constructive approach to this entire process. We started this process six years ago as a government. While we are talking about that I must refer back to a little bit of history.

I noted that, understandably, the deputy leader reached back to the history of Roger Goldsworthy. Roger was an outstanding mining minister. He was also an incredibly abusive and disrespectful member when it came to Speakers of the parliament. As Ivan would know, I was in this place watching when he got kicked out three times in one session. It went from one day to three days to nine days, and even I have never used the words that he used. But there is no question that Roger had a passion. There were people such as Richard Yeeles at the time. I think his role should also be put on the public record through all of this, as adviser to former Liberal premiers and deputy premiers and opposition leaders and, of course, with Western Mining and finally with BHP.

The whole issue—and this is not really part of the actual debate but I just want to put a microsecond of history onto the record about the decision to fund geospatial data (or whatever stuff it is that they actually do)—was the result of a piece of work done back in 1989, and I am old enough and long enough in the tooth to remember the Arthur D. Little report that dates back to then.

An honourable member interjecting:

The Hon. K.O. FOLEY: Exactly! They recommended that we should model our economy, incidentally, on the Irish experiment, which was pretty favourable there for about 15 years until it imploded. However, one of their recommendations was based on the fact that most of our real minerals were so far underground that it was unlikely that you would generate a significant amount of exploration unless the government offered some upfront financial assistance. So the very beginning of that scheme actually occurred under Frank Blevins back in 1990—and Gay (who previously worked for Frank) would remember that.

I guess the reality is that there were some very good things done by Labor in those years but so much of it was forgotten and overshadowed (and understandably so) by the collapse of the State Bank. But Frank and the cabinet—Lyn Arnold at the time, and John Bannon—were prepared to back what was a very clever piece of advice: that we start to spend upfront money.

When the Liberals came in they sustained that program and put more money into it, and I commend them for doing that. Of course, when we came into office, we accelerated the

expenditure. We cleverly then called it the accelerated program, which basically meant putting a lot more money in. That has been a good piece of public policy, supported on both sides of the house. In respect of Olympic Dam, this has been at least six years. Again, as a former chief of staff to a premier and adviser, I can remember a number of false starts with various expansions with Olympic Dam.

When Western Mining clearly realised that they were not able to fully exploit this resource, the swirling birds of prey, the big mining houses of the globe, started to have a look at Western Mining. I remember that the leading mining house that was favoured to buy Western Mining was indeed Xstrata. That copped a lot of criticism locally. Not a lot was known of Xstrata. They had had some pretty mixed involvement, I think, in the west with some mining ventures. I publicly supported then, as the government treasurer, a potential bid from Xstrata, but then, of course, very late in the piece, BHP made the offer and bought the company.

That single decision of BHP Billiton to buy Olympic Dam, I think, was arguably the most important corporate play in this state, at least since General Motors bought Holdens. This was not so much a game changer in those emotive terms, but it was the arrival of a corporate entity that had the balance sheet and the risk appetite to fully exploit this asset. Truth be known—and I am only guessing here, I don't know—I doubt that even BHP then fully appreciated or understood what it was they were buying in terms of the full scope. Of course, Western Mining, which had not had the resources to fully scope the entire project, were not fully aware of what they had.

When BHP bought the project, I remember having a dinner with the premier—I am not sure whether Paul Heithersay was there but I will talk about Paul a bit later—and we met the then number two or number three executive from BHP Billiton, Mr Solomon. I asked him at that dinner a probably very naive question. The question was: with the acquisition of Western Mining, what else would BHP Billiton be doing in South Australia? What other opportunities could there be for BHP to explore and see other mineral potential? I was thinking from the point of view that we now have BHP at Western Mining. Perhaps they could look up in the APY lands, perhaps they could look up in Moomba for whatever—gas, petroleum.

Mr Solomon just looked at me and, in a South African accent, he said to me (and I will not try to do the accent), 'Mr Foley, in my business you always hunt where the elephants roam.' It took me a while to work that one out, I might add, but what he was saying was, 'We have just bought an elephant. This is where the elephants are and we will look incrementally out from the resource that we have bought. There is no need for us to go looking in other parts of your state. We have bought a patch of dirt where the elephants are and we will look where the elephants roam.'

At one point, I think BHP had engaged something in the order of probably 70 or 80 per cent of the drilling rigs available in Australia to try to scope the full extremity of this asset—this potential scoping exercise to see just how large this thing was. I have never properly nailed it down with Dean Dalla Valle and others, but what I do know is that, at one point, they had not found the outer extremities and they may yet have not. They probably even struggled to find the depth of this extraordinary asset, but they had the capacity, both financially and in a risk-taking appetite, to scope a project way beyond what was the initial Western Mining deposit and known deposits of that area.

Now what have they found? Who knows whether BHP has discovered 35 per cent of the world's known deposit, 40 per cent, 50 per cent or 60 per cent?

What we do know is that we have the largest deposit by a factor of whatever in terms of uranium. Importantly—and this is the really important part of all of this—had it just been uranium, it is probably unlikely that BHP would have been in the position to mine it. It is low grade uranium—it is not high grade—so the more volume, the greater yield.

But what is mixed with it is one of the great global deposits of copper. So, with copper, together with the uranium and the other products of nickel, some silver, I think, certainly gold—a multi-mineral mine—the economics sort of get towards working, and who knows how far these elephants roam? I am sure that BHP already has the next 100 to 200 years worked out, and I will leave it to other people to worry beyond that.

Six years ago, we had a crack at this project, and we formed the Olympic Dam task force. Bruce Carter was asked to chair it. Paul Case, who had been the head of the Department for Administrative and Information Services, was asked to lead it, and the work began, and we put in a lot of effort and a lot of money, as did BHP. At one point early in the process, BHP Billiton had 250 people in Adelaide working on the EIS, about five or six years ago.

The truth is that BHP Billiton was designing a project that I think it could be argued was even beyond its capability to fund and to finance. So, it had a bit of a hiccup and some change of key personnel, and it is not for me to comment on those changes, and there was a delay there that was disappointing to the government. Then, of course, the GFC hit.

What I have learnt very quickly about the mining industry is that it can turn off a tap as quickly as it can turn on a tap, and when the GFC hit, capital was scarce, economic certainty was volatile, and it was not proceeding and they put it on the backburner. We had to keep the project ticking along, and we asked Paul Heithersay, the head of the resources division of government, to come over and split his time between running the mining agency of government, as well as overseeing the Olympic Dam committee work.

To Paul's credit—and he should know this—it was well received by BHP, not that that was the reason for asking Paul to do it. BHP respected Paul Heithersay as a serious operator in the mining industry, and Paul was asked to manage that process. I have only a few minutes to go, and I have not even started to talk about the indenture. We had a very good team; Peter Bradshaw and a whole series of people had been working on this project for a long time and had done an outstanding job, from the government's perspective.

Then, as the GFC washed through, BHP basically picked up the phone and said, 'We want to do this project now.' I said, 'Yeah, rightio,' and we had to crank it all up again and seriously get to work. Dean Dalla Valle and I met with Bruce Carter in the very early part of this year—in January or February, from memory. We met for coffee on a couple of days. I think we had a bit of butcher's paper where we did a bit of a spreadsheet.

Kym Winter-Dewhirst, who has this incredible flow chart that only he could understand that has dates and critical time paths—

The Hon. S.W. Key: Was it Noodle Nation?

The Hon. K.O. FOLEY: Well, it was close to Noodle Nation, but Kym understood it, and that was important, and that is why you have staff who are smarter than you. Kym gave us the time frames, and it was a very aggressive time line. It was not about Mike Rann or Kevin Foley, as I said to this house before, and our political fortunes and careers. It was about a window opening up within which a multinational company could spend and allocate tens and tens of billions. Let's be honest with the parliament: this is not about \$20 billion or \$30 billion, in my view. This is about a much larger sum of money.

The result of this decision in further stages and further expansions means that we are talking tens upon tens upon tens of billions of dollars over the next 100 years, in my view. I have not been told that, but to me it is a pretty obvious conclusion given the nature and the size of this resource and the demand the globe will have for it. We had about eight months to try to pull this off. We had to negotiate hard, and full credit to Paul Heithersay. I have worked with a lot of senior public servants in my time in politics. I have never met and dealt with anyone better than Paul, quite seriously. I am not saying it because he is here.

Mr Venning: That's a big call.

The Hon. K.O. FOLEY: It is. There are few people of Paul Heithersay's calibre—there are some, and I do not want to mention names, but no-one better than Paul, in the sense that Paul diligently went about his work. It was never political. He was never afraid to tell you what he felt, whether or not he thought you agreed with it.

Dean Dalla Valle from BHP Billiton and I developed a very strong, quality working relationship. We headed up negotiations. We only dealt with things when they were elevated to us. We had very large teams of people doing the initial face-to-face stuff. We had lawyers, and if I had another 20 minutes I could crack a few gags about the lawyers, but best I do not. Although I should try to use as much privilege as I can over the next few weeks. The lawyers were very diligent and very good in what they did, but they were a unique profession. We did work for tens and tens and tens of hours in my office and in BHP's office, working through a long list of issues, and we got landings.

As I have said to this place before, you have to look at this deal in its totality. If you itemise decisions that we have taken, I am sure there are things that you could be critical of and you might think we could have got a better deal on that issue. However, these were protracted negotiations over seven or eight months, many days a week, tens and tens if not hundreds of hours of face-to-

face negotiations, and a negotiation is give and take. You cannot get everything you want. You just have to make sure that you get the best deal that you can.

I do not want to go through all of the various environmental issues that I think we have covered exceptionally well. What I do want to address is the issue of royalties. Some members might ask why we have given 45 years and why we have struck the rate that we have. South Australia is the price setter on uranium and copper. We will produce 90 per cent of Australia's uranium, once the thing is fully operational, and 70 or 80 per cent, if not more, of the copper of this nation. So, no other state is going to raise royalties above us.

You have to understand horizontal fiscal equalisation. That means that, of what we get in royalties, we only get to keep our population share of 6.8 per cent. Of the \$350 million per annum projected, under the way our nation is structured in the distribution of finances, we only get to keep about \$20 million of that. No state is going to increase royalties above us and we only get to keep 7 per cent of the royalties that are pinged. It did not make sense from the government's negotiating point of view to be uncomfortable with a long rein of holding those royalties at the rates they are. They are very well structured so that they pay a lower rate if they process the material here and they pay a higher rate if they do not. I think that was a very good deal.

The previous indenture had 30 years. We went a bit longer. I know some members—particularly the shadow minister for industry—said we should look at a profits-based tax. Well, that is a resource rent, and I think Tony Abbott has made the Liberal Party's position clear on a resource rent.

Mr Hamilton-Smith interjecting:

The Hon. K.O. FOLEY: Exactly, and I am aware of that, but it is a resource rent and your federal leader is opposed to it. I thank the Liberal Party for its support. I want to conclude by thanking—and I know that I am stretching my friendship here—the team at BHP, Dean Dalla Valle, Bruce Carter, Paul Heithersay, my ministerial colleagues in the parliament, and particularly the Liberal opposition who have shown a very sensible and mature leadership through this process. This is beyond politics. It is a good deal for our state and it is a good opportunity for the parliament to do what is in the best interests of South Australia.

The DEPUTY SPEAKER: Member for Davenport.

The Hon. I.F. EVANS (Davenport) (21:15): Thank you, Mr Deputy Speaker. I congratulate you on your election to that position today. As the shadow treasurer of the opposition, I am pleased to stand up and offer bipartisan support, as my colleagues the shadow minister for mining and the Leader of the Opposition have, as a member of the select committee. I agree with the former minister and former treasurer that this project is beyond politics. I am pleased that the opposition took the unanimous view that the state's interests should be put before political interests.

I want to recap on a few things. I am extraordinarily proud, as a Liberal, to be speaking to another bill to expand what has been a magnificent Liberal project. The cold, hard reality of it is that if the Labor Party of years past had got its way then we would not be here debating it because the line that was a mirage in the desert, the line that no credible economic commentator would agree with the economic estimations at the time, the whole campaign run against this particular project from its very commencement by the Labor Party, I think, was a very sad chapter in this state's history.

There are some projects in this state's history, some issues that come along that are so much in the state's interests. You sometimes have to put party interests aside, put politics aside for one minute, and put the state first. It is regrettable, in my view, that the Labor Party of the 1970s and 1980s did not take that decision in relation to Roxby Downs and the question of uranium mining because of all of the economic benefits that we talk about today, all of the economic benefits that are talked about in this particular project.

The reality is that the negative opposition taken by the Labor Party in years past only denied the state access to this resource, and only denied the state access to the economic development years earlier. You would have to question why, other than for political motive, would a party do that? So, I am pleased that this side of the house, the Liberal Party, took, in my view, a mature decision not to play politics with the issue in relation to the agreement.

This is a magnificent Liberal project: Roxby Downs. It will underpin the state's economy for many years to come and provide a sound base for the economy for many decades to come. I am

pleased to be part of the party that has delivered this project and has agreed unanimously to this particular expansion indenture that we are debating now. I remember the position put down by former premier Rann in his document, *Uranium: Play it Safe, South Australia's non-boom*, the big prediction by Mr Rann at the time that South Australia would have a non-boom. This would not happen. He actually says in here:

No serious commentators are now likely to join the Premier in trumpeting the economic impact of Roxby Downs. Even Western Mining, a partner with BP and Roxby exploration, will not publicly commit itself to actually mining the ore body despite its insistence that the government pass an indenture bill for the project.

He finished up the page by saying, 'It smacked of a political stunt.' Well, I say to South Australia: it's not a bad stunt! It is going to be the world's biggest mine brought to you by the Liberal Party of South Australia. I am very pleased. It is great that Roger Goldsworthy is still with us to hear this debate and see this project developed. We are having dinner tomorrow night with one of the Tonkin family. It is just great to see that this project is going ahead because those people had political courage. They did not wimp off to the corner and take the political angle like some others did: they had the political courage to put the state first, and I am so pleased they did so.

I am disappointed that the Labor Party at the time never took that option of putting, in my view, the state first before the party. It has always been the Liberal Party that has taken the big issue questions, the big policy steps, in regard to the state's economy. If you look at the more recent history of the state, the three key decisions that rebuilt the state economy were these: the Roxby Downs decision, which the Labor Party opposed; the lease of the electricity assets to pay off the state debt which enabled the state to regain its AAA credit rating and which the Labor Party opposed.

The Hon. A. Koutsantonis: That's right.

The Hon. I.F. EVANS: The minister says, 'That's right,' and I thank him for putting it on the record and agreeing with me. I thank you for that, minister. The reality is that my grandmother could have delivered the AAA credit rating after the 2002 election, and she has been dead nearly five years—that is how certain it was that it was going to be reinstated.

The other issue was the GST, which has provided a growth revenue stream for the states. Imagine South Australia—

The Hon. A. Koutsantonis: What about the carbon tax?

The Hon. I.F. EVANS: Well, the minister says, 'What about the carbon tax?' The people will have their say on the carbon tax. Speak to me after the next federal election.

The Hon. A. Koutsantonis interjecting:

The Hon. I.F. EVANS: Speak to me after the next federal election about the carbon tax. The reality is that, without the GST, without the reduction of debt through the ETSA leases and without the Roxby Downs decision, I ask the parliament this: where would the state budget be and where would the state economy be? The Liberal Party has a history of putting the state before politics.

The government has been saying that there is a message about the state, as if the state has a chip on its shoulder. The state does not have a chip on its shoulder. It is a proud state with a good economic record, and what all this decision does is send a message to the mining industry that we have a state opposition that will support projects on their merits, and we will put the projects first if there is some merit to the project. They actually have a parliament that is prepared to put the state first rather than necessarily play politics with it. I accept the role from the view of a shadow treasurer, I accept the issue that it is essentially the role of government to negotiate these contracts.

I accept the position put by the former treasurer that this has been about a six-year process. To try to renegotiate these sorts of indenture agreements on the floor of the house by a committee of 69 politicians from various viewpoints would be nigh on impossible, and I do not think the business community or the mining industry would even seek to invest on that basis. There is, I think, an acceptance—from my point of view at least, as an individual—that it is indeed the role of government to negotiate these contracts for the good of the state. I accept the former treasurer's view or position that he put to the parliament, that it has taken nearly six years to negotiate this particular contract.

I justify my view because, if you look at all the planets that have to align for these decisions to be made, not only do you need a BHP board that is supportive, in this particular case, you need a chief executive like Marius Kloppers who is committed to the project—and he is, and we thank him for the very courteous and frank meeting the other day. You need to have a government that is committed to the project and prepared to negotiate on the key issues. You need to have the capital available within the company. You need to have the financial markets in such a state that the company is actually prepared to invest if it needs to borrow. You need to have an opposition that is prepared to negotiate the issues through both houses. There is a whole range of things, where planets need to align.

I think it is ultimately the role of government to negotiate these indenture agreements. It is the role of the opposition, of course, to scrutinise and question. I think Paul Heithersay, Bruce Carter and others who have been dealing with the opposition over the last few weeks would agree that we have questioned them a fair amount about the project and other options that were available to the government to consider.

The other issue that we have to consider in all this is the state of the world market as we speak. Here we are, a small state with a limited economy that seeks to expand through the BHP expansion. We have one of the world's biggest miners, probably one of only two or three miners with the capital and the capacity to develop this project. When we look over to Europe, Italy is in trouble and Greece is in trouble. What will the financial markets be doing in three, six or nine months? Who knows?

I think if we can get BHP to invest in what will be the world's biggest mine in South Australia, it will be, in my view, well over a 100 to 120-year commitment. I think it will be a significant player in the state economy, and my view is that we should not unreasonably stand in the way of this project. My message to BHP is that it should have full confidence that the state opposition—if and when we become government—will honour the agreement 100 per cent.

The DEPUTY SPEAKER: If and when, did you say?

The Hon. I.F. EVANS: If and when. If we win government or when we become government. On behalf of the opposition, I say to BHP that it has a 100 per cent ironclad guarantee that, on forming government at some point in the future, the state opposition will honour the agreement. BHP can be confident of that particular issue.

I suspect that the real test for the parliament and the state is: how do we then capitalise on what will be one of the world's great projects? That will be the real test. It will not be the royalty rate; it will not even necessarily be the level of employment; it will be: how can South Australia best capitalise on this project? The real message out of this project to the rest of the world is that we have world-class resources that can be developed. We have a government and an opposition that are prepared to work in the best interests of the state on these world-class deposits, and we are an economy open for business. That is the real message, I think, by the opposition taking this particular view.

Imagine the message to the world if we took the view that we were going to defeat the indenture bill. What would the message be to investors into South Australia? It is for that reason that I congratulate Isobel Redmond and Mitch Williams, as the leader and deputy leader, for getting a unanimous vote out of the party room because it sends a very strong message about the alternative government that we are very serious indeed about the economic development and the employment development of this state.

We will have more to say on future dates about ways to capitalise on this particular investment. Importantly, from the Liberal Party's point of view, this project will invest significant sums in the regions. It is this side of the house that most represents the regions, and it is this project that is going to deliver significant sums, significant jobs and significant confidence into the regions which have taken a battering through drought, flood, fire—and indeed through budget measures over the last few years.

So, we welcome this big investment into the regions. The world's biggest mine, in my view, 120 years slap bang in regional South Australia, can only be a good thing for the regions of the state. I am someone who takes the long view on these sorts of issues and, while it is going to be very difficult to implement this overnight—in fact, impossible because of the former treasurer's point about horizontal fiscal equalisation—it is time for the state to at least consider how in maybe a decade's time we can construct a sovereign wealth fund, whether that is possible, and what changes to federal regimes need to be made to allow it. It may not be possible but, if ever the state

is going to consider it, with this investment and other mining investments that are in the wind, over the next decade there needs to be some discussion about it.

There is a review of the horizontal fiscal equalisation process happening at the federal level. There are rumours that they are talking about adopting the Canadian system which essentially cuts off part of the mining royalties out of the horizontal fiscal equalisation process and, if that occurs, the question comes: can South Australia actually develop a sovereign wealth fund without penalising its budget regime too much. Other sovereign wealth funds are not set up on the basis of royalties but on the basis of budget surpluses.

Let me make this quite clear. I am not suggesting we set one up tomorrow, but I am saying that in the context of this debate over the next decade now is the time to at least start to talk about it, to have a look at it, to get the Public Service thinking about it, and the newer members of parliament who may be here longer than me will ultimately one day have to make a judgement about whether we can actually do that because we will only ever dig it out once. We will only ever dig it out once and we shouldn't blow the revenue simply without considering whether we can implement a sovereign wealth fund. I have a motion on Thursday in the Economic and Finance Committee to look at that very issue.

The other issue is in relation to attracting other business on the back of this investment. Part of the issue will be the high tax regime and the WorkCover regime in this state as to whether businesses come here. So, there will have to be a debate about the level of taxation in this state and the implementation of this particular project.

I have not spoken in detail at all about the select committee report or the indenture agreement because my colleague the deputy leader more than adequately covered that. I wanted to speak a slightly different message. I want to put on the record my thanks to the minister and his staff and the other members of the select committee for the very mature way the select committee was handled. I want to thank most sincerely BHP and their negotiating team for their openness and frankness with us in relation to the negotiations, and particularly to Paul Heithersay and all the departmental officers from his agency and the crown law and others who gave us access, through the minister's courtesy, to the documents two weeks early on a confidential basis so that we could get our head around the detail and have all the questions answered. I think the process it went through helped deliver a unanimous vote from the Liberal opposition. I really look forward to this project starting, and my message to BHP is to get on with it.

The DEPUTY SPEAKER: Member for Unley.

Mr PISONI (Unley) (21:35): Thank you, Mr Deputy Speaker, and congratulations on your elevation. I would have actually voted for the other guy—the member for Croydon—because I would have looked forward to having my speeches interrupted with corrections of grammar on a regular basis. That would have been an enlightening experience!

I would like to take a slightly different tack on my support of the indenture bill. I want to take us back to 1979. I remember 1979: it was after the so-called Dunstan decade. We had very high unemployment here in South Australia. It was very difficult, in particular, for school leavers to get a job. I was one of those school leavers at that time, and at age 16 I decided that in April of that year I would look for an apprenticeship. I had had enough of Salisbury High School and I felt I needed to get out into the workforce.

It took me over 100 job applications and until December that year before I was finally accepted as an apprentice at a small family firm in the city called Norman, Turner & Nottage. There would be many older South Australians (particularly in Canberra and also in the eastern suburbs of Adelaide) who would be familiar with Mr Nottage and the fine work that he did.

During that time, on 15 September 1979, we had an election. In January of that year Don Dunstan resigned for health reasons, and I remember the news conference well. At that time I was collecting glasses at the Parafield Gardens Community Centre—I think the rate then was \$1.50 an hour—and I remember watching it on the television screen after school. Mr Dunstan was in his pyjamas, and they were very fashionable, too, I recall, at the time, which was typical of the premier who was a very sharp dresser. We all recall his pink shorts a couple of years earlier.

Des Corcoran was then the deputy premier, and he replaced Don Dunstan as the premier but insisted that he needed his own mandate so he went early to an election, and I remember two key issues. I must have been much more politically aware than I thought I was at that time, as a young 16 year old. I remember seeing one of the ads on TV with Des Corcoran putting a petrol

pump into a car and complaining about the price of petrol (I think it was about 12¢ a litre back then), and blaming Canberra. He said, 'We've got to stop Canberra putting up petrol prices!'

Then we had the big bus strike of 1979. The ever-so-helpful unions for the ALP decided that they were going to go—I think in about September—

Ms Chapman: And the meat scandal at the Royal Adelaide.

Mr PISONI: The meat scandal at the Royal Adelaide Hospital, the member for Bragg reminds me, as well. I am not quite sure that my politics were quite that sophisticated that I remembered something like that at the time, but the bus strike which happened almost as Des Corcoran called the election—and David Tonkin was elected—

Mrs Geraghty interjecting:

The DEPUTY SPEAKER: A point of order has been called for.

Mrs GERAGHTY: Sorry, I was just going to raise the point that I have no idea what this has to do with anything, but—

Mr PISONI: —in 1979 as the new premier.

The DEPUTY SPEAKER: Member for Unley, the procedure is, when there's a point of order, you take a seat and I hear the point of order.

Mrs GERAGHTY: No, no; it's all right.

The DEPUTY SPEAKER: You wish to withdraw; okay.

Mr PISONI: I distinctly recall the minister very graciously allowing members to speak beyond the report that has been tabled. We have to look at the contrast that David Tonkin brought to South Australia compared to how the Labor Party was thinking at the time. I refer members to a very famous publication, that has become more and more famous as it has got older. It was the work by Mike Rann, then working as a staffer in the Labor Party: 'Uranium Play It Safe'. The introduction to the paper tells us that Mike Rann was the chairperson of the nuclear hazards committee of the ALP in the South Australian branch, that he was the adviser to the South Australian Labor leader John Bannon, and was previously press secretary to premiers Don Dunstan and Des Corcoran.

It is interesting that the campaign run at the time, in 1977, 'Uranium Play it Safe', was a big federal issue. I think even Don Dunstan appeared on television ads across the nation telling people 'I once thought uranium was a good thing but then I realised it wasn't a good thing.' Advertisements were on television showing how long it would take for nuclear waste to become safe. It was a very strong campaign that the Labor Party ran in 1977, and it was called 'Uranium Play it Safe'. That was the campaign.

As a matter of fact, if you go to the Fred Daly Collection in the Australian National Museum in Canberra they even have the badges on display, because ALP members could wear these badges. They are described as green, yellow and white plastic and metal badges with a safety pin clasp on the reverse side. The front has yellow inscribed 'Uranium Play it Safe' in capitals, and in white text 'Vote ALP' on a green background. It is a very detailed description. It tells you that the material was metal, non-specific and plastic, which of course was also non-specific. It was six millimetres in depth and 55 millimetres in diameter. This was a campaign badge, or button, which were very popular in the 1970s for members—

The Hon. S.W. Key interjecting:

Mr PISONI: I would love to have one for my political collection. I do not discriminate in my political collection, and I thank the member for Ashford for that kind offer of a souvenir from that time. If we go further and compare some of the debate of today with the debate that Mike Rann was arguing as to why we should not have this Roxby Downs indenture bill in 1979, you can only think how things change but how they stay the same. Mike Rann wrote:

In South Australia, the Liberal government has got itself into a tangle over the proposed Roxby Downs copper and uranium mine.

The DEPUTY SPEAKER: Mike Rann is actually the member for Ramsay; I suggest you refer to him in your speech as the member for Ramsay.

Mr PISONI: The member for Ramsay, of course; Mike Rann, the member for Ramsay. He continued:

Since the September 1979 election, Premier Tonkin has pinned his government's political hopes on a development he has described as eventually being as big as Mt Isa.

It is even bigger than that now, of course. Actually, he was Mike Rann back then, not the member for Ramsay; he was Mike Rann when he wrote this. Mike Rann said:

Faced with record unemployment, the South Australian Liberal government—
this is after 10 years of the Dunstan decade, of course—
has painted itself into a corner over Roxby Downs.

As I said, I think it was two elections that Mike Rann won based on the promise of the expansion of Roxby Downs. He continued:

No serious commentators are now likely to join the Premier in trumpeting the economic impact of Roxby. Even Western Mining, a partner with BP in Roxby exploration, will not publicly commit itself to actually mining the ore body despite its insistence that the government pass an indenture bill for the project.

Of course, then premier David Tonkin knew that this was a fantastic project for South Australia and, despite the opposition, the opportunistic nature of the Labor Party, he was going to make this happen. Mike Rann then went on to say:

Negotiations over the Indenture have not gone well for the South Australian Government. The Indenture Bill was supposed to be presented in November 1981. It didn't appear. Then it was due to be presented to Parliament in December of that year. But negotiators failed to agree over electricity prices and royalties.

Here we are told, after six years, that we have to rush this through, yet Mike Rann was criticising the Tonkin government, which was only in power for three years. We should look at the achievements of the Tonkin government in those three years. He was described as a combined fiscal conservative, with impending social progressive reforms—something I am very comfortable with.

Premier Tonkin made significant cuts to the Public Service. I remember that he completely decimated the public buildings department and freed up work for small businesses right around the state. He did it to such an extent that, even after 11 or 12 years of the Bannon government, they could not reinstate the public buildings department. Of course the unions did not like that, but we saw much more opportunity and better value for money in government purchasing for furniture, buildings and so forth throughout the state.

Then there was the passage of the lands rights bill and the return to the Pitjantjatjara people of 10 per cent of South Australia's area, another very significant achievement by David Tonkin. Other significant actions included the development of Olympic Dam that we are discussing here tonight, extending earlier anti-discrimination provisions to include physical disability, establishing the ethnic affairs commission and introducing random breath testing. The late Hon. Murray Hill was the first minister for ethnic affairs, father of the former senator, the Hon. Robert Hill.

So in a very short time we had many legacies for South Australia from David Tonkin. That is why I want to use this opportunity to remind the house about a motion that was supported by the Labor Party, the government, that I moved in this place in 2006, successfully amended by the member for Mawson, that the South Australian government name a significant piece of infrastructure in South Australia after David Tonkin and of course Norm Foster.

Both men paid a high political price for their commitment and courage, their commitment to South Australia and their foresight, despite the attack by their political enemies both within their own parties—Norm Foster in the Labor Party of course—and David Tonkin had to fight the unions and the Labor Party to get the indenture bill through the parliament. That was a period of over three months that that took to get through the parliament.

I take this opportunity to remind members that this house unanimously supported a motion to recognise those two men by naming a significant piece of infrastructure in South Australia, and there are plenty of opportunities for us to do that. I would not like that infrastructure out in the middle of nowhere; I would like that infrastructure to be somewhere that South Australians will see it and will know that these two men played a significant part in the establishment of what we are celebrating here today, the Roxby Downs indenture bill.

To get back to some comments the member for Port Adelaide made, where he congratulated the Liberal opposition on being bipartisan by supporting this—a stark contrast to when the hard yards were made by David Tonkin in 1982, despite obstacles and furdies. Radon gas, if you read the report by Mike Rann, was going to kill all the workers in the mine. The report said that it hangs around for 3½ hours when it comes out of the ground, and that was another reason we should not have radon gas.

The member for Port Adelaide also spoke about royalties and that 3.5 per cent we should be very happy with. But what did Mike Rann write in 1982? He wrote:

The bill was finally introduced in March 1982. It was a disappointment, even to the strongest supporters of Roxby. Instead of the 10 per cent royalties predicted by the *Advertiser*, the real figure was 2.5 per cent, eventually rising to 3.5 per cent.

What are we signing today? Yet Mike Rann was critical of the Tonkin government for signing a deal that had royalties at only 3.5 per cent. Of course, he went on to say that there was no guarantee in the indenture that mining would proceed beyond the feasibility stage. No guarantee. Well, there are no guarantees in any business, but I think it was a pretty good call by David Tonkin and Roger Goldsworthy back in 1979, because here we are today supporting legislation, passing legislation, putting legislation through this parliament that will see this mine become the largest open-cut mine in the world.

Things do change in politics—I admit that—but I do not think I have ever heard Mike Rann as Mike Rann, the Premier or as the member for Ramsay say he was wrong when he was so critical of the Roxby Downs indenture bill in 1972.

Ms Chapman: 1982.

Mr PISONI: 1982, the member for Bragg reminds me; thank you very much. I am certainly very pleased with the opportunities that this bill will give South Australians. As a father of teenagers, we all hope that our kids have opportunities here in South Australia, and they feel they do not have to move interstate or overseas in order to pursue their professional interests. But we also have to ask ourselves just how well this government has prepared young South Australians for cashing in, if you like, on this mining boom.

We do know that there is always an option for mining companies to fly staff in and fly them out again. We would like them to employ South Australians first, but we also need to understand that South Australians need to be ready for that. Let us look at the appalling condition in which Premier Jay Weatherill has left the education system here in South Australia. Since the NAPLAN tests were introduced in South Australia in 2008—which are crucial items of numeracy and literacy—we have gone backwards at every test since 2008, and our worst results happened under the watch of the then education minister, now Premier of South Australia.

This year, South Australian school students fell behind in 14 out of 20 categories in our NAPLAN scores. We did not reach the national average in any NAPLAN scores in South Australia—

The Hon. A. KOUTSANTONIS: Point of order.

The DEPUTY SPEAKER: Point of order. Minister?

The Hon. A. KOUTSANTONIS: Mr Deputy Speaker, given that the opposition agreed that the second reading of the bill be passed very quickly in order to allow members to comment on the noting of the report in length as a second reading speech on the indenture, I am not quite sure what the NAPLAN testing has to do with the indenture bill. I think, while we are being very patient—

Mr PISONI: Point of order. This is not a point of order; this is a speech.

The DEPUTY SPEAKER: Member for—

Mr PISONI: Stop the clock!

The DEPUTY SPEAKER: Excuse me, member for Unley. There is a point of order and you will take your seat until I have dealt with it, okay?

The Hon. A. KOUTSANTONIS: Relevance.

The DEPUTY SPEAKER: Relevance, okay. I have allowed you quite a bit of scope, member for Unley, and I would suggest you get back to the substance of the report.

Mr PISONI: That is not what the minister said when he introduced his opening remarks about this report. He said that speeches could be beyond the report, and skills are a very important factor here in South Australia, because we have failed to prepare South Australians to participate in the mining boom. Only one school in South Australia is teaching geology—

An honourable member: Shame!

The DEPUTY SPEAKER: Member for Unley, take a seat. I have made a ruling. Unless you wish to contradict that ruling, I suggest you just get back to the report. I do not have to defend what I just said; just get up and debate the report please.

Mr PISONI: The member for Croydon wouldn't do this.

The DEPUTY SPEAKER: The member for Croydon is not here and, member for Unley, you are warned.

Mr Pengilly: He didn't get enough votes.

Mr PISONI: He didn't get enough votes; that's right. So that is my whole point, Mr Deputy Speaker: for six years, this government has been telling us about the opportunities that Roxby Downs has been giving us, and for six years our education standards here in South Australia have failed. In 2000, 44 per cent of students were getting pass marks in maths, science and chemistry here in South Australia at year 12—44 per cent. That figure is now 37 per cent—37 per cent under this government. This government has failed to prepare South Australians to be able to participate fully and receive all the benefits that this indenture bill will provide. They have been more focused on spin than they have been on delivering outcomes and preparing South Australians to exploit the benefits.

[Sitting extended beyond 22:00 on motion of Hon. A. Koutsantonis]

Mr VAN HOLST PELLEKAAN (Stuart) (21:55): Thank you very much, Mr Deputy Speaker. As you know, I support this development. In the vein of the minister's comments earlier, we are here talking about the select committee report, but I will certainly comment on the indenture and a little on the EIS. I have some very serious concerns about what may lie ahead of us, but nonetheless when I do my own cost-benefit analysis we will be way out in front, and consequently I do support this development. I consider that some fairly certain positives will outweigh some uncertain negatives and some very genuine potential risks.

I have a very short period of time in which to speak. I certainly will not be able to get out all the issues I would like to on behalf of the people of Stuart, but I will certainly do my best. I would like to start by congratulating everybody who has been involved in this project because, whether it could have been a bit better or a bit worse, it has been a long slog. Government agencies, government, BHP, opposition, everybody has done their very best to get this project to where it is now and that should be recognised.

The other thing I would like to say is that from the electorate of Stuart's perspective this is not a political issue. This is a very serious issue; this is not about politics. This is about what is important for Stuart, what is important for the region, what is important for our state. I have great interest in this issue. My association with Olympic Dam goes back a long way. I used to work for BP when BP was a 49 per cent shareholder with Western Mining in the Olympic Dam mine. I lived at Pimba and Woomera for seven years, just 90 kilometres down the road.

I have lived at Wilmington for the last seven-odd years. Port Augusta has been my regional centre for a very long time, and I have actually lived through the previous expansions in my working life, so I do have a great interest in this and I do not underestimate the scope and the size of this project. I also put on the record that I still have personal investments at Pimba and in Port Augusta.

Some people do not know this, but Roxby Downs is actually in the electorate of Giles, and I think it is important to put that on the record. It is very important for Stuart: it has a huge impact on Stuart, and Stuart will reap many of the benefits and also bear many of the costs. Roxby Downs is actually in the electorate of Giles. With regard to the government's negotiations, as I said, this has been a very big job, but I have to say I think BHP has done better than the government.

I think the government has done an okay deal. I do not think it is a great deal; I do not think it is a good deal. I think BHP has done a better job than the government in negotiating this, and that is probably not surprising; they are a gigantic worldwide organisation with professional

negotiators. In our briefings with BHP, they said very clearly that they had three key priorities: No. 1 was no third-party access to their infrastructure, No. 2 was that they got access to freehold land, and No. 3 was that they had fiscal and regulatory stability.

Of course, they were after much more than that, but they said that these were their top three. When I think that those were their top three, and they do not talk about finances and they do not talk about a lot of the other things, I think a better deal certainly could have been done. I hark back to 18 October this year, when the member for Port Adelaide said in this place, when he was encouraging the house to support the work that he and the government had done, 'It is our responsibility as a parliament to back the board of BHP.'

I would say to him and to everybody else here: it is our job in this parliament to look after South Australia, first and foremost. The government has essentially said to the opposition, 'Here is the deal, take it or leave it. There is no room for improvement.' I suspect that is exactly what BHP did to the government as well and that is why we find ourselves in this situation.

Here we all are trying to weigh it up, and I would like to start by focusing on some of the positives because there are, of course, an enormous number of positives that will come out of this. I also say that, of course, we do need the BHP board to make a commitment to progress this development, but let us assume, optimistically, that that will happen. BHP can do the job. I suppose the very first positive is: we have a partner which can do this job. It is a very professional, very well organised, very cashed-up organisation. The reality is that nobody else, no other company in the world, could do this job. So it is a positive that the deal has been done with them.

I point out, too, that, while these negotiations have been going on, whether or not they are fruitful, BHP actually already owns the right to mine these minerals, so there really was not anybody else that we could have dealt with. People sometimes say, 'They do not go off and they don't perish. Leave the minerals there and do a better deal later,' but we would always have been dealing with BHP, and I think that is an important issue to comment on.

Another very important positive, and speaking the obvious here, is the jobs and the economic benefits to the region and our state. Approximately 6,000 jobs will be created during the construction phase, approximately 4,000 direct jobs once the mine is fully operational and approximately another 15,000 indirect jobs once the mine is fully operational. No-one can deny that that is extremely beneficial for our state.

BHP is self funding this project. They will spend \$20 billion to \$30 billion between now and 2020 when the project becomes cash positive. There are no taxpayer funds going into the expansion of this mine, and I think that is a very positive outcome.

Regarding royalties for the state and again speaking the obvious, BHP will not strike ore until approximately 2018 and we will have to wait for these royalties but the royalties certainly will be significant. People before me have spoken about horizontal fiscal equalisation and have also spoken about the 45-year fixed period of the royalties, and I do agree with the member for Port Adelaide on that point. We could always argue about whether it should have been a shorter time and the royalties higher or lower, but I think that is quite a fair position to have come to.

Another positive is that the state will get the first opportunity to access any surplus water that might be available from the Point Lowly desalination plant, and I think that is a positive for our state given the very important issues we have with water all over South Australia, and particularly on the Eyre Peninsula and Far West Coast. BHP will pay for the water that they get from underground in the north of the state, and I think that is a positive thing. I congratulate the government on that. I think that is a real win that has come out of this negotiation.

I would also like to comment on the fact that it is important to recognise that when we talk about the indenture agreement the government has also agreed to the EIS, supplementary EIS and also to the third report, the assessment report, and they do need to be looked at differently. It is important to point out that BHP still has significant hurdles to jump over with regard to developmental and licensing requirements so that they can still actually develop and implement many of the aspects that they want to. There are numerous positives in this deal and I do not want to be churlish and pretend that there are not.

There are also negatives and, as I said very clearly to begin with, I see the negatives primarily as very genuine risks, risks that need to be addressed and dealt with. There are certainly many environmental risks. I do not doubt BHP's credible intentions when it comes to doing the best the company can with regard to the environment, but these risks cannot be overlooked. If they

progress the project, they will be digging the biggest hole on the planet. How you go about rehabilitating that is an enormous issue. That is just sort of glossed over in the reading that I have done. It is a very, very difficult thing to know how on earth in 100 or maybe 200 years you would properly environmentally rehabilitate the site. That is a key issue.

Potential drain on the Great Artesian Basin is a real risk. They are already drawing an enormous amount of water from the Great Artesian Basin. I think BHP are really leaving their options open. They may draw less, they may draw a bit more, but they certainly have the opportunity to continue to draw from the GAB. Even today I received a letter from the Marree Arabunna People's Committee expressing their concern to me about that: it is a very important issue. Dust and air pollution, tailing dams and many other environmental risks exist.

I would like to focus in a bit more depth on a couple of them. It will come as no surprise to people here that at the top of my list, on behalf of the people of Stuart, is the Point Lowly desalination plant. The Upper Spencer Gulf is an exceptionally sensitive environmental area. It is an area that is in exceptionally good condition. I would not say pristine, because there are already some invasive pests in this area. The issue is that we have to make sure that this gulf is looked after—

The Hon. M.J. Atkinson interjecting:

The DEPUTY SPEAKER: The member for Croydon, you will have your time to speak.

Mr VAN HOLST PELLEKAAN: —as well as it possibly can be. It is important to also get on the record that nobody actually disagrees with desalination. It is the choice of the location that is the risk. Nothing really sums up better my views on this issue, and also the people of the Upper Spencer Gulf in general, than comments made by our Speaker, the member for Giles, back on 7 August 2009 on Adelaide talkback radio. This is with regard to her chairing the select committee in parliament that looked into this issue specifically. She said:

We initially released a report on the Port Stanvac site and we had no major problems with that, but the Port Bonython we initially certainly were concerned, we waited til the BHP Billiton EIS to come out, we called in more people afterwards and had another look at it and decided no it's in the wrong place. We certainly don't oppose desalination but not in that spot...Out in the open ocean the water turnover takes...maybe 20 days to turn over. In our part it takes 400 days...it just seems to be in the wrong spot.

The people I represent hold that point of view very, very strongly. It is also important to say that in the briefings that we got from the EPA, SARDI and PIRSA we got some mixed messages, in their opinion, as to whether or not it was the right spot. However, I am very, very pleased to know that the EPA will have the full authority and responsibility to monitor the brine output and all other aspects of that. I thank the government for that because I wrote specifically to the Premier and called through the media for that to be done, and I trust the EPA will do that work to the very best of its ability so that these risks can be minimised and ideally removed.

I would also like to point out that the information that we have all received said that 99 per cent of marine species will be protected in the Upper Spencer Gulf. When I asked the question: 'Can you identify the 1 per cent of species that are at risk out of the hundreds of thousands, if not more, of species in our marine environment,' I was told that no work has actually been done on the 1 per cent that might be at risk.

The other the key issue that I would really like to focus on is the barge unloading facility just near Port Augusta on the western side of the gulf, just on the north side of where the shacks are. It is important to point out that for the first two years of the development stage there will be a barge a week unloading at this facility, and for the next five years there will be a barge every nine days, on average.

There are very serious concerns about dust, lighting, noise, damage from winnowing, dredging, potential 24-hour operation, ballast discharge. Ballast discharge is an issue that is certainly covered in all the reports, but I have to say that that is an issue that, while there are rules and regulations all over the world, people do still get around them. There is another very genuine fear about the fact that this facility will be here for at least 16 years, and the people I represent are very concerned about the potential permanency of it.

The assessment report also states that it considers that the dust from the construction of the proposed access corridor from the landing facility to the pre-assembly yard on the north-west outskirts of Port Augusta poses the greatest potential risk to air quality of all the roadworks that

would be undertaken in the proposed expansion. I think it is very important that people are aware of that. That is not to say that BHP cannot deal with that issue, but that is a very real risk.

I would also like to point out that I think BHP has been very fair with regard to the offers it has made to purchase and/or compensate people who own shacks in the immediate vicinity of the barge unloading precinct. However, I have to point out that people with shacks further away—and there are in excess of 300 of them south of that point of the coastline—will be impacted by this.

Another thing I would like to point out is workforce commitment. There is, of course, mandatory reporting expected from BHP to the government, but there is no obligation for the government to share that reporting with the public. I understand that we have undertakings from the government that that will happen and I thank them for that. Certainly, that will be one of the things that all sides of politics should be pursuing over the next decades, to make sure that the public is fully apprised of all of the benefits.

I would also like to point out that there is no definition of what 'local employment and use of local businesses' means in any of the reporting or paperwork of the indenture agreement. I hope that it means regional, then South Australian, then national, and international after that. I am sure it is no accident that there is no definition of what 'local' means.

Another very important issue that needs to be dealt with is road traffic access due to heavy vehicles. There will be an estimated 90 additional heavy vehicle movements per day north of Port Augusta during the seven-year construction phase. That is a very big issue that needs to be dealt with. That will be in addition to the forecast increase in heavy vehicle movements. It was only a few years ago that the projected increase of doubling across Australia over the next 10 years of heavy vehicle movements was predicted.

That means that the upgrading of Yorkeys Crossing becomes a higher priority than it has ever been before. That has been a very important issue that I have spoken about here and elsewhere, and everybody is aware of my views. The 90 additional heavy vehicle movements per day north of Port Augusta for the next seven years is an enormous issue that needs to be dealt with.

I would also like to quickly comment on the impact of those thousands of jobs. Again, in the tone of everything I have said, the positives outweigh the negatives, but it is really important that people understand the impact of all those jobs on other industries, other businesses and other households. Those thousands of people who will be working on this project, either directly or indirectly, will often be excluded from other jobs.

It will be extremely difficult for other businesses to hire people, and that is a cost on our economy that needs to be dealt with. It will be very difficult for households to get a plumber or an electrician, as a very basic down-to-earth example. That is again a very real risk. I would also like to point to some of the more down-to-earth community aspects of these jobs. Working away from home is a very difficult issue. It is a double-edged sword.

Many people I represent have managed to save their family farms because they have had the opportunity to work away doing mining but it also means that parents are not home on weekends and they miss school events, they miss sporting events, they miss time with their family and they miss churches. It is a double-edged sword that needs to be considered very seriously.

Just summing up, there are positives and there are negatives, and I have no hesitation in saying that the positives outweigh the negatives. Also, I see the positives as having far more certainty about them than the negatives. The negatives are risks that must be dealt with. They must be addressed; they cannot be hidden from; and they are risks that every single person in government, every member of parliament, and every person in a government agency has to address for the next decades.

The Olympic Dam mine, through Western Mining and through BHP, has contributed enormously but we have to be vigilant so that we can reap many of the rewards and deal with the risks, and keep them as risks, and not let them turn into actual negatives. With those few words, I again congratulate everybody concerned with getting this project to this stage.

The DEPUTY SPEAKER: Member for Waite, I think you are trying to get my attention.

Mr HAMILTON-SMITH (Waite) (22:15): Thank you, Mr Deputy Speaker, and congratulations on your appointment.

The DEPUTY SPEAKER: Thank you.

Mr HAMILTON-SMITH: The parliament has no choice but to support this bill, not because it is a good bill or the best outcome that might have been achieved but because the Olympic Dam project is simply too important to the people of South Australia not to proceed forthwith. We have been put in a position where we must take what we have been served up, whether it gets the best of outcomes for the people who elected us or not.

There are no political points whatsoever in opposing this bill. Quite to the contrary, there is only political criticism in opposing it. Why anyone would suggest that the Liberal opposition would oppose the bill baffles me—amend it perhaps, seek to improve it perhaps, but oppose it, I think, was never ever an option for anyone. So, why anyone would suggest that the Liberal opposition might play politics with this is intriguing.

BHP has sought to get itself the best deal possible for its shareholders by extracting as many concessions from the Labor government as possible. You cannot blame it for that—what a success it has made of it. On the other hand, the Labor government's priority has been to rush this project through parliament before the departure of former premier Mike Rann and before the 2014 election. Labor has over-promised and under-delivered. Its negotiations with BHP, reflected in this bill and this indenture, expedite its political interests.

The parliament is simply left with no choice but to support the bill without amendment. The alternative, which is to try to sort out the weaknesses in Labor's agreement with BHP through worthy amendments, would deliver delay and uncertainty. Thus we must accept the barely adequate outcome rather than celebrate a real success.

Industry should be warned. On 1 July this year, Nick Bianco was asked by David Bevan on 891 Mornings whether the company's collapse was brought on by a misplaced belief that South Australia was heading for a mining boom and that it was time to expand and build a \$50 million fabrication facility at Gepps Cross, only to find the work did not materialise. Bianco replied, 'That's right.'

There is a message in the Bianco collapse for other manufacturers across the state. As shadow minister for industry and trade, I would say this: be very careful about spending significant amounts of money on infrastructure in the expectation of work coming your way from BHP's Roxby Downs expansion. It may materialise and I hope it does, but there is nothing in this indenture bill that requires it to be so. Do not be surprised if the majority of work goes off overseas at worst or interstate at best. My advice to every manufacturer and contractor—and I have visited several and discussed this with them recently—hoping to do business with BHP is: wait until you have signed the deal before you extend or put your business on the line. Learn the Bianco lesson.

There are some weaknesses in the bill and some strengths. Particular weaknesses in the bill, the indenture and the agreement between Labor and BHP, include a failure to optimise royalty and other incomes for the state, a lack of commitment and transparency on BHP's performance in regard to engaging local suppliers and local contractors, the absence of accountable arrangements in regard to local employment, and other factors.

The state has missed a grand opportunity—the opportunity to lock in with BHP a commercially negotiated master plan which ensured government and the miner work together for the benefit of future generations of South Australians for the development of its 70 to 100-year life. Instead, what we have been delivered is a de facto marriage, and this bill and the indenture are, in a form, a prenuptial agreement.

The original indenture has been watered down, with some of its key elements removed, so it is now one-sided in BHP's favour and largely unenforceable. Just like a marriage, what is left is a great leap of faith. There are no guarantees or requirements on BHP to deliver the jobs in the industry and the business opportunities which we all expect and which BHP has pointed out it hopes to deliver. It all depends on goodwill. If the relationship sours, our children, grandchildren and their children may well be asking what it was the Weatherill government signed up to during and prior to this debate.

We needed real headkickers, such as Alan Joyce and Peter Reith, negotiating on our behalf during this process; we did not have them. Now BHP has both the government and this parliament cornered. It is a case of agreeing with this amendment or risking it all. That is not to diminish the excellent work done by the Olympic Dam task force—I am sure that this has been a gruelling process—but they have been dealing with very skilled negotiators.

How did it come to this point? The house will remember the news when BHP took over Western Mining Company in 2005 for around \$9 billion, thereby acquiring the Olympic Dam asset, an asset which the Olympic Dam task force has advised the parliament and members now contains up to \$1 trillion worth of mineral wealth. Not a bad buy!

International giant BHP and the state Labor government have been involved in a protracted negotiation, which has, in effect, been a game of poker, with 2011 revenues of \$72.2 billion and a profit of \$24.3 billion, of which \$16.6 billion was retained in Australia and Asia. BHP, in my view, has held the cards during the negotiation. The state Labor government has over-promised the benefits of the Roxby extension and has been wedged by BHP on most key aspects during the negotiation.

BHP's international standing as a masterful negotiator has been on show. This is a multinational that for decades has engaged in skilled negotiations with Chinese and Japanese companies over iron and coal prices. BHP is the best of the best when it comes to well-planned, well-executed negotiations. All the signs of its dominance during negotiations are present. Let's consider a few.

There was the six-year delay from BHP's acquisition to consideration of the bill, during which Labor has been over-promising the project and has under-delivered, diminishing its bargaining power with BHP at every step. Then there has been the sudden rush and the deliberately created time pressures. For example, this must be approved by 20 December or the project fails, or we must submit orders for vehicles and equipment in a time frame beyond the company's control—all highly questionable—creating the perception that it is a marginal project which is barely profitable, another very good technique.

MPs have been briefed that the cost of removing the top soil is around \$5 billion to \$6 billion over three years, or 0.5 per cent of the \$1 trillion ore value, with around \$25 billion to \$30 billion to be spent on infrastructure (around 2 to 3 per cent of ore value). Certain MPs have seen financial reports on this but have been sworn to confidentiality. There has been no openness, no accountability and no testing of the claim in the parliament or publicly, as far as I have seen.

The assertion that BHP is doing us a favour by developing the resource and that we are not doing BHP or its shareholders a favour by allowing it access to \$1 trillion worth of minerals owned in the first instance by South Australians, which once removed will be gone forever, is another characteristic of this negotiation.

The positioning of the bill and the indenture on the basis that they can be only agreed to or rejected but not amended is another aspect of this negotiation. The clever negotiating foil that not a word may be changed without an extensive and lengthy renegotiation of the entire agreement, all designed to put pressure on the parliament, is clever indeed. Of course, there could be amendments quickly agreed to if the government and BHP were of a mind to do so swiftly. Nothing is impossible between parties negotiating a commercial agreement, but we have been told differently.

Then, of course, there has been the threat of delay. This is the big bargaining chip. If the parliament does not agree to this by 20 December, whoever has held it up will be blamed and demonised as an enemy of the project, regardless of the merit of any amendment or minor change to the agreement. Labor must be glad indeed that we have not handled this indenture as they handled the indenture when it came before the parliament in the 1980s, when they opposed it and forced amendment after amendment. How relieved they must be that we have been a more responsible opposition.

One must even admire the internal structures used by BHP, where by implication Mr Dean Dalla Valle, who has done an outstanding job for his company, and his team seem to have their own job futures at risk should this project not succeed when considered against other BHP propositions put to the board. Create internal structures that make the negotiating team fight for survival—what a clever device!

Then one must marvel at BHP's superb lobbying campaign. Everyone, it seems—every industry association, every leading industry voice, every major media outlet—appears to have been persuaded by BHP that this bill and indenture should proceed almost regardless of what is in it. It is as if whatever is in the contract (whatever is in the prenuptial), let's just sign it and get on with it. Some who have been urging this have admitted they have not even read it. Let us hope that the expectations of the marriage are fulfilled and that it does not end up with a loss of affection, a

drifting apart and then a bitter divorce and property settlement, because every word of the agreement favours BHP, not South Australians.

There are specific weaknesses in the bill as indeed there are strengths in the indenture. I am interested that they have not attracted greater media and public scrutiny during the debate. Let me talk about royalty arrangements, taxes and charges for a moment. Labor has signed up for 5 per cent for uranium and 3.5 per cent for other minerals for 45 years. This equates to a 40-year period of fixed taxation following a five-year period of non-revenue-earning site preparation. Many businesses in South Australia would like their tax rates fixed at today's levels for 45 years.

Although at present royalty payments to the states are offset by horizontal fiscal equalisation as part of agreed federal-state fiscal arrangements, these arrangements could easily be changed in the course of the mine's life, and indeed are presently under review. Should we lock in today's arrangements in light of tomorrow's fiscal uncertainties? On 21 October I note Paul Cleary of *The Australian* described the royalty arrangements in this indenture as 'a case of Olympian incompetence' which has 'robbed the state's citizens of their wealth' and should have comprised a profits-based measure. This is particularly important since the mineral resources rent tax only applies to coal and iron ore.

On 1 November I note Christopher Russell of *The Advertiser* expressed similar views in that newspaper. The point is that the existing indenture had a super profits mechanism in it, established back in the 1980s as part of the original indenture, and what we seem to have done in this agreement is remove that device.

Then there is the issue of employment outcomes. There is nothing in the indenture that requires BHP to employ a single South Australian as part of the expansion. We all know they will, but there is nothing that requires it. We all know that a commercial negotiation could have seen a better commitment from the company on a commercial basis. Arguments about free trade across borders are irrelevant in my view. If it wanted to, BHP could have chosen to set itself performance standards and KPIs in regard to employing locals. Instead, the road ahead, while paved with good intentions, contains nothing which is enforceable in the indenture.

Schedule 1, clause 12 of the bill provides no guarantee that over the 70-year life of the mine priority will be given to South Australian based workers. Assurances, while comforting, are not enough to guarantee. All that matters is what is stated in the bill and the indenture. Should we have ensured that fly-in, fly-out workers from outside South Australia do not dominate the workforce in future? If they do, they will spend their incomes in Sydney, Melbourne, Brisbane or even overseas, and the GST revenues will be spent there.

The bill has no position on overseas and interstate workers. In future years, a fly-in, fly-out workforce from emerging or regional countries could predominate at the mine as workers fly in and fly out. A master plan to grow townships in regional SA and Adelaide based around fly-in, fly-out to and from Roxby could have been made clearer. Plans could have included the role of skilled migration and an employment scheme.

Let me now move to flowthrough benefits to South Australian manufacturers, businesses and head office functions. The indenture bill does not adequately ensure that South Australian manufacturers and businesses are offered first access to contracts on a level playing field, including contracts for services, construction and supply. BHP should be free to run its business as it sees fit, by all means, and SA businesses bidding for work must be competitive, but there needs to be a process to ensure that SA businesses have been offered an opportunity to tender and compete on a level playing field. There needs to be openness and accountability.

The issue is one of transparency. Debate regarding a miner's business contracts is topical in Western Australia where, according to the Australian *Financial Review* of 27 October 2011, the federal government and state government are seeking to establish more transparent arrangements with miners in that state. Could we have done better? Freeholding of land and third party access is another issue of concern. Selling the land is a threshold decision, as it denies access to others in perpetuity. Detail is needed on the price being paid. The indenture could have spelt out what is to occur if the site is, in the future, sold to a foreign subsidiary, particularly if an enterprise is owned by a foreign government.

I am remembering here that the Chinese government-owned corporation CHINALCO, strongly considered a takeover of BHP in 2008. Perhaps we can rely on the Foreign Investment Review Board to protect us, perhaps not. A threshold concern is that should another mineral

deposit on a scale of Olympic Dam be discovered in the future, the state has bargained away its rights to BHP, subject to commercial consideration to provide access to third parties. This situation might be good for BHP but would limit future opportunities for South Australia. BHP could block a further mine development from access to under-utilised capacity at its airport or railway line.

I am advised that retention of a third party access right in the original indenture has been given up. The issue was fought in the courts by Fortescue in WA, which would not have had a viable business had it not been given access to another company's rail infrastructure. These are important issues. Is BHP a good corporate citizen? Why did we require Santos, when we lifted the share cap, to spend \$60 million over 10 years on an array of benefits and investments from organisations like RiAus, UniSA and Athletics SA, to Common Ground and other charities, and yet we have not required anything like this from BHP?

What could have been here is a grand vision for jobs and industry involvement in the project as part of a master plan for regional South Australia and an agreement which can be measured and which requires BHP to perform and deliver. Future generations would have benefitted from a profits-based royalty and taxation regime leveraged forward, together with measures to optimise GST and other tax revenue opportunities available in the forward years.

What is missing is a visionary plan to connect mining to manufacturing in SA through investments in research development and innovation science using our universities and CRCs as a catalyst for transformation, an investment by BHP, as a good corporate citizen of SA, in both charities, arts and community-based institutions. It is a startling omission and one that I certainly hope BHP remedies.

In summary, achieving these outcomes would have required a different approach; in particular, a stronger government bargaining position. We have the asset, \$1 trillion, but we allowed the initiative to switch to BHP. We should have achieved a better commercial outcome on jobs in regard to the fly-in/fly-out workforce and other considerations; a better commercial outcome. Despite all of the issues that I have raised, as I said at the beginning of my address, the parliament has no choice but to support the bill unanimously, not because it is the ideal bill but because the Olympic Dam project is too important to the people of South Australia not to proceed forthwith.

We have been put in a position where we must take what has been served up by this state Labor government, whether it gets the best outcomes for the people who elected us or not. I sincerely trust and hope that BHP will do the right thing through this agreement, although the agreement does not require it to do so. I hope that we will see the jobs hired locally. I hope that we do see skilled migrants relocate to SA and fill up not only Roxby Downs but also Upper Spencer Gulf cities and Adelaide. I hope that a substantial slice of business on offer goes to South Australian companies, not off to China, India and other emerging economies. I hope that assurances of goodwill are fulfilled because this indenture is no protection should that goodwill fail at any time in the next 100 years.

I sincerely hope that future generations do not reflect back on this debate and ask how we could have got it so wrong, but rather that we look back in confidence that we got it right. Only time will tell.

Dr McFETRIDGE (Morphett) (22:35): Madam Speaker, I recognise that this project is in your electorate and, as a strong supporter of this project, I look forward to accompanying you at some stage to visit the project as it develops. Much has been said about this project by the minister, our shadow minister and other members in this place, and I will not go over what they said about the benefits to the state and some of the concerns. The member for Stuart voiced a number of concerns. What I will say is that there is no doubt whatsoever that this project is a significant milestone in the development of South Australia.

When you come into parliament you have to recognise your own abilities and your own areas of weakness. I am not a good negotiator. I recognised that, so I did an intensive commercial negotiation course for a week in Sydney, and, as part of that course, you learn some of the tricks of the trade of negotiation. Basically, it came down to giving the person you are negotiating with what they want on your terms. It sounds easy, but particularly with this sort of project (as we have seen) the negotiation has been protracted and it has sometimes been heated, I understand, but, in most cases, there has been very, very involved negotiation.

Every part of the progress of this project has been looked at and examined. Can I congratulate not the former premier, Mike Rann, on this at all, because he is the political chameleon here, but I would like to congratulate the member for Port Adelaide, the former

treasurer, Kevin Foley, on his role. People outside this place have said to me, 'It's not Mike Rann, it's Kevin Foley who has been driving this for the government.'

Can I also congratulate the Leader of the Opposition, the deputy leader and the shadow treasurer for their input on this project, for their part on the select committee and for their part in the confidential negotiations to get the information ready for the opposition to be able to consider. I acknowledge the fact that we have had a number of briefings in the party room that have been able to give us not the absolute minutia of the negotiations, but, certainly, a thorough overview and a degree of confidence with which we are happy to progress, and that resulted in the unanimous support of the indenture by the party room last night.

That is not to say that there was not discussion or that there was not some debate. Those who had concerns were won over by the strength of that debate, so there was unanimous agreement. Whilst he is in the chamber, I acknowledge Mr Paul Heithersay who has been a leading public servant in this area, and I know that the member for Port Adelaide has valued his input in a very significant way.

I first visited the Roxby Downs site up in the Far North of South Australia a number of years ago in my parliamentary career. In 2007 my wife and I visited to have a look at the town, to have a look at the site. We were given a conducted tour. We did not go underground at the time, but I was absolutely blown away by the then projections of the size of the hole that is going to be dug—3½ kilometres long, 1½ kilometres wide and about 1½ kilometres deep.

The size of that hole is just mind-boggling, and I look forward to going up there. Some members of the opposition did look at Prominent Hill a while ago, and to see the size of that excavation, even as it was in its early stages, was enormous, but to imagine the size of this project is going to be something to behold. I would like to take my grandchildren up there to see what is happening when the site is being developed because this is going to be part of the future of South Australia. My grandchildren will be benefiting from this as will their grandchildren. We understand that there may be up to 200 years of excavation at this mine because the limits of Roxby have not yet been discovered.

I also understand that there are significant deposits not far away very similar to Roxby that have been looked at by other miners. It is very important and very pleasing for South Australia to have such an El Dorado, I suppose, of minerals sitting right on our doorstep ready to develop. Just today I heard of other prospects in South Australia involving petroleum products. Having been the shadow minister for aboriginal affairs for a number of years, I spoke to people involved on the APY lands who were negotiating with mining and petroleum companies for exploration on those lands which would then flow through benefits to the people on the APY lands.

This is an enormous project by anybody's judgement. We are not just talking telephone numbers. One of the things that astounds me is that, once we start talking about government figures, we start talking telephone numbers. We are talking not only about international subscriber numbers, but about intergalactic telephone numbers. We are talking about massive numbers, not only in terms of the amount of overburden that is going to have to be removed, the amount of ore that is eventually going to be removed from this site, but also the money that is going to be made not only for BHP but for South Australians and Australia as a nation, because this is a project of that size.

The need to make sure that we get it right is so important. While there are some areas of concern—and we have those from members here—we believe that this is a project that should be supported and given an expeditious passage through this place so that BHP can start getting rid of the overburden. Three hundred metres deep over that area is a massive amount. In fact, when I was in Roxby a number of years ago, I said to the chap who was showing us around, 'You're going to create Mount Roxby.' He said, 'No, we'll be creating just a low range of hills.' That is quite true. It is a massive amount.

I understand that there will be some changes to the microclimate, but that has been explored in the EIS. That is how detailed the EIS has been, and it has to be, because we need to make sure that we do not create irrevocable damage to the environment because of such a project. The long-term gains must also be balanced by the long-term effects of such a project.

The discussion that has gone on tonight and the discussion I have heard over a number of years is a bit like Groundhog Day. On 4 March 1982, my good friend the member for Kavel's father, the Hon. Roger Goldsworthy, introduced the Roxby Downs Indenture Bill. I had the pleasure of seeing Roger and Mrs Goldsworthy (Lyn) at St Leonards Primary School not long ago, and they

are both fit and well. It was good to see them. They live in my electorate, were married in my electorate and went to St Leonards Primary School. It is lovely to have that connection with them and also to have the member for Kavel in this place now, following in his father's steps of being a very valuable member of this place.

In March 1982 Roger Goldsworthy introduced the Roxby Downs Indenture Bill. He obtained leave to introduce a bill for an act to ratify and approve a certain indenture between the state of South Australia and others; to make special provision for local government in relation to a part of the state subject to the indenture; and for other purposes. Mr Goldsworthy said:

...the government undertook to 'encourage the full-scale development of the copper/uranium deposits at Roxby Downs'. This was in the context of a well recognised need for major new projects to be encouraged in order to provide the necessary diversity for South Australia's economy to grow and develop, thus ensuring that South Australia shared in the benefits of economic growth taking place elsewhere in Australia.

As I said, this is a bit like Groundhog Day, *déjà vu*. There is a looming global financial crisis out there, but what we need to recognise is that this sort of project—Roxby Downs—is going to be looked at in exactly the same way as it was in 1982: as something that is going to give South Australia an absolute leg-up in economic terms by anybody's measure.

Mr Goldsworthy went on to say that the joint venture was announced that they would spend 'an additional \$10 million to \$15 million constructing an exploration shaft'. As I was saying before, you are talking telephone numbers when you are talking about this sort of construction, but \$10 million back in 1982 was probably the equivalent to \$100 million now, and we are talking billions of dollars today just to get this project going. Mr Goldsworthy also noted back then:

Results of the first hole, sited on geophysical anomalies and drilled to provide subsurface geological data, are now legendary. It was not until the tenth hole was drilled, however, that the immense potential of the region was realised...This is a remarkable deposit in terms of size of contained metal and mineralogy, and appears to be unique, genetically—it is quite unlike any known orebody.

Back in 1982 they recognised that and we understand now that the limits of Roxby have not yet been defined, and it is something that I find really exciting for the future of South Australia, particularly if we have other sites similar to this that are being explored and possibly developed in the future.

I note there is some concern about third-party access to roads and rail but, when you are talking about a trillion-dollar mine, as the member for Waite pointed out, some of the infrastructure is a fraction of a per cent of the cost of the mine, so I wouldn't see that that is going to be a huge impediment to anybody who is looking at developing a project of similar size. The bottom line is that the profits for the company will be significant over many years.

I do not hold any BHP shares. We did actually buy some during the stock market collapse and resold them and made ourselves quite a nice profit in that time. I do not hold any BHP shares at the moment. The company is looking forward to a rosy future with this sort of development. In 1982 Mr Goldsworthy also said:

The ratifying Bill and the accompanying indenture are, because of the nature and size of the project that they contemplate complex documents. This is because of the need of the joint venturers for commercial as well as legal security in a situation where large amounts of money have been spent, and will continue to be spent...

We have heard that again. We see this indenture. The bill itself is a very short piece of legislation. The actual schedule itself is 156 pages—20 pages of the bill and a further 156 pages of the schedule which covers the amended form of the indenture.

As Mr Goldsworthy said back in 1982, it is a complex document because the company needs to have commercial as well as legal security when you are going to be spending the money that is going to be spent. So, what was said in 1982 is just as valid now, and this is what the government have before us and this is what this party is supporting.

There was concern back then about the provision it made for state preference in relation to labour supplies and materials, but we have seen that there has been significant benefit to South Australia from that development back in the early stages of the Roxby development. Mr Goldsworthy continued, and this was on 4 March 1982:

The arrangements before the House today do, I believe, represent a major opportunity for a most significant development within the State. There is considerable interest throughout Australia and in overseas countries in the development of this unique orebody. Opportunities such as this do not present themselves frequently. The indenture and its ratifying Bill have been exhaustively negotiated, having regard to the need to

ensure proper protection of community interests and the maximum financial benefit to the people of the State, having regard to their ownership of the minerals that will be developed as a result of the ratification of this indenture.

Exactly what was said then is exactly what is happening now. I look forward to seeing this piece of legislation progress through the other place without delay, although the Greens in their usual way will try to scare the horses. They will try to delay, they will do everything they can. I think that to question is quite legitimate but to delay is not a thing that we can afford in South Australia.

The history of the support for the original indenture, I have to mention. While we are trying to be as bipartisan as possible by trying to support the passage of this legislation, we should remember it was one vote in the other place that got this legislation through. It was Norm Foster who crossed the floor and who voted with the Liberal Party to get the legislation passed in the upper house.

It is worth going back and reading the *Hansard*, which I have done, from 1982. Read the contributions, not only of the Hon. Roger Goldsworthy, but read the Hon. John Bannon's contribution; read David Tonkin's contribution—and compare and contrast.

You should also read the contribution of the grandfather of the house, retired now, the Hon. Graham Gunn (the member for Eyre). Even then, he laid it out as he saw it, in black and white; there were no shades of grey. You understood exactly where he was coming from. I would encourage members, particularly the newer members of this place, to go back and read what the Hon. Graham Gunn said back in 1982.

You should also look at the select committee report from 2 June 1982 and read what Mr Don Hopgood and Mr Rod Payne said in their dissenting report. It is really something—you shake your head now and think what could have been missed. What could have been missed had we not been able to get this legislation through?

My predecessor, John Oswald, made a significant contribution in support of the legislation, and it is worth reading his contribution, which contrasts significantly with that of Peter Duncan, the then member for Elizabeth. If he had had his way, none of this would have happened. There is something about those northern suburbs representatives. The member for Ramsay, now: if he had had his way, 'the mirage in the desert', as he then called it, would have been still a mirage and not the absolutely fantastic project that we are seeing.

My veterinary colleague, the Hon. John Cornwall, the then minister for health, in the other place—I don't know what John had been on, but his contribution was quite rabid, about the dangers of uranium and radon gas. It was really quite inflammatory and, for a scientist, I was disappointed to read his contribution. But then I was very, very pleased to read the contribution of Norm Foster and the courage that was shown by that man way back then. He said:

There should be deep and serious consideration of this matter. I say, not boastfully but with sincerity, that the representations made to me concerning what I should do have been, to say the least, very considerable, and they have come from those who have not disguised themselves as being political opponents of the Liberal Party...It has reached the stage where this question has to be settled by the people of this state...The debate has become clouded with all sorts of phraseology, innuendo and half truths.

Norm Foster, in his way, expressed his own feelings of frustration, of concern and of anger at how the Labor Party and the members at that stage had treated him and were dealing with this whole issue. It seemed to focus around uranium—it was a side play; it was a sidetrack from the main game—that was the potential at Roxby.

I put on the *Hansard* record here that on 18 June 1982, in the other place, the council divided on the motion. There were 11 ayes and 10 noes. One of the ayes was, obviously, Mr Norm Foster. Amongst the noes were Labor luminaries such as Frank Blevins, John Cornwall, Chris Sumner and Anne Levy. The bill was passed and the sitting of the house was suspended at lunchtime. I am sure that Norm Foster would have had indigestion during his lunch, but not because of the fact that he did the wrong thing: it was because of the stress he would have been under.

A brave man did a good thing, and thanks to him we got the indenture through then; and thanks to all those concerned now that this indenture will go through this place and Roxby Downs will go ahead to be mined and to be developed to the extent that it is going to be for the benefit, not only of the current generation, but of generations to come.

Ms CHAPMAN (Bragg) (22:55): I rise to speak on the Roxby Downs (Indenture Ratification) (Amendment of Indenture) Amendment Bill 2011. I will be supporting the bill, and I

indicate that, whilst I have some concerns about some aspects of the terms that have been negotiated between BHP and representatives of the government, culminating in the indenture that we are being asked to approve, I would say it is a fair assessment that it would be better at the moment to be a shareholder of BHP under this indenture rather than a stakeholder, as a citizen of South Australia.

That means that it is clearly a contract that is excellent for BHP. That does not mean it is a bad contract for South Australians; there are very good aspects of it which, if certain conditions are met, will give a very good outcome for South Australians. I would say that it is in the category of being potentially very good for South Australians, but there are some serious aspects to consider.

That is not to say that the situation is a poor reflection on the negotiation of the government representatives. What I say is this: what we have is the difference between an elephant and three blind mice. The sheer imbalance between the negotiating parties would inevitably result in an indenture being presented for consideration where there will be a more favourable outcome for the player. I do not say that as a poor reflection on those negotiating on behalf of the government, but it does concern me when representatives of the government come in to spruik a proposal and present it as though it were the greatest thing that has ever happened to South Australia, and as something that will be in our best interests that must be accommodated without any consideration of amendment.

The reason I say that is because, in the short time I have been here in the parliament, we have been asked to ratify an agreement reached with Santos. In that instance we were asked to lift a cap on the level of ownership of shareholding in that entity. Santos is a major gas provider for South Australia that now has international commitments and wishes to develop those, and it put a good case to us to change the rules and to enter into an agreement, enter into an indenture, between the government and Santos.

I say this: as good as that was presented to us, with all the hype that was presented to us and the parliament by the then premier, which we as an opposition supported, I remind members that as we speak that indenture is a live issue in the Supreme Court of South Australia. Its interpretation and what outcomes are reached either by judgement or by compulsory arbitration—either way you look at it—have identified areas where there is going to be some justiciable cause. That will be expensive, and it highlights to us that these contracts are not without fault and are not immune, as they are really presented to us, the idea that we have this wonderful opportunity, that we are protected by this indenture and that it is going to good for all of us.

Tonight I wish to outline some of the vulnerabilities. By that I do not mean seeing the then premier having to rush off to Melbourne to sign the contract for this, although it must have been very humiliating for him to have to do that after he had spruiked this as being such a fabulous thing for South Australia, as though BHP had eyes only for us. If one appreciates that the Australian base is in Melbourne, and if one went to Perth to see the brand-new BHP building they are building in Perth, one would have to understand that we are actually a small player in the scheme of things. In Queensland, there is 1968 legislation that covers an indenture for coal mining in Queensland. In Western Australia there are indentures with BHP, having taken over Western Mining, which was the original architect of the development of this mine.

It is not surprising, but let's understand here that BHP does not only have eyes for us. It is an international company, it has multiple interests in Australia and we are but one small part and, if the rather humiliating running off by the Premier to Melbourne to sign the agreement were not evidence enough, we ought to be very clear about the pending litigation of the Santos indenture in the Supreme Court as we speak. These things are not perfect, and we have to identify where the weaknesses are. The vulnerabilities that I wish to expose are several, and I will refer to them shortly.

I point out that we are being asked to approve an indenture which is an amendment to vary a 1982 indenture, which was then approved by this parliament. In the 1982 debates, which went over some nearly three months, of course a bill was introduced under the Tonkin government by the then minister for mines and energy, the Hon. Roger Goldsworthy, and supported by the then Liberal government. This came in the wake of a discovery in the mid-1970s of this major resource on the Olympic Dam station, which had identified this massive opportunity.

The technology of the time, I am advised, was such that underground mining was the only option to be able to undertake the attack on that resource and the exploitation of it. Nevertheless, it was discovered then, and the Labor Party's decision at its subsequent convention to oppose

uranium mining meant that the Dunstan government was not prepared to advance that. However, the Tonkin government took up the challenge. It went through the proper process. It was clearly a hybrid bill; that is, it provided specifically for individuals, as distinct from the whole of the community, and therefore had to go to committee.

I also point out that during the course of those debates I think some eight or nine amendments were presented by the then opposition—I think by Mr Bannon in the first instance—but presented notwithstanding that they raised the question of the difficulty of varying the terms of the indenture. They were still debated and considered in the debates, and various undertakings were given later in the debates as to the referral of some of the issues to the Law Reform Commission, undertakings as to federal guidelines in respect of responsible management of uranium and the like. Those undertakings were given and ultimately the bill passed without amendment and without those amendments being put up and rejected.

However, contrast that with the current position, where we have had the minister for mineral resources come into this parliament and say publicly, 'Look, there can be no alteration to this, not a word to be changed, no indenture corrections, no addendums to be done,' while jumping around in here like a grasshopper on heat, telling us that we cannot do that. That is just not correct: we can do it if we want to. We are not asking to do it, but do not come into this parliament and try to insist that the opposition—

The Hon. A. KOUTSANTONIS: On a point of order, Madam Speaker, I never said to the opposition that they could not move amendments, and I ask the member to withdraw that accusation.

Ms CHAPMAN: The minister of course in those circumstances, if he thinks he has been misrepresented, can make a personal explanation, which I am sure you will explain to him, so I will not be apologising for the statement I have made.

The Hon. A. Koutsantonis interjecting:

The SPEAKER: Order!

Ms CHAPMAN: What I say is this: it is not acceptable that as members of parliament we have issued to us the edict that there shall and cannot be any change to this, that the document cannot be changed—that is just nonsense. That issue was raised back in 1982. It was acknowledged that it raises some difficulty between the signatories to the contract—no question about that—but it is not acceptable to suggest that there can be no amendment to this legislation.

The other aspect I raise is this (and I just want to place this on the record): much is often said about Mr Foster's crossing of the floor. Can I just place on the record what happened back at that stage. Dr John Cornwall, who was the leader in the upper house, had introduced on behalf of the opposition the principal arguments and amendments that he presented to the indenture before they would even consider any positive advancement of the bill. Dr Cornwall said:

During the past three years there has been a great deal of extravagant rhetoric and bullish posturing from the Tonkin government on the Roxby Downs project.

He went on to say:

The extravagant and cruel distortions which produce 15,000 permanent jobs for propaganda purposes are a disgrace to their perpetrators. The possibility of providing 3,500 permanent jobs is welcomed by the opposition. We would embrace any responsible and safe industry which would provide desperately needed employment in this state.

When that debate progressed, it was clear at that stage, when we got to Mr Foster, that he was going to vote with his own party, and he did. During the course of his contribution, he actually made a number of invitations to the Tonkin government to go to an election. He called on them to do that—that they should issue the writs and take this matter to the election—and at the end of the debates he voted with the opposition to defeat, on the third reading, that bill.

What happened two days later was that the bill was revisited. There was power at the time in the Legislative Council for that bill to be resubmitted before the parliament, and it seems that, on the basis that Mr Foster had changed his mind and was going to vote with the government if they resubmitted the bill, that is what actually happened.

But, the debates between Mr Foster and Dr Cornwall are very illustrative as to what happened. There was a total deterioration in the debate about Mr Foster's sympathy towards aspects of the bill, and the exchange between Dr Cornwall and Mr Foster became quite obscene—

ultimately culminating, on the final day of the first vote on 16 June, in Mr Foster turning to Dr Cornwall and saying, 'You are an insulting bastard, John,' etc.

The reason that Mr Foster ultimately voted in support of the government of the day to come in with that vote became quite clear on 18 June, when he said:

I supported you the other night—

referring to his own party—

and you all rubbished me. It would have been all right, but you—

That is what he said. So the reason we have this is the bullying behaviour of Dr Cornwall and his colleagues at that time, and the reaction of Mr Foster to support a resubmission of the bill and, upon that representation, the vote was taken, and the rest is history. So, how the wheel turns.

What we have now is a new indenture. I just want to remind the house that we have had a couple before; in the 1990s, again under a Liberal government, we have had some amendments to the terms of the indenture, and it has come back before this parliament for ratification. I just want to remind the house that this is not a new mine, this is not a new resource, this not a new reserve. This has been a known reserve for 45 years.

What is new is that we are going from an underground mine to an open-cut mine; therefore, I want to make it clear that this extension—as the very expensive investment it is for both BHP and South Australians—is a current resource. It is not something that Mike Rann can say is something that we need to be able to capture BHP to come here—they are already here. They, or their predecessor, have been here for 35 years, digging up this copper, uranium, gold and the like. So let us not get ahead of ourselves. They are already here. They are already spending a lot of money. They want our permission, with the security of tenure on royalty capping and the like, and access to infrastructure and so on, and they want our approval for those things before they will invest further and change over the mining operation so that they can pull up their resource more quickly, make money more quickly, and make a lot of it. Let us be under no illusion here about what we are being asked to do.

The existing mine operation is one which took a heavy toll originally on infrastructure requirements and the like and there was a royalty rate/infrastructure deal done, which, as I say, has been amended a little over the time. In seeking to convert this to an open-cut mine, the real consequences are as follows. This operation will need a lot more water, and we already have a situation where the capping on the Great Artesian Basin reserve is there for good reason. It will need a lot more power, and BHP have said they will link up with the gas line to Santos, establish some more power reserves, and build the desal plant, etc. It needs a lot more people, and I will come back to that in a moment. It needs a lot more in port, rail and road facilities. It needs a new airport and some other temporary facilities, etc.—a major amount of infrastructure.

The royalty rate is something that has been discussed at length. I do not personally have a big issue with the royalty rate itself. The cap for 45 years, on the face of it, at first blush, seems a bit excessive; I can live with that. It does concern me, though, that we are in an environment where there is such a huge fluctuation in other things affecting that at the federal level, particularly the mining tax which is about to descend on us. It may not be covered yet, as in the carbon tax may not be covered yet, but this is a very significant emissions industry and therefore who knows what is going to happen. I think that is fairly long.

The freeholding of land is consistent with what happened before. It is a much bigger area; I can live with that. Regarding third-party access, I personally think that there needs to be some provision for third-party access for some of this infrastructure, especially the airport. I can live with it otherwise, but I think that it is something that should have been a bit tighter. I do want to speak about the people and the fly-in fly-out jobs, and the commitment of BHP in the indenture. On page 44 of the indenture they have committed to the use of local professional services, labour and materials 'as far as is reasonable and economically practical', and with a further qualification that is not to require the company to 'act other than upon commercial considerations'.

It is very generalised. Some would say that if you were looking at this strictly from a legal perspective it is a very sloppy drafting, but obviously in favour of BHP. I have read material recently from Mr Dalla Valle in which he has announced again his commitment to South Australian workforce and the like. I hope all of that comes into effect, but I will say this: I came into Melbourne airport on Monday and up there was a big sign which said, 'Mining career, Melbourne living'. It

promoted undertaking mining and of course flying around Australia for another major player in the mining field.

We must understand that we are in a competitive market on the labour force and this sort of clause does not give me much comfort, especially when I come to the commitment by Mr Dalla Valle to the question of local product. Just in the last few days I read his announcement that he is buying 3,000 houses for the Hiltaba complex from China, ostensibly on the basis that he cannot source these from South Australia.

To quote that wonderful Australian television tourism advertisement, 'Where the bloody hell are you?' Where has the government been in the last six years that he has been negotiating this, that when it comes to the actual preparation for this major contract it has not coordinated with all those who build houses here in this state and who are currently facing a major problem with their industry because of lower numbers of houses? Where the bloody hell are you? It absolutely stuns me that this appears to be ostensibly overlooked. I will raise other matters during committee.

Mr GRIFFITHS (Goyder) (23:15): It is interesting that this parliament has existed for 154 years in its various places, locations, sizes and makeup of individuals. I have no doubt that there have been some very short and passionate speeches, there have been some long and boring speeches—

Mrs Geraghty: Many.

Mr GRIFFITHS: —probably, and a lot of things in between. There have been some debates about some absolutely critical issues that were important to the state at the time and for the state moving forward. Indeed, I hold no doubt at all that the debate being held this evening and tomorrow and within the Legislative Council in future days will be recorded in history as one of those important debates, also.

While the Liberal Party has confirmed its support for the bill with no amendments to be moved, there is no doubt that there was healthy debate about this in our party room. Concerns were put and answers provided. That is why we sought briefings on it. We wanted to be informed as much as we could to ensure that the scrutiny that the South Australian public expects from the parliament in regard to a bill of this importance because of its economic importance to the state has occurred.

I still stand here in deep amazement at the fact that I, as an individual and a humble person, have been provided with an opportunity to be part of this debate, and I hope that all members in this chamber, no matter what side they come from, stand up and put their point of view about this, because it is a bill that demands that.

I recognise from the very start the efforts that have been made by hundreds of people to get it to this stage, be they BHP employees, Western Mining employees (their predecessor), or public servants (who have some representation here tonight) or those in the political process who have ensured that the work has been done over the last decade to give us an opportunity to debate this bill and an opportunity for our state to move forward with a mine of titanic proportions.

There is really no other way to describe it. I know it is four kilometres by three kilometres by one kilometre deep, but I cannot even begin to imagine in my mind what that is going to be like. No doubt minister Koutsantonis has been to Escondida in Chile and looked at that operation. I know the previous premier, Mike Rann, certainly has reflected upon his visits there, and Kevin Foley has reflected upon that, too. This will be an opportunity for South Australia to build an economic future that is a good one, and we need to make sure that happens.

I formally put on the record also the appreciation that I have as a member of the opposition for the hospitality provided by BHP in allowing me and quite a few of my colleagues—indeed, most of our team—the opportunity to visit Roxby Downs and Olympic Dam to see the scope of their underground operations, the processing that occurs on site, the accommodation provided to their staff, the facilities provided in the community as part of the social fabric that forms Roxby Downs and to be briefed about the scope of this development.

I believe it is Mr Steve Green from BHP who has made an enormous effort in regard to the EIS and the response to that. I know any time the opposition has requested information he and Mr Dalla Valle and the BHP team have been available to talk to us and make sure that we are as well informed as possible—and that is what it demands: that we are informed as best as possible.

I also recognise the fact that it is important that the democratic principles of South Australia are preserved and that rights exist for people to put a variety of views on this—to raise their concerns and put in submissions on the EIS, to lobby members of parliament, to write letters to the editor of the local papers, to go on the radio or try to get a television grab about whether they support it or whether they do not and ensure that that scrutiny does occur. It really is important.

I also put on the record that my basic principle is to be a person who is pro-development, because I want to make sure that we have an opportunity to grow our economy and diversify our economy from the more traditional aspects that have grown us to this current stage and ensure that we move forward as a state and a nation. We need to make sure that the parliament is behind opportunities that create our economy and ensure our communities grow and that we can create jobs for our children and our grandchildren, and to ensure that we as a state have a great future. I have no doubt in my mind that Olympic Dam represents that.

It defines our state to some degree. The scope of this development, the wealth that it will bring not just in royalties but within transactions that occur in this state, the people it will bring here, the skill set that it is going to demand, the work ethic that will be in place, the principles behind the development by the company (BHP), and the support that exists across all the major parties within the parliament will ensure that it actually comes to fruition. It has to.

It is my position that there is a strong expectation from within the community that we should support this bill. When it comes to business activities within South Australia, I would say it is more a demand that we support this bill. I know from the debates that occurred in our party room that many members spoke about the fact that within either their portfolio areas or the communities they represent there has been contact made with members of parliament to say, 'We need this to happen. We recognise the importance that it plays for our local area, and we want you to make sure that you do all that you can to get it through.'

I live in the hope that the eventual fruition of this development will result in a tremendous boon for South Australian business. Construction has faced challenging times and retail has faced challenging times. There has been a difficult economy within the state, the nation and around the world that has concerned many people. Discretionary spend has been down. The fact that we now suddenly have a company—one of the largest in the world, one of the very few businesses within a worldwide sphere that has the capacity to fund this level of investment—that will come forward and believe in South Australia, admittedly, yes, because it can make a profit, but because the environment is created in which they can actually do good work, does auger well for our future; it really does.

The environment has been a concern for many members of the chamber, too. While we look at economic opportunity, we are also respectful of the environment. It is not just the mine site. The remote location of that might, to some degree in some people's eyes, make it 'out of sight out of mind'. It is also very much focused on the desalination plant. I know that other members have spoken about that, but as a member who resides in and represents a coastal fringe community that is concerned about desal technology, I can say to you that even when a small-scale desal plant was proposed, that might have affected the northern Yorke Peninsula area, there were concerns, and I had a very vibrant public meeting with people who did not want that to occur.

I respect that the EIS has gone to enormous effort. I understand that BHP have put significant additional resources into the pipe, which will now be underground and go for the distribution of the brine solution to ensure that, as much as humanly possible, it will not pose a risk to the marine environment around Point Lowly.

I reflect, though, upon the fact that, as part of the EPA briefing that the opposition was provided with, a question was posed about its assessment of potential sites. From memory, there are 20 or so potential sites where it could have gone. The EPA does not actually look to the detailed responses on that one site. I asked if this was the best possible location. It is an important issue and it is one that we need to discuss.

It is impossible not to be attracted by the economic scope of this development. In his opening contribution about the committee report, the minister talked about the fact that it is 6,000 people during the construction phase; 4,000 people full-time working in part of the expanded pit; 15,000 jobs created indirectly around South Australia as part of this development; and \$45.7 billion in net present value to the gross state product over the next 30 years.

The fact that it has been funded by BHP, as I understand it, from within retained profits and that over the last full year BHP made something like \$24.3 billion in profit (\$16 billion-odd of that

emanating from its Australian operations) shows that this is a company that is serious about what they do. It is driven to excellence, it wants to make sure this happens, and I have no doubt it has probably taken no prisoners on the way, too.

The member for Waite reflected upon the capacity of various people involved in this process over the last six years. He declared his belief that BHP was there to do a job, to get the best possible outcome for the company. I know that it has put the representatives of the South Australian government in a very difficult situation.

The member for Port Adelaide no doubt has been involved in some very tense negotiations. He has been respectful of what business wants to do, but there has been a realisation that he is there to represent South Australia to get the best possible deal. I have no doubt that minister Koutsantonis, when he has been involved in it, has done exactly the same thing. You are South Australians, you live here and you want to make sure that your own children have a future here. You want to make sure that you can get the best possible investment. Politics, as we have all come to realise, is the art of compromise to some degree. Business negotiations involve compromise too, where there has to be a win outcome from both sides.

There will be a lot of media scrutiny of this. People have had varied opinions on what should occur, but no-one seems to doubt the fact that this development has to make sure—and I hope that the industry participation plan that is developed as part of this does ensure this—that as much as humanly possible the positive outcomes flow through to our state because that is where it needs to be.

The member for Bragg has commented on a recent media report that 3,000 of the accommodation units required for the Hilt Harbour workers' site will be sourced from China. It is my understanding that a lesser figure—I think 1,200 or 1,300—will come from South Australia or Australia as part of that. I want to see my local industries benefit, too; for example, little old Yorke Peninsula has a business called modpod that is designing a fibreglass-based accommodation unit that is expandable and can be put on the back of a truck and trucked up there.

I have no doubt that innovative industries within South Australia have been gearing up for this. They have looked at the opportunities and recognised the importance of the place. They have focused on this as a major part of their business development, and that is where the responsibility of government is to make sure, by working very closely with BHP, that the outcomes are positive ones.

Page 6 of the report from the select committee talks about the fact that clause 12 of the variation deed provides for the use of South Australian-based professional services and labour as far as reasonable and that, in calling for tenders and the letting of contracts, South Australian contractors will be given a reasonable opportunity to tender or quote, and then it goes on to talk about the industry and workforce participation plan.

They are the key issues for me. They are the key issues that will drive the economy for South Australia moving forward. They are the tangible job outcomes that people need in the short term. It is not the long-term benefit that will flow through from increased royalty payments and, obviously, payroll tax components and the stamp duties that will emanate from it; it is these industry workforce participation plans and the opportunity for South Australian businesses to benefit from it immediately. I really hope that it happens because it needs to.

This project is going to have an enormous impact upon regions no matter where you come from. You might be 1,000 kilometres away but you still represent an accommodation opportunity. I know the Riverland community—and I have been up there—has seen the opportunity to become a dormitory suburb. In my own area of Yorke Peninsula, because of the coastal attraction we feel as though we can become a dormitory suburb, too. The Barossa and the Mallee, all those sorts of places—

Mr Venning: Crystal Brook.

Mr GRIFFITHS: —Crystal Brook—will see themselves as an opportunity because of the social opportunities they provide, the existing infrastructure that is in place and the welcoming attitude of the residents there.

The Hon. A. Koutsantonis: Yorke Peninsula is going to be a hot spot.

Mr GRIFFITHS: I hope so.

The Hon. A. Koutsantonis: I think so.

Mr GRIFFITHS: I hope so, too.

The Hon. A. Koutsantonis: It's all thanks to Rex Minerals.

Mr GRIFFITHS: Yes, I might talk about them, too. The regions want to benefit from it. They respect the fact that Olympic Dam is a long way away, and they know that in many cases it will not probably be the family relationship that may choose to live there, but they want to make sure that there is an opportunity for families to live within that area and be part of what is special about the places that we all live in.

This will represent a big challenge to regional areas. Those of you who live in the regions will understand that we have some wonderfully skilled people who do really important jobs but who do not necessarily get paid a lot of money for doing them, but they have a skill set that is going to be necessary as part of this development. I am fearful about the loss of our skilled workers—mechanics, electricians, welders and all those sorts of people—who will see the Olympic Dam expansion and the mining opportunities that are going to be created across South Australia over the next 10 years as their future. They might still choose to live as a family unit within the town, but the skill they currently provide on a full-time basis will be lost.

How do we get it right? How do we backfill? The member for Unley talked about the need for skill development training and that only one school or one university is teaching geology or whatever. However, it is important that we get it right. The big wages will be on offer, there is no doubt about that. There will be an attraction to a lot of people who have traditionally been lower earners who will think, 'This is my chance.' They will take that opportunity and who can blame them? As a state, we need to ensure that we have got that resource available, not just for the mining development, but to ensure that that physical resource is available for our communities, to ensure that the loss does not exist.

I am a big believer in the fact that history actually teaches us much. It actually better informs us when it comes to making decisions for the future. Many members of this chamber have referred back to the 1982 debate that took place for the original indenture and it has been interesting, from my perspective, to actually hear that.

I am not, or had not been to this stage, a big reader of previous *Hansards*. I respect the contributions of others though who have recorded the wise words of those members who came before us. In 1982, when this debate took place, I was 19. Young blokes do not take that much of an interest in this sort of thing when they are 19.

Mr Pederick: You weren't thinking about politics.

Mr GRIFFITHS: No, you have other things on your mind, but you recognise that yes, it was happening. I do have a recollection of it but I am reflecting now on the courage that it must have taken to put it forward and to make it happen. The parliament was a different place. The state was a different place. It was seen as a transformation opportunity. It was a leap forward in technology, a leap forward in industry and it put a lot of challenges before them, but they made it happen.

We live in a society that has a better option now to be informed about things, but I do not think the community actually understands things as much as it might have 28 years ago, mainly because people do not actually want to be better informed which is, I find, very frustrating. But now South Australians are aware of this. I do pose the question, though, of how many actually have much of a possession of the detailed knowledge of it? Very few would have.

They actually expect us, the people in this chamber and the people in the other place, to be the people who are elected to represent them, to make sure that the right decisions are made in every possible way and to move forward into a better place. That puts a great responsibility upon members of parliament because we are expected to make the right decisions. We do not always make the right decisions but, in this case, there is no doubt in my mind that the only choice for the South Australian parliament is to support this bill.

As part of the debate that we had quite seriously about this in the Liberal joint party, there was a convergence of opinions put. At one stage I rose and I might just put this little analogy into the *Hansard*. The member for Waite, for example, used, as part of his contribution this evening and as part of his contributions to discussions the Liberal Party held, a prenuptial agreement in a marriage situation and the level of risk that takes where you hope for the best possible outcome.

I use the example that, in my eyes, there was no choice for us. We had to approve this. We had to support it, we had to make it the best possible thing that it could be. It was a bit like the option posed in the prenuptial agreement situation of either being a very frustrated husband, which sometimes does occur, or being a virginal bachelor—and that was it. The frustrated husband might not necessarily get the exact result he wants all the time, but the virgin bachelor has no opportunity to even experience it.

Mr Venning: Deep stuff here, Steven.

Mr GRIFFITHS: It had a bit more of a buzz the first time I said it, I think. It is an analogy that holds for me because it shows that South Australia has to be prepared to take some level of risk. It has to show its best hand. It has to perform as best as it can. It has to hope that it keeps its partner—and, in this case, it is BHP—happy and it has to try to get the absolute best possible result from it. If it does not have the courage to do that, indeed, it is a person that sits on their hands and lives with the frustration for the rest of their life that they never took or seized that chance that was before them and often wonders about what might have been.

In this case, we have had a process—that has worked initially since 1982—in the last six years, in a sincere effort, to try to actually give the state the opportunity to make that choice. So, I respect the work that has gone into it from hundreds and hundreds of people from around the place, to put us in this place where we have that opportunity to make a choice.

In my eyes, there is only one choice and that is to support it. That is why I am proud that, after a lot of debate, the Liberal Party has chosen to support the bill without amendment and to do so in its best endeavours because timing is important. As we move forward and as our state gets the benefit from this and history reflects upon the discussion and effort that has gone in over the last six years and over the last week, it will put all of us in a good place—and that is what it demands. Let us hope that BHP puts forward its best endeavours and that its outcomes are profitable not only for the company but also for the state. That is what we all want to see happen.

The ACTING SPEAKER (Mr Sibbons): Thank you, member for Goyder, for sharing the dynamics of a relationship! Member for Schubert.

Mr VENNING (Schubert) (23:35): Thank you, Mr Acting Speaker. I do not think I will go into that territory; I have been married for a bit too long for that—to the same woman, incidentally, for 42 years, actually.

I rise, along with all of my Liberal Party colleagues, to proudly support the Roxby Downs (Indenture Ratification) (Amendment of Indenture) Amendment Bill. I have been here for over 20 years. I was the parliamentary secretary of mines and energy, with the then minister, the Hon. Stephen Baker, who was a good minister, too, incidentally; he worked very hard. I was here, but not as a member, with my father, when Labor refused to pass the original Roxby indenture, to see the Hon. Norm Foster support it. He walked straight out the front door of the Legislative Council to political oblivion. Worse than that, he lost his membership to the ALP, something that really hurt him. I was very pleased, though, that he actually got it back not long before he left this world; it was something that meant a lot to him. Anyway, the courage of the guy was not lost on me.

In my role as parliamentary secretary, I worked with the department, especially Andrew Andrewjiskis, who some people around this place would remember. Andy was a bit of character. He had lots of rows with Stephen Baker, and I was sitting in the middle of them. I soon learnt how important this whole thing was and how important leadership was, particularly from the department side, in relation to this.

I also therefore note the input of Mr Paul Heithersay, who is with us at the moment. He has been around for a while. He has had a go at most jobs with the industry and now in semi-government and government. His input into this whole process has been huge, especially working at this level. I note the comments tonight by ex-minister Foley, when he paid that tribute. We, too, respect his input and add to that tribute. Good on you, Paul Heithersay; you certainly are part of history here.

I want to pay the highest tribute to the Hon. Roger Goldsworthy who knew it was much more than a mirage in the desert. I also pay tribute to previous premier David Tonkin, who, with his government, pushed it to the line. I also pay tribute to an early director of mining, who is still with us. He has been mentioned in the newspaper, and I refer to Mr Keith Johns. The gentleman is an absolute marvel when it comes to mining. He is into mining history in a big way. He was fantastic. He and Goldsworthy were a formidable pair. You could not take them on; they always won. Keith is

still with us. What a passionate mining professional he is, and he is still a very powerful devotee of the mining industry. So, I pay tribute to him, too.

I also pay tribute to an old mate of mine, Richard Yeeles, who I think the former deputy premier mentioned him earlier tonight. Richard Yeeles, who used to be the adviser to the then leader of the opposition, John Olsen, left this place to work for Western Mining Olympic Dam operations. His input has been huge because he was in charge of all the public relations work that was done. When you are trying to sell a uranium mine of all things, it is very difficult. He did a superb job; he was an expert in everything he did. Richard Yeeles would have to be the person above all others whose area of expertise has gone unnoticed and unheralded. He is a man of great capacity. I say, 'Well done.' He, too, can sit back and say, 'This has been good.'

Also, I want to recognise those who in recent days have worked with and briefed us in opposition over a great deal of time. Especially, I want to mention Kym Winter-Dewhurst, who has been in to help us. I understand that he is also from this place, from the other side. I understand that he used to work with the government side. He too was very valuable, as were Ms Leah Grantham and Mr Steve Green.

The decision of BHP Billiton to buy Olympic Dam was probably the greatest corporate decision in this state's history. I note the speech by previous minister Foley earlier tonight. He talked about one of my biggest concerns, which is the royalty. A lot of people wonder how you can make a decision over a 45-year period of what the state is going to achieve from this mine. I did appreciate how the ex-minister put it tonight. He said that the reason we set the royalty the way we did is that no other state will be able to raise it above it.

I also believe that the royalties will keep increasing with the value of the product. I can see that the price of the product in 45 years' time could be anywhere. It could be far in excess of anything we could even consider today, particularly when you consider the energy needs of the world in 45 years' time. No-one is saying we would not be able to raise the royalty, and we only get to keep 7 per cent of the total royalty take anyway.

I did not know that, but it is an interesting fact. We are South Australians first, but we are also Australians, so we all share in this. I had not realised that. We are going to miss Mr Kevin Foley in this place. I never thought I would say that, but we will miss him, because he certainly knew his stuff and he worked hard, and he certainly has a way of expressing himself.

I will not keep us here the whole time, but I want to go briefly through a bit of history, particularly in relation to infrastructure. BHP Billiton is proposing a significant expansion of its existing mine and processing operations at Olympic Dam. The ore body at Olympic Dam is the world's fourth largest copper resource, the largest known deposit of uranium, and it also has rich deposits of silver and gold.

The proposed Olympic Dam expansion is centred on the creation of a new open pit mine that would operate simultaneously with the existing underground mine. The proposed expansion will be built progressively over several stages and lift ore production significantly. The existing smelter at Olympic Dam will be expanded, and new concentrator and hydrometallurgical plants will be built to process the additional ore and generate additional concentrate.

The major items of infrastructure required over time to support the expansion—and that will benefit a lot of us, particularly from where we live and what we do—will include:

- a 200 megalitre per day coastal desalination plant at Port Lowly. This is an issue close to your heart, Madam Speaker, and you have made many comments about that.
- 320 kilometres of pipeline with associated pumping stations to deliver the water to Olympic Dam.
- an additional 270-kilometre electricity transmission line from Port Augusta to Olympic Dam, or a gas pipeline from Moomba and a new gas-fired power station at Olympic Dam, or a hybrid solution that is a combination of these two supply methods.
- 105-kilometre rail line from Olympic Dam to the national rail network near Pimba. That would be a great asset to the state.
- additional port facilities at Outer Harbor in South Australia, as well as the port of Darwin. I hope there is not too much at Darwin, because I think Port Adelaide is closer and probably better—I hope it is.

- a new airport at Olympic Dam to cater for large commercial jets and the increase in passengers and air traffic. Again, we are reminded that we do not want to see too many people flying in and flying out. We hope that most of these jobs could stay within South Australia, but we do understand that there is a certain level of expertise required in an operation like this that will facilitate them needing to fly them in and out. I see that as a positive.
- a landing facility and access corridor at Port Augusta to unload and move equipment from barges to Olympic Dam. Absolutely. We know that some of the equipment that has to come in is huge. This also highlights another problem. Driving up the road even now, you are seeing an increase in heavy traffic going up the road with equipment, and the roads are not adequate. One of the first projects the government ought to do is to dual the highway from Port Wakefield to Port Augusta.

It is the very least it can do, because it is dangerous trying to pass these huge trucks. A lot of them are over width, and now we are even talking about putting triples on these roads. I think the government ought to come out in the next few days and say, 'One if the first things we will do in recognition of this project is to dual the highway from Port Wakefield to Port Augusta.'

- a new accommodation village for workers at Olympic Dam.
- expanding the Roxby Downs townships to provide additional services and accommodation.

The proposed expansion will be a progressive development. The project schedule will ultimately depend on the timing and nature of government approvals and the final investment decision of the BHP Billiton board. That is the reason why it is critical tonight that we move on this with all haste and no political games.

I am happy that the Liberal Party has said that it will support the bill without any amendments and without any political hoo-ha. We have had a bit of hoo-ha here, which you would expect us to have, but nothing untoward. We just have to remind people of the history because we have been told in recent days that some people have forgotten what has gone on in the past.

In relation to the economy, the Olympic Dam project will be the key economic driver for South Australia over the next 40 years. Of that there is no doubt. I know that minister Koutsantonis has been saying that, and nobody could disagree, and good luck to him for sitting in that seat right now at this historic moment to pass bills like this. Whatever your future holds, minister, you will never forget tonight and tomorrow, so good on you for being in that position.

The Hon. A. Koutsantonis: Safe hands.

Mr VENNING: Absolutely. It will generate a significant investment of growth and jobs in key regional communities, such as Whyalla, Port Augusta, Port Pirie, Roxby Downs and even, as I said earlier, Crystal Brook, because there are people buying houses in Crystal Brook to stay in when they are not at work. The South Australian gross state product is estimated to increase by \$47.7 billion between 2012 and 2051.

In relation to jobs, developing Olympic Dam would underpin the South Australian economy in many ways, particularly through employment. Construction: various elements of the project would require a construction workforce averaging around 4,000, with a peak of about 6,000 people until full production is reached, over the long term a doubling of the existing operations workforce to 8,000 people is expected. Now, that is a big workforce.

The new mine would need the skills and services of businesses across South Australia and it is estimated that this would create an additional 15,000 jobs in the state. It is estimated that there would be 5,000 new jobs created in the Upper Spencer Gulf region as a result of the project. I think we all get spin-offs here. I can only say that before I came into this place I used to buy and sell a lot of machinery, and a lot of it came from Roxby Downs, and I still operate some of that machinery that I bought then.

When I do leave this place, one day in the future, I will probably end up going back there, because there is a great opportunity to do the work that I love doing, and that is mucking around with earthmoving machinery. I think we will all have an opportunity in the future with this. It is all about the future. It is all about the state. It is all about us leaving something for our kids.

Local business opportunities: the existing operation currently spends over \$500 million annually with South Australian businesses. In the last financial year, 28 per cent of companies supplying to Olympic Dam were South Australian and accounted for 34 per cent of the operational expenditure. Under the proposed expansion project, the amount of money spent locally is expected to increase significantly. BHP Billiton is planning to commit more than \$500 million as part of the \$1.64 billion precommitment funding to local companies in the next six months, if the bill is ratified this year. Well, it is certainly going to be.

BHP Billiton has already undertaken a series of supplier information forms in Adelaide, the Upper Spencer Gulf, Roxby Downs and Port Lincoln, with more planned. It has also spoken to potential suppliers of the RDA Barossa-convened forum at Greenock in October. I have also seen the Escondida mine in Chile, and it is huge. This is going to dwarf that; it is massive.

Can I say to the minister and everybody else, this is a fantastic opportunity for South Australia. We have heard the story about value-adding. We are all being very positive tonight about the uranium industry and everything else, and we know that the world needs it. If we are talking about value-adding then why do we not talk about enriching uranium? Why? I cannot understand the bogey. We are not even allowed to discuss it in this place. I do not have my party approval either to discuss it in this place.

Mr Pederick: What's that?

Mr VENNING: Enriching uranium. But it was the plan, right back under Don Dunstan's day, to enrich uranium. In fact, Ted Connelly is still alive today. Ted Connelly was the speaker who put Labor into power. He was the member for Port Pirie. He knocked off Mr Phelan who was an endorsed Labor candidate. Ted Connelly became the speaker—straight from the street into the speaker's chair. What did they do for him? They put a bridge to the island out from Port Pirie—the bridge to nowhere, they call it. What do you think that was for? That was going to be the site of the uranium enrichment plant. There is no doubt about that—ask him, he will tell you, but, of course, he has not made any publicity about that. Ted is still with us and he has still got his faculties.

Why don't we? The minister might like to comment. Is there any movement at all in the future? If a consortium came to you, minister, and said, 'We're interested in setting up uranium enrichment in South Australia,' what is your response going to be?

The Hon. A. Koutsantonis: No.

Mr VENNING: The answer is no. If the answer is no, as the minister said very quietly under his breath—

The Hon. A. Koutsantonis: We will not enrich uranium in South Australia.

Mr VENNING: We won't? I cannot understand the logic of that, minister, because here we are, very keen. This is obviously a product of the future. We are keen. We export it as a base product. If we enriched it here, in South Australia, the opportunities are almost doubled. I cannot understand why we will not go there.

My final comment tonight is that I am horrified—in fact, disgusted—that not all political parties are with us. It has not been very often in my time here, I have to say, that Liberal and Labor have agreed. We have, so we should and well done. I am horrified that the Greens are making comments that cause division and concern in the community that I think are unfounded, and deliberately designed to cause angst, particularly when they talk about it being the biggest hole in the world, the largest mine in the world, 45 years—all the negatives from the Greens.

On the other hand, they come out and they say, 'We don't want wind farms, either.' Hang on, you have to be a bit more consistent about this. You have to be constructive. You just cannot knock big projects. I am pretty upset about that.

Finally, I wish the project all the best. I think that it is quite historic at six minutes to midnight that we are doing this. Hopefully, it can go through this house by Thursday and finish in the parliament before Christmas. I support the bill.

Debate adjourned on motion of Hon. A. Koutsantonis.

JOINT PARLIAMENTARY SERVICE COMMITTEE

The Legislative Council informed the House of Assembly that it had appointed the Hon. G.A. Kandelaars to be the alternate member to the Hon. R.K. Sneath (President) on the committee and the Hon. C. Zollo to be the alternate member to the Hon. J.M. Gazzola.

SOCIAL DEVELOPMENT COMMITTEE

The Legislative Council informed the House of Assembly that it had appointed the Hon. J.M. Gazzola to the committee in place of the Hon. I.K. Hunter (resigned).

SUMMARY OFFENCES (WEAPONS) AMENDMENT BILL

The Legislative Council agreed to the bill with the amendments indicated by the following schedule, to which amendments the Legislative Council desires the concurrence of the House of Assembly.

No. 1. Clause 5, page 3, line 21 [clause 5, inserted section 21A(1), definition of *criminal intelligence*]—

After 'suspected' insert: serious and organised

No. 2. Clause 5, page 3, line 26 [clause 5, inserted section 21A(1), definition of *dangerous article*]—Delete 'regulation' and substitute:

Schedule 2 Part 2

No. 3. Clause 5, page 3, after line 32 [clause 5, inserted section 21A(1)]—After the definition of *knife* insert:

lawful excuse—see section 21E;

No. 4. Clause 5, page 4, after line 12 [clause 5, inserted section 21A(1)]—After the definition of *offensive weapon* insert:

official ceremony means a ceremony conducted—

- (a) by the Crown in right of the State or the Commonwealth; or
- (b) by or under the auspices of—
 - (i) the Government of the State or the Commonwealth; or
 - (ii) South Australia Police; or
 - (iii) the armed forces;

No. 5. Clause 5, page 4, line 13 [clause 5, inserted section 21A(1), definition of *prohibited weapon*]—Delete 'regulation' and substitute:

Schedule 2 Part 3

No. 6. Clause 5, page 4, after line 15 [clause 5, inserted section 21A(1)]—After the definition of *school* insert:

serious and organised criminal activity means criminal activity involving 2 or more persons who are reasonably suspected of associating for the purpose of organising, planning, facilitating, supporting or engaging in serious criminal activity (within the meaning of the *Serious and Organised Crime (Control) Act 2008*);

No. 7. Clause 5, page 4, after line 23—After section 21A insert:

21AB—Expiry of criminal intelligence provisions

Information may not be classified as criminal intelligence for the purposes of this Part after the day on which the *Serious and Organised Crime (Control) Act 2008* expires in accordance with section 39 of that Act.

No. 8. Clause 5, page 5, lines 13 to 16 [clause 5, inserted section 21C(3)]—Delete subsection (3) and substitute:

- (3) A person who, without lawful excuse, carries an offensive weapon or dangerous article at night while in, or while apparently attempting to enter or leave—
 - (a) licensed premises; or
 - (b) a carparking area specifically or primarily provided for the use of patrons of the licensed premises,
 is guilty of an offence.
 Maximum penalty: \$10,000 or imprisonment for 2 years.

No. 9. Clause 5, page 5, after line 35 [clause 5, inserted section 21C]—After subsection (6) insert:

- (7) A person who, without lawful excuse, has possession of an offensive weapon in a school is guilty of an offence.
 Maximum penalty:
 - (a) for a first offence—\$2,500 or imprisonment for 6 months;

- (b) for a subsequent offence—\$5,000 or imprisonment for 12 months.
- (8) A person who, without lawful excuse—
- (a) uses an offensive weapon; or
- (b) carries an offensive weapon that is visible,
- in the presence of any person in a school or public place in a manner that would be likely to cause a person of reasonable firmness present at the scene to fear for his or her personal safety, is guilty of an offence.
- Maximum penalty: \$10,000 or imprisonment for 2 years.
- (9) For the purposes of an offence against subsection (8), no person of reasonable firmness need actually be, or be likely to be, present at the scene.
- (10) If on the trial of a person for an offence against subsection (7) or (8), the court is not satisfied that the person is guilty of the offence charged, but is satisfied that the person is guilty of an offence against subsection (1)(a), the court may find the person guilty of the offence against subsection (1)(a).

No. 10. Clause 5, page 5, after line 39 [clause 5, inserted section 21D]—After subsection (1) insert:

- (1a) Subsection (1) does not apply in relation to the sale of a knife if it is reasonable to infer that the knife was made for the consumption of food.

No. 11. Clause 5, page 6, after line 19 [clause 5, inserted section 21D]—After subsection (4) insert:

- (4a) No offence is committed under subsection (4) if a person markets a knife solely in a way that indicates or suggests that the knife is suitable for use in a lawful form of entertainment or a lawful and recognised form of recreation or sport.

No. 12. Clause 5, page 6, lines 32 to 38 and page 7, lines 1 to 11 [clause 5, inserted section 21E]—Delete section 21E and substitute:

21E—Lawful excuse

- (1) Nothing in this section limits the circumstances in which a person will, or will not, be taken to have a lawful excuse for the purposes of this Part.
- (2) It will be a lawful excuse for a police officer to use, carry or possess an offensive weapon or an implement or article if the use, carrying or possession occurs in the course of the officer's duties as a police officer.
- (3) It will be a lawful excuse for a person to use, carry or possess an offensive weapon if the use, carrying or possession is reasonably required in the course of conducting his or her business or for the purpose or in the course of his or her employment.
- (4) It will be a lawful excuse for a person to use, carry or possess an offensive weapon if the use, carrying or possession is reasonably required in connection with—
- (a) a lawful form of entertainment; or
- (b) a lawful and recognised form of recreation or sport; or
- (c) an official ceremony; or
- (d) an official uniform; or
- (e) in the case of a knife—
- (i) the exhibition of knives for retail or other trade purposes; or
- (ii) an organised exhibition by knife collectors; or
- (iii) the preparation or consumption of food.
- (5) It will be a lawful excuse for a person to carry or possess an offensive weapon if the carrying or possession is reasonably required in connection with a museum or art gallery.
- (6) The regulations may, however, despite a provision of this section, prescribe circumstances in which certain convicted persons will not be taken to have a lawful excuse for the purposes of this Part.

No. 13. Clause 5, page 7, line 21 [clause 5, inserted section 21F(2)(a)]—Delete paragraph (a) and substitute:

- (a) Schedule 2 Part 4; or

No. 14. Clause 5, page 7, line 22 [clause 5, inserted section 21F(2)(b)]—Delete 'Commissioner' and substitute:

Minister

No. 15. Clause 5, page 7, lines 25 to 27 [clause 5, inserted section 21F(3)]—Delete subsection (3)

No. 16. Clause 5, page 7, line 28 [clause 5, inserted section 21F(4)]—Delete 'Commissioner' and substitute:

Minister

No. 17. Clause 5, page 7, line 31 [clause 5, inserted section 21F(4)(b)]—Delete 'Commissioner's' and substitute:

Minister's

No. 18. Clause 5, page 7, line 35 [clause 5, inserted section 21F(5)]—Delete 'Commissioner' and substitute:

Minister

No. 19. Clause 5, page 7, line 37 [clause 5, inserted section 21F(6)]—Delete 'Commissioner' and substitute:

Minister

No. 20. Clause 5, page 7, line 38 [clause 5, inserted section 21F(6)(a)]—Delete 'Commissioner' and substitute:

Minister

No. 21. Clause 5, page 7, after line 39 [clause 5, inserted section 21F]—After subsection (6) insert:

(6a) The Minister must not make a decision on an application for a declaration unless he or she has consulted with the Commissioner.

No. 22. Clause 5, page 8, line 1 [clause 5, inserted section 21F(7)]—Delete 'Commissioner' and substitute:

Minister

No. 23. Clause 5, page 8, after line 3 [clause 5, inserted section 21F]—After subsection (7) insert:

(7a) The Minister may delegate his or her powers under this section to any person or body.

(7b) A delegation under subsection (7a)—

(a) must be in writing; and

(b) may be conditional or unconditional; and

(c) does not derogate from the Minister's ability to exercise the power under this section; and

(d) is revocable at will by the Minister.

No. 24. Clause 5, page 8, lines 4 and 5 [clause 5, inserted section 21F(8)]—Delete 'Commissioner' wherever occurring and substitute in each case:

Minister

No. 25. Clause 5, page 8, lines 27 to 30 [clause 5, inserted section 21F(12)]—Delete subsection (12) and substitute:

(12) A person who is entitled to use or possess a prohibited weapon in accordance with this section—

(a) must not use or possess the weapon unless he or she does so in a safe and secure manner; and

(b) must take all reasonable steps to prevent access to the weapon by persons who are not entitled to such use or possession.

Maximum penalty: \$1 250 or imprisonment for 3 months.

No. 26. Clause 5, page 8, after line 30—After section 21F insert:

21FA—Information relating to weapons related injuries

(1) If a medical practitioner or a registered or enrolled nurse has reasonable cause to suspect in relation to a person who he or she has seen in his or her professional capacity that the person is suffering from a wound inflicted by a weapon or article of a kind referred to in this Part, the medical practitioner or nurse must, within 1 month after forming the suspicion, make a report to the

Department (within the meaning of the *Public and Environmental Health Act 1987*) containing—

- (a) details of the wound; and
 - (b) any information provided to the practitioner or nurse about the circumstances leading to the infliction of the wound (other than information tending to identify the person).
- (2) Subsection (1) does not apply if, in the opinion of the medical practitioner or the nurse, the injuries are not serious and the medical practitioner or nurse believes on reasonable grounds that the injuries were accidental.
- (3) A person incurs no civil or criminal liability in taking action in good faith in compliance, or purported compliance, with this section.
- (4) In this section—

enrolled nurse means a person registered under the *Health Practitioner Regulation National Law*—

- (a) to practise in the nursing and midwifery profession as a nurse (other than as a student); and
- (b) in the enrolled nurses division of that profession;

medical practitioner means a person registered under the *Health Practitioner Regulation National Law* to practise in the medical profession (other than as a student);

registered nurse means a person registered under the *Health Practitioner Regulation National Law*—

- (a) to practise in the nursing and midwifery profession as a nurse (other than as a student); and
- (b) in the registered nurses division of that profession.

No. 27. Clause 5, page 9, lines 18 to 20 [clause 5, inserted section 21G(4)]—Delete subsection (4) and substitute:

- (4) A weapons prohibition order served on a person must be accompanied by a notice—
 - (a) setting out the Commissioner's reasons for issuing the order; and
 - (b) setting out the terms and the effect of the order; and
 - (c) stating that the person may, within 28 days, appeal to the District Court against the order.

No. 28. Clause 5, page 9, line 26 [clause 5, inserted section 21G(6)]—Delete '5 years' and substitute:
3 years

No. 29. Clause 5, page 10, after line 23 [clause 5, inserted section 21H]—After subsection (4) insert:

- (4a) It is a defence to prosecution for an offence against subsection (4)(a) to prove that the person did not know, and could not reasonably be expected to have known, that the place was a place of a kind referred to in that paragraph.

No. 30. Clause 5, page 10, lines 29 to 41 [clause 5, inserted section 21H(6) to (8)]—Delete subsections (6) to (8) inclusive and substitute:

- (6) A person to whom a weapons prohibition order applies must—
 - (a) immediately on becoming aware of the presence of a prohibited weapon on premises at which the person resides, notify the Commissioner of that fact; and
 - (b) comply with—
 - (i) a direction of the Commissioner, given in response to that notification, that the person must not reside at the premises; or
 - (ii) any other direction of the Commissioner, given in response to that notification, in relation to the weapon.

Maximum penalty: \$10,000 or imprisonment for 2 years.

No. 31. Clause 5, page 11, lines 5 to 13 [clause 5, inserted section 21H(10) and (11)]—Delete subsections (10) and (11)

No. 32. Clause 5, page 11, line 15 [clause 5, inserted section 21H(12)]—Delete ', (10) or (11)'

No. 33. Clause 5, page 11, lines 18 to 25 [clause 5, inserted section 21H(13)]—Delete subsection (13) and substitute:

- (13) For the purposes of this section, if a person to whom a weapons prohibition order applies is on or in premises or a vehicle, vessel or aircraft (other than any premises, vehicle, vessel or aircraft to which the public are admitted) when a prohibited weapon is found on or in the premises, vehicle, vessel or aircraft, the person will be taken to possess the weapon unless it is proved that—
- (a) the person has notified the Commissioner of the presence of the weapon in accordance with subsection (6); or
- (b) the person did not know, and could not reasonably be expected to have known, that the weapon was on or in the premises, vehicle, vessel or aircraft.

No. 34. Clause 5, page 11, after line 29 [clause 5, inserted section 21H]—After subsection (14) insert:

- (15) The Commissioner may, by notice in the Gazette—
- (a) exempt a class of persons, unconditionally or subject to conditions specified in the notice, from a specified provision of this section; and
- (b) vary or revoke such an exemption.

No. 35. Clause 5, page 11, lines 31 to 33 [clause 5, inserted section 21I(1)]—Delete subsection (1) and substitute:

- (1) A person aggrieved by a decision of the Commissioner—
- (a) to issue a weapons prohibition order under section 21G; or
- (b) to vary or revoke an exemption under section 21H(14),
- may appeal against the decision to the District Court.

No. 36. Clause 5, page 12, after line 13—After section 21I insert:

21IA—Reports relating to weapons prohibition orders

The following information must be included in the annual report of the Commissioner under section 75 of the *Police Act 1998* (other than in the year in which this section comes into operation):

- (a) the number of weapons prohibition orders issued under section 21G;
- (b) the number of weapons prohibition orders revoked under section 21G;
- (c) the number of appeals under section 21I and the outcome of each appeal that has been completed or finally determined;
- (d) any other information requested by the Minister.

No. 37. Clause 5, page 12, lines 26 and 27 [clause 5, inserted section 21J(2)(a)]—Delete 'who a police officer suspects on reasonable grounds is a person'

No. 38. Clause 5, page 13, lines 28 to 30 [clause 5, inserted section 21M(a)]—Delete paragraph (a) and substitute:

- (a) provide that this Part or specified provisions of this Part do not apply to a specified class of persons; and

No. 39. Clause 7, page 14, line 4 [clause 7, inserted section 72A(1)]—Delete 'A police' and substitute:

Subject to this section, a police

No. 40. Clause 7, page 14, line 5 [clause 7, inserted section 72A(1)]—Delete 'metal detector'

No. 41. Clause 7, page 14, after line 9 [clause 7, inserted section 72A]—After subsection (1) insert:

- (1a) A search referred to in subsection (1) in relation to a person or property must be carried out as follows:
- (a) the search must, in the first instance, be a metal detector search and must not proceed to a further search unless the metal detector search indicates the presence or likely presence of metal;
- (b) if the metal detector search indicates the presence or likely presence of metal, a police officer may—
- (i) require the person to produce the item detected by the metal detector; and
- (ii) if the person refuses or fails to produce such item—conduct a search of the person for the purpose of identifying the item as if it were a

search of a person who is reasonably suspected of having, on or about his or her person—

- (A) stolen goods; or
 - (B) an object, possession of which constitutes an offence; or
 - (C) evidence of the commission of an indictable offence;
- (c) a search will not be taken to be lawfully carried out under this section unless it is carried out in accordance with procedures set out in the regulations (being procedures that seek to minimise, as far as reasonably practicable, any undue delay, inconvenience or embarrassment to persons being subjected to a search under this section).

No. 42. Clause 7, page 14, line 11 [clause 7, inserted section 72A(2)(a)]—Delete 'and the vicinity of licensed premises'

No. 43. Clause 7, page 14, after line 16 [clause 7, inserted section 72A(2)]—After paragraph (b) insert:

- (c) a car parking area specifically or primarily provided for the use of patrons of an area referred to in paragraph (a) or (b).

No. 44. Clause 7, page 14, lines 29 and 30 [clause 7, inserted section 72A(5)]—Delete 'metal detector'

No. 45. Clause 7, page 14, lines 33 to 35 [clause 7, inserted section 72A(6)]—Delete subsection (6)

No. 46. Clause 7, page 14, lines 36 to 41 and page 15, lines 1 to 12 [clause 7, inserted section 72A(7) and (8)]—

Section 72A(7) and (8)—delete the subsections and substitute:

- (7) The following information must be included in the annual report of the Commissioner under section 75 of the *Police Act 1998* (other than in the year in which this section comes into operation):
 - (a) the number of declarations made under subsection (3);
 - (b) the following details about each declaration made under subsection (3):
 - (i) the name and date of the event;
 - (ii) the location of the public place;
 - (c) the number of metal detector searches, and the number of searches other than metal detector searches, carried out under this section;
 - (d) the locations at which those searches were carried out (for example, licensed premises, a public place holding an event or elsewhere);
 - (e) in the case of a search carried out at a public place holding an event—the event and period specified in the relevant declaration and the date on which the notice of the declaration was published in the Gazette;
 - (f) the number of occasions on which a metal detector search indicated the presence, or likely presence, of any metal;
 - (g) the number of occasions on which weapons or articles of a kind referred to in Part 3A were detected in the course of such searches and the types of weapons or articles so detected;
 - (h) the number of occasions on which other kinds of weapons or articles constituting evidence, or possible evidence, of the commission of an offence were detected in the course of such searches and the types of weapons or articles so detected;
 - (i) any other information requested by the Minister.

No. 47. Clause 7, page 15, after line 12 [clause 7, inserted section 72A]—After subsection (8) insert:

- (8a) This section will expire 3 years after it comes into operation.

No. 48. Clause 7, page 15, lines 30 to 34 [clause 7, inserted section 72A(9), definition of *metal detector search*]—

Delete the definition of *metal detector search*

No. 49. Clause 7, page 15, line 36 [clause 7, inserted section 72B(1)]—Delete 'A police' and substitute:

Subject to this section, a police

No. 50. Clause 7, page 16, after line 1 [clause 7, inserted section 72B]—After subsection (1) insert:

- (1a) A search referred to in subsection (1) in relation to a person or property must be carried out as follows:
- (a) the search must, in the first instance, be a metal detector search and must not proceed to a further search unless the metal detector search indicates the presence or likely presence of metal;
 - (b) if the metal detector search indicates the presence or likely presence of metal, a police officer may—
 - (i) require the person to produce the item detected by the metal detector; and
 - (ii) if the person refuses or fails to produce such item—conduct a search of the person for the purpose of identifying the item as if it were a search of a person who is reasonably suspected of having, on or about his or her person—
 - (A) stolen goods; or
 - (B) an object, possession of which constitutes an offence; or
 - (C) evidence of the commission of an indictable offence;
 - (c) a search will not be taken to be lawfully carried out under this section unless it is carried out in accordance with procedures set out in the regulations (being procedures that seek to minimise, as far as reasonably practicable, any undue delay, inconvenience or embarrassment to persons being subjected to a search under this section).

No. 51. Clause 7, page 16, lines 11 to 13 [clause 7, inserted section 72B(4)]—Delete subsection (4)

No. 52. Clause 7, page 16, line 17 [clause 7, inserted section 72B(5)(b)]—After 'relates' insert:

(which must not be larger than is reasonably necessary for the purposes of the authorisation)

No. 53. Clause 7, page 17, lines 4 to 23 [clause 7, inserted section 72B(10) and (11)]—

Section 72B(10) and (11)—delete the subsections and substitute:

- (10) The following information must be included in the annual report of the Commissioner under section 75 of the *Police Act 1998* (other than in the year in which this section comes into operation):
- (a) the number of authorisations granted under subsection (3) and the nature of the incidents in relation to which such authorisations were granted;
 - (b) the number of metal detector searches, and the number of searches other than metal detector searches, carried out under this section, and information identifying the authorisation pursuant to which those searches were carried out;
 - (c) the number of occasions on which a metal detector search indicated the presence, or likely presence, of any metal;
 - (d) the number of occasions on which weapons or articles of a kind referred to in Part 3A were detected in the course of such searches and the types of weapons or articles so detected;
 - (e) the number of occasions on which other kinds of weapons or articles constituting evidence, or possible evidence, of the commission of an offence were detected in the course of such searches and the types of weapons or articles so detected;
 - (f) the number of occasions on which the Commissioner gave consent under subsection (9);
 - (g) any other information requested by the Minister.

No. 54. Clause 7, page 17, after line 25 [clause 7, inserted section 72C]—Before subsection (1) insert:

- (a1) A metal detector search carried out under section 72A or 72B must be conducted—
- (a) using only a metal detector of a kind approved by the Commissioner; and
 - (b) in accordance with any directions issued by the Commissioner.

No. 55. Clause 7, page 17, lines 28 to 32 [clause 7, inserted section 72C(2)]—Delete subsection (2)

No. 56. Clause 7, page 17, after line 32 [clause 7, inserted section 72C]—After subsection (2) insert:

- (2a) A police officer must ensure that any exercise of powers under section 72A or 72B does not unreasonably interfere with a person's right to participate in lawful advocacy, protest, dissent or industrial action.

No. 57. Clause 7, page 17, lines 33 to 35 [clause 7, inserted section 72C(3)]—Delete subsection (3)

No. 58. Clause 7, page 18, lines 9 and 10 [clause 7, inserted section 72C(6)(a)]—Delete ', or a person accompanying a police officer,'

No. 59. Clause 7, page 18, line 36 [clause 9(1)]—Delete subclause (1) and substitute:

- (1) Section 85(2)(a) and (b)—delete paragraphs (a) and (b) and substitute:
- (a) vary the provisions of Schedule 2 (other than clauses 5 to 7 inclusive and 19 to 25 inclusive) by including provisions in, or deleting provisions from, the Schedule;

No. 60. New clause, page 19, after line 3—After clause 9 insert:

10—Insertion of Schedule 2

After Schedule 1 insert:

Schedule 2—Weapons etc

Part 1—Interpretation

1—Interpretation

- (1) In this Schedule, unless the contrary intention appears—
- catapult* includes a shanghai and a slingshot;
- designed* includes adapted;
- extendable baton of a prescribed kind* means an extendable baton that can only be extended by means of gravity or centrifugal force;
- number*, in relation to the identification of a weapon, means an identifying mark comprised of either numbers or letters or a combination of both numbers and letters;
- official ceremony* means a ceremony conducted—
- (a) by the Crown in right of the State or the Commonwealth; or
- (b) by or under the auspices of—
- (i) the Government of the State or the Commonwealth; or
- (ii) South Australia Police; or
- (iii) the armed forces;
- prescribed masonic organisation* means—
- (a) the Antient, Free And Accepted Masons Of South Australia and the Northern Territory Incorporated; or
- (b) a Lodge or Order of Freemasons warranted and recognised by the association referred to in paragraph (a); or
- (c) the Lodge of Freemasons named 'The Duke of Leinster Lodge';
- prescribed services organisation* means—
- (a) The Returned and Services League of Australia (SA Branch) Incorporated or any of its sub-branches; or
- (b) an association or other body (whether or not incorporated) that is a member of the Consultative Council of Ex-Service Organisations (SA).
- (2) For the purposes of this Schedule—
- (b) a reference to a particular class of dangerous article is a reference to the class of dangerous article as declared and described in Part 2; and
- (c) a reference to a particular class of prohibited weapon is a reference to the class of prohibited weapon as declared and described in Part 3; and
- (d) if an article could, but for this paragraph, be declared by this Schedule to be both a dangerous article and a prohibited weapon, it

will be taken, unless the contrary intention appears, to be declared to be a prohibited weapon and not a dangerous article.

Part 2—Dangerous articles

2—Dangerous articles

Each of the following is declared to be a dangerous article for the purposes of Part 3A of this Act:

- (a) *anti-theft case*—a case, satchel or similar article designed to administer an electric shock to a person who handles or interferes with the case, satchel or article or its contents;
- (b) *bayonet*—a stabbing weapon designed to be attached to or at the muzzle of a rifle;
- (c) *blow gun*—a blow-pipe or similar device or instrument designed to propel an arrow, dart or similar projectile by air expelled from the mouth;
- (d) *cross-bow*—a cross-bow, other than a pistol cross-bow as described in Part 3 clause 3(s) of this Schedule;
- (e) *dart projector*—a device (for example, a Darchery Dart Slinger) designed to propel a dart by means of elastic material;
- (f) *gas injector device*—a device (for example, a Farallon Shark Dart or a WASP Injector Knife) designed to kill or injure an animal by injecting a gas or other substance into the body of the animal;
- (g) *plain catapult*—a catapult made for commercial distribution, other than a brace catapult as described in Part 3 clause 3(b) of this Schedule;
- (h) *self-protecting spray*—a device or instrument designed to temporarily or permanently immobilise, incapacitate or injure a person by the emission or discharge of an offensive, noxious or irritant liquid, powder, gas or chemical;
 - (i) *self-protection device*—a hand held device or instrument designed to temporarily or permanently immobilise, incapacitate or injure a person by the emission or discharge of an electric current, sound waves or electromagnetic energy.

Part 3—Prohibited weapons

3—Prohibited weapons

Each of the following is declared to be a prohibited weapon for the purposes of Part 3A of this Act:

- (a) *ballistic knife*—a device or instrument (other than a dart projector) designed to fire or discharge a knife, dagger or similar instrument by mechanical, percussive or explosive means;
- (b) *brace catapult*—a catapult (for example, a Saunders Falcon Hunting Sling) that includes or is designed to be used with a brace fitted or resting on the forearm or another part of the body in order to support the forearm or wrist when the catapult is activated;
- (c) *butterfly knife*—a knife comprised of a blade or spike and a handle, in respect of which—
 - (i) the handle is in 2 sections that fold so as to wholly or partially cover the blade or spike when the knife is not in use; and
 - (ii) the blade or spike can be exposed by gravity or centrifugal force;
- (d) *chloroacetophenone*—chloroacetophenone (known as CN) in all its forms;
- (e) *concealed weapon*—an article that appears to be harmless but that conceals a knife, spike or other weapon;
- (f) *dagger*—a sharp, pointed stabbing weapon (other than a bayonet or sword), ordinarily capable of being concealed on the person and having—

- (i) a flat blade with cutting edges on both sides; or
 - (ii) a needle-like blade that has a round or elliptical cross section or that has 3 or more sides;
- (g) *dirk* or *sgian dhu*—a ceremonial weapon associated with traditional Scottish culture;
- (h) *dypenylaminechloroarsone*—*dypenylaminechloroarsone* (known as DM or adamsite) in all its forms;
 - (i) *extendable baton*—a baton designed for use as a weapon that can be extended in length by gravity or centrifugal force or by a release button or other device;
 - (j) *fighting knife*—a knife (other than a bayonet or sword) designed for hand to hand fighting, for example, a butterfly knife, dagger, flick knife, push knife or trench knife;
- (k) *flick-knife*—a knife in respect of which—
 - (i) the blade is concealed when folded or recessed into the handle and springs or is released into the extended position by the operation of a button or other device on the handle; or
 - (ii) the blade is wholly or partially concealed by a sheath that can be withdrawn into the handle of the knife by gravity, centrifugal force or by the operation of a button or other device;
- (l) *hand or foot claw*—an article designed as a weapon consisting of prongs or other projections worn on the hands or feet (for example, the martial arts weapons known as ninja hand claws, ninja foot claws or ninja claws);
- (m) *knife belt*—a belt or similar article (for example, a Bowen Knife Belt) designed to hold a knife, dagger or similar instrument so that the presence of the knife, dagger or instrument is concealed or disguised when the belt or article is worn;
- (n) *knuckle duster*—a device or instrument designed to be worn across the knuckles of a hand so as to—
 - (i) increase the force or impact of a punch or blow when striking another with the hand; and
 - (ii) protect the knuckles from injury,including a weighted or studded glove, but not including a boxing glove;
- (o) *laser pointer*—a hand held device, commonly known as a laser pointer, designed to emit a laser beam with an accessible emission level of greater than 1 milliwatt;
- (p) *morning star*—an article designed as a weapon consisting of a weight (whether or not with spikes or blades) attached to a chain, rope or a length of other flexible material;
- (q) *nunchakus*—a device comprised of 2 or more bars joined by a chain, rope or other flexible material so that the bars can swing independently of each other;
- (r) *orthochlorobenzalmalononitrile*—*orthochlorobenzalmalononitrile* (known as CS) in all its forms;
- (s) *pistol cross-bow*—a cross-bow designed for aiming and discharging an arrow, dart, bolt or similar projectile when held in one hand;
- (t) *poniard*—a ceremonial weapon associated with the traditions of a prescribed masonic organisation;
- (u) *push knife*—a knife (for example, an Urban Pal Knife) comprised of a blade or spike with a transverse handle that is designed—
 - (i) to be held between the fingers or the forefinger and thumb with the handle supported by the palm of the hand; and
 - (ii) to inflict injury by a punching or pushing movement;

- (v) *star knife*—a device comprised of a number of points, blades or spikes pointing outwardly from a central axis and designed to spin around that axis, and capable of causing serious injury, when thrown;
- (w) *throwing knife*—a knife that is designed to cause serious injury when thrown;
- (x) *trench knife*—a knife comprised of a blade or spike attached to one end of a handle that is designed to be held in the closed fist with the fingers through the handle which serves as a knuckle duster;
- (y) *undetectable knife*—a knife that—
 - (i) is made wholly or partly of a material that prevents the knife from being detected, or being detected as a knife, by either a metal detector or by a method using X-rays; and
 - (ii) is capable of causing serious injury or death.

Part 4—Exempt persons—prohibited weapons

4—Application of Part

- (2) If—
 - (a) in this Part, a person is expressed to be an exempt person for the purposes of 1 or more offences against section 21F(1) of this Act in relation to a particular class of prohibited weapon; and
 - (b) the weapon is included in 1 or more of the other classes of prohibited weapon,

the person is an exempt person in relation to that weapon for the purposes of the offences even though he or she is not an exempt person in relation to a prohibited weapon of the other class or classes referred to in paragraph (b).
- (3) The provisions of this Part (other than clauses 5, 6, 7 and 8) do not apply to a person who has, whether before or after the commencement of this Part, been found guilty by a court of—
 - (a) an offence involving violence for which the maximum term of imprisonment is 5 years or more; or
 - (b) an equivalent offence involving violence under the law of another State or Territory of the Commonwealth or of another country.
- (4) If a person is an exempt person in relation to a weapon under a clause in this Part other than under clauses 5, 6, 7 or 8) and a court finds the person guilty of using the weapon to threaten or injure another person, he or she ceases to be an exempt person in relation to that or any other weapon under that clause and can never again become an exempt person under that clause.
- (5) A person who, prior to the commencement of this Part, ceased, in accordance with regulation 7(4) of the *Summary Offences (Dangerous Articles and Prohibited Weapons) Regulations 2000*, to be an exempt person under a particular regulation is taken not to be exempt under any corresponding provision of this Part.

5—Police officers

A police officer is an exempt person for the purposes of an offence of use or possession of a prohibited weapon under section 21F(1)(b) of this Act if the officer uses or has possession of a prohibited weapon for the purpose or in the course of his or her duties as a police officer.

6—Delivery to police

A person is an exempt person for the purposes of an offence of possession of a prohibited weapon under section 21F(1)(b) of this Act if the person has possession of a prohibited weapon for the purpose of delivering it as soon as reasonably practicable to a police officer.

7—Emergencies

A person is an exempt person for the purposes of an offence of use or possession of a prohibited weapon under section 21F(1)(b) of this Act if the person uses or has possession of a prohibited weapon for the purpose, and in the course, of dealing with an emergency (whether as a volunteer or in the course of paid employment), provided that the person does not use the weapon to threaten or injure another person.

8—Executors etc

- (1) A person is an exempt person for the purposes of an offence of possession of a prohibited weapon under section 21F(1)(b) of this Act if the person has possession of a prohibited weapon in the course of his or her duties—
- (a) as the executor, administrator or other representative of—
 - (i) the estate of a deceased person or a bankrupt; or
 - (ii) a person who is legally incompetent; or
 - (b) as receiver or liquidator of a body corporate.
- (2) A person is an exempt person for the purposes of an offence of sale or supply of a prohibited weapon under section 21F(1)(a) of this Act, if the person sells or supplies a prohibited weapon in the course of his or her duties—
- (a) as the executor, administrator or other representative of—
 - (i) the estate of a deceased person or a bankrupt; or
 - (ii) a person who is legally incompetent; or
 - (b) as receiver or liquidator of a body corporate,
- provided that the sale or supply is to a person who is entitled to possession of the weapon under section 21F of this Act.

9—Heirlooms

A person is an exempt person for the purposes of an offence of possession of a prohibited weapon under section 21F(1)(b) of this Act if the person has possession of a prohibited weapon that is of sentimental value to him or her as an heirloom and that was previously in the possession of 1 or more of his or her relatives provided that the person keeps the weapon in a safe and secure manner at his or her place of residence and does not remove it except for the purpose of—

- (a) display by a person who is entitled under section 21F of this Act to have possession of it for that purpose; or
- (b) repair or restoration by a person who carries on a business that includes the repair or restoration of articles of that kind; or
- (c) valuation by a person who carries on a business that includes the valuing of articles of that kind; or
- (d) secure storage by a person who carries on the business of storing valuable property on behalf of other persons; or
- (e) permanently transferring possession of the weapon to another person (being a person who is entitled under section 21F of this Act to have possession of it).

10—Collectors

- (1) A person is an exempt person for the purposes of an offence of possession of a prohibited weapon under section 21F(1)(b) of this Act if the person has possession of a prohibited weapon as part of a collection of weapons or other artefacts or memorabilia (comprised of at least 3 weapons, whether or not prohibited weapons) that has a particular theme, or that the person maintains for its historical interest or as an investment, provided that—
- (a) the person keeps the following records in a legible manner in a bound book at his or her place of residence for a period that expires at the end of 5 years after he or she ceases to be in possession of the collection:
 - (i) a record describing and identifying the weapon;
 - (ii) a record of the date of each occasion on which he or she obtains or re-obtains possession of the weapon and the identity and address of the person from whom he or she obtains or re-obtains possession;
 - (iii) the date of each occasion on which he or she parts with possession of the weapon to another person and the identity and address of that person; and

- (b) the person keeps the weapon in a safe and secure manner at his or her place of residence and does not remove it except for the purpose of—
- (i) display by a person who is entitled under section 21F of this Act to have possession of it for that purpose; or
 - (ii) repair or restoration by a person who carries on a business that includes the repair or restoration of articles of that kind; or
 - (iii) valuation by a person who carries on a business that includes the valuing of articles of that kind; or
 - (iv) repair, restoration or valuation—
 - (A) by another collector who is, under this clause, an exempt person in relation to a prohibited weapon; or
 - (B) by a person who is, under clause 13, an exempt person in relation to a prohibited weapon; or
 - (v) secure storage by a person who carries on the business of storing valuable property on behalf of other persons; or
 - (vi) storage by another collector who is, under this clause, an exempt person in relation to a prohibited weapon; or
 - (vii) returning it to—
 - (A) another collector who is, under this clause, an exempt person in relation to a prohibited weapon; or
 - (B) a prescribed services organisation that is, under clause 11, an exempt person in relation to a prohibited weapon,
 - on whose behalf he or she has repaired, restored, valued or stored the weapon; or
 - (viii) taking it to a meeting but only if the majority of persons at the meeting are collectors who are, under this clause, exempt persons in relation to prohibited weapons; or
 - (ix) its sale or supply to another person in accordance with subclause (2); and
- (c) the person permits a police officer at any reasonable time to enter his or her residential premises to inspect the collection and the records kept under paragraph (a).
- (2) A person who is an exempt person under subclause (1) will also be an exempt person for the purposes of an offence of sale or supply of such a weapon under section 21F(1)(a) of this Act if the person sells or supplies the weapon in the normal course of maintaining the collection, to a person who is entitled to possession of a prohibited weapon under section 21F of this Act.
- (3) A reference in subclause (1) to the place of residence of a person will be taken, in the case of a body corporate, to be a reference to the registered office of the body corporate.

11—Prescribed services organisations (RSL etc)

- (1) A prescribed services organisation is an exempt person for the purposes of an offence of possession of a prohibited weapon under section 21F(1)(b) of this Act if it has possession of a prohibited weapon of a kind acquired or used by one of its members (or by a person that it represents) while on active war service as a member of Australia's armed forces, provided that—
- (a) the organisation keeps the following records in a legible manner in a bound book at its premises for a period that expires at the end of 5 years after it last ceased to be in possession of the weapon:
 - (i) a record describing and identifying the weapon;
 - (ii) a record of the date of each occasion on which the organisation obtains or re-obtains possession of the weapon and the identity and address of the person from whom the organisation obtains or re-obtains possession;

- (iii) the date of each occasion on which the organisation parts with possession of the weapon to another person and the identity and address of that person; and
 - (b) the organisation keeps the weapon in a safe and secure manner at its premises and does not remove the weapon except for the purpose of—
 - (i) display by a person who is entitled under section 21F of this Act to have possession of it for that purpose; or
 - (ii) repair or restoration by a person who carries on a business that includes the repair or restoration of articles of that kind; or
 - (iii) valuation by a person who carries on a business that includes the valuing of articles of that kind; or
 - (iv) repair, restoration or valuation—
 - (A) by a collector who is, under clause 10, an exempt person in relation to a prohibited weapon; or
 - (B) by a person who is, under clause 13, an exempt person in relation to a prohibited weapon; or
 - (v) secure storage by a person who carries on the business of storing valuable property on behalf of other persons; or
 - (vi) its sale or supply to another person in accordance with subclause (2); and
 - (c) the organisation permits a police officer at any reasonable time to enter the premises of the organisation to inspect the weapon and the records kept under paragraph (a).
- (2) A person who is an exempt person in relation to a prohibited weapon under subclause (1) will also be an exempt person for the purposes of an offence of sale or supply of such a weapon under section 21F(1)(a) of this Act if the person sells or supplies the weapon in the normal course of maintaining the collection, to a person who is entitled to possession of a prohibited weapon under section 21F of this Act.

12—Possession by collector on behalf of prescribed services organisation or another collector

A person who is, under clause 10, an exempt person for the purposes of an offence of possession of a prohibited weapon under section 21F(1)(b) of this Act (the *first collector*) will also be an exempt person for the purposes of such an offence in relation to a prohibited weapon that is owned by another collector or a prescribed services organisation if—

- (a) possession of the weapon by the first collector is solely for the purpose of repairing, restoring, valuing or storing it on behalf of the prescribed services organisation or the other collector; and
- (b) the other collector is, under clause 10, or the prescribed services organisation is, under clause 11, an exempt person in relation to the weapon; and
- (c) while the weapon is in the possession of the first collector, the first collector complies with the conditions in clause 10(1)(a) to (c) in relation to the weapon as though it were part of the first collector's collection.

13—Manufacturers etc

A person is an exempt person for the purposes of an offence of manufacture, sale, distribution, supply of, or other dealing in, possession or use of a prohibited weapon under section 21F(1) of this Act if—

- (a) the person—
 - (i) has not been found guilty by a court of an offence involving the use, or the threat of using, a weapon; and
 - (ii) has notified the Commissioner in writing that he or she is, or intends, manufacturing, selling, distributing, supplying or otherwise dealing in prohibited weapons and of—
 - (A) the person's full name; and

- (B) the address of the place or places at which the person is, or intends, conducting those activities; and
 - (C) the person's residential address; and
 - (D) in the case of a body corporate—the full name and residential address of each of its directors; and
- (iii) the possession and use is, or is to be, only to the extent reasonably necessary for the purpose of manufacturing, selling, distributing, supplying or otherwise dealing in the weapons (as the case requires); and
- (b) the weapons are kept in a safe and secure manner; and
 - (c) in the case of the sale, distribution or supply of, or other dealing in, a prohibited weapon—the weapon is not sold, distributed or supplied to, or dealt in with, a person who is under the age of 18 years; and
 - (d) a prohibited weapon is not marketed (within the meaning of section 21D of this Act) by the person in a way that—
 - (i) indicates, or suggests, that the weapon is suitable for combat; or
 - (ii) is otherwise likely to stimulate or encourage violent behaviour involving the use of the knife as a weapon; and
 - (e) in the case of the manufacture of prohibited weapons, each weapon manufactured is marked with an identifying brand and number in a manner that ensures that the brand and number cannot be removed easily and will not wear off in the normal course of use of the weapon; and
 - (f) the person keeps the following records in a legible manner (and in a form that is reasonably accessible to a police officer inspecting the records under paragraph (i)) at his or her business premises for a period of at least 5 years:
 - (i) a description of each prohibited weapon that is, or has been, in his or her possession;
 - (ii) the identifying brand and number (if any) that is marked on each of those weapons;
 - (iii) the name and address of the person to whom he or she sells, distributes, supplies, or with whom he or she otherwise deals in, each of those weapons;
 - (iv) the date of each transaction; and
 - (g) the person permits a police officer at any reasonable time to enter his or her premises or a vehicle in which prohibited weapons are carried to inspect the premises or vehicle, the weapons on the premises or in the vehicle or records kept by the exempt person under paragraph (f); and
 - (h) the person notifies the Commissioner in writing of a change in any of the information referred to in paragraph (a)(i) and (ii) within 7 days after the change occurs.

14—Possession by manufacturer etc on behalf of prescribed services organisation or another collector

A person who is, under clause 13, an exempt person for the purposes of an offence of possession of a prohibited weapon under section 21F(1)(b) of this Act (the *manufacturer*) will also be an exempt person for the purposes of such an offence in relation to a prohibited weapon that is owned by a collector or a prescribed services organisation if—

- (a) possession of the weapon by the manufacturer is solely for the purpose of repairing or restoring the weapon or valuing or storing it on behalf of the collector or prescribed services organisation; and
- (b) the collector is, under clause 10, or the prescribed services organisation is, under clause 11, an exempt person in relation to the weapon.

15—Extendable batons—security agents

- (1) A person is an exempt person for the purposes of an offence of use or possession of a prohibited weapon under section 21F(1)(b) of this Act in relation to the use or possession of an extendable baton of a prescribed kind if—
- (a) the person is—
 - (i) authorised by a licence granted under the *Security and Investigation Agents Act 1995* to carry on the business of protecting or guarding property as a security agent; and
 - (ii) the holder of a firearms licence under the *Firearms Act 1977* authorising the possession and use of a handgun in the course of carrying on the business of guarding property; and
 - (b) the baton is kept in a safe and secure manner at the person's business premises when not being used; and
 - (c) the baton is marked with a number for identification and with the name of the person in a manner that ensures that the number and name cannot be removed easily and will not wear off in the normal course of use of the baton; and
 - (d) the baton is not issued to another person unless the other person is—
 - (i) an employee in the business; and
 - (ii) an exempt person under subclause (2); and
 - (e) the person keeps the following records in a legible manner (and in a form that is reasonably accessible to a police officer inspecting the records under paragraph (f)) at his or her business premises for a period of at least 5 years:
 - (i) the make and model of the baton and the identifying number marked on the baton under paragraph (c);
 - (ii) the date and time of every issue of the baton to an employee, the identification number of the baton, the identity of the employee to whom the baton is issued and the date and time when the baton is returned by the employee;
 - (iii) the date or dates (if any) on which a person to whom the baton has been issued uses the baton (as opposed to carrying the baton) in the course of his or her duties and the reason for that use of the baton; and
 - (f) the person permits a police officer at any reasonable time to enter his or her business premises to inspect the baton, the manner in which the baton is kept and the records kept under paragraph (e); and
 - (g) in the case of a natural person—
 - (i) the person has completed a course of instruction approved by the Commissioner in the proper use of extendable batons and has been awarded a certificate of competency by the person conducting the course; and
 - (ii) the person does not carry the baton while engaged in crowd control.
- (2) A person is an exempt person for the purposes of an offence of use or possession of a prohibited weapon under section 21F(1)(b) of this Act in relation to the use or possession of an extendable baton of a prescribed kind if the person—
- (a) is employed to protect or guard property by a person who carries on the business of protecting or guarding property; and
 - (b) is authorised by a licence granted under the *Security and Investigation Agents Act 1995* to protect or guard property as a security agent; and
 - (c) is the holder of a firearms licence under the *Firearms Act 1977* authorising the possession and use of a handgun in the course of employment by a person who carries on the business of guarding property; and

- (d) reasonably requires the possession of an extendable baton for the purposes of carrying out the duties of his or her employment; and
- (e) has completed a course of instruction approved by the Commissioner of Police in the proper use of extendable batons and has been awarded a certificate of competency by the person conducting the course; and
- (f) has not been found guilty by a court of an offence involving the illegal possession or use of an extendable baton, a firearm or any other weapon; and
- (g) does not carry the baton while engaged in crowd control; and
- (h) as soon as reasonably practicable after using the baton in the course of his or her duties, provides his or her employer with a written report setting out the date on which, and the circumstances in which, he or she used the baton.

16—Dirks and sgian dhus—members of Scottish associations

A person is an exempt person for the purposes of an offence of possession of a prohibited weapon under section 21F(1)(b) of this Act in relation to the possession of a dirk or sgian dhu (alternative spelling 'skean dhu') if—

- (a) —
 - (i) the person is a member of an incorporated association that has as its sole or a principal purpose the fostering and preservation of Scottish culture or the playing or singing of Scottish music; or
 - (ii) the person is a member of a society, body or other group (whether or not incorporated) that is affiliated with an incorporated association and both the society, body or group and the incorporated association with which it is affiliated have as their sole or a principal purpose the fostering and preservation of Scottish culture or the playing or singing of Scottish music; and
- (b) the person has possession of all of the clothes and other accoutrements traditionally worn with the dirk or sgian dhu (or, if the dirk or sgian dhu is traditionally worn with different clothes on different occasions, he or she has possession of the clothes and accoutrements for at least 1 of those occasions); and
- (c) the person has possession of the dirk or sgian dhu solely for the purpose of wearing it with that clothing and, in the case of a dirk, for the purpose of using it in traditional Scottish ceremonies; and
- (d) in the case of a dirk—the person only uses the dirk for the purposes of traditional Scottish ceremonies; and
- (e) the person keeps the dirk or sgian dhu in a safe and secure manner at his or her place of residence and does not remove it except—
 - (i) for the purpose of wearing it with that clothing; or
 - (ii) for the purpose of lending it to a person who is entitled under section 21F of this Act to have possession of it; or
 - (iii) for the purpose of permanently transferring possession of the dirk or sgian dhu to another person (being a person who is entitled under section 21F of this Act to have possession of it).

17—Poniards—lodges of Freemasons etc

A prescribed masonic organisation is an exempt person for the purposes of an offence of use or possession of a prohibited weapon under section 21F(1)(b) of this Act in relation to the use or possession of a poniard if—

- (a) the poniard is kept at the premises of the association, Lodge or Order concerned in a safe and secure manner and is not removed from the premises except for the purpose of—
 - (i) repair or restoration by a person who carries on a business that includes the repair or restoration of articles of that kind; or

- (ii) valuation by a person who carries on a business that includes valuing articles of that kind; or
 - (iii) permanently transferring possession of the poniard to another person (being a person who is entitled under section 21F of this Act to have possession of it); and
- (b) the poniard is only used at the premises of the association, Lodge or Order concerned for traditional ceremonial purposes.

18—Laser pointers for astronomical use

A person is an exempt person for the purposes of an offence of use or possession of a prohibited weapon under section 21F(1)(b) of this Act in relation to the use or possession of a laser pointer if—

- (a) the person is using or has possession of the laser pointer for the purpose or in the course of participating in astronomy; and
- (b) the person—
 - (i) is a member of—
 - (A) the Astronomical Society of South Australia Incorporated; or
 - (B) the Mars Society Australia Incorporated; or
 - (ii) participates in astronomy under the supervision of a member of a body referred to in subparagraph (i); or
 - (iii) participates in astronomy at an observatory; or
 - (iv) participates in astronomy as part of a course of study conducted by an educational institution.

19—Undetectable knives used in food preparation

A person is an exempt person for the purposes of an offence of use or possession of a prohibited weapon under section 21F(1)(b) of this Act in relation to the use or possession of an undetectable knife if the use or possession is solely for the preparation of food or drink for human consumption.

20—Business purposes

A person is an exempt person for the purposes of an offence of use or possession of a prohibited weapon under section 21F(1)(b) of this Act if the person uses or has possession of a prohibited weapon in the course of conducting his or her business or in the course of his or her employment, provided that—

- (a) the use or possession of the weapon is reasonably required for that purpose; and
- (b) the use or possession of the weapon is not in the course or for the purpose of manufacturing, selling, distributing, supplying or otherwise dealing in the weapon.

21—Religious purposes

A person is an exempt person for the purposes of an offence of possession of a prohibited weapon under section 21F(1)(b) of this Act in relation to the possession of a knife (other than a butterfly knife, flick knife, push knife or trench knife) or dagger if—

- (a) the person is a member of a religious group; and
- (b) the person possesses, wears or carries the knife or dagger for the purpose of complying with the requirements of that religion.

22—Entertainment

A person is an exempt person for the purposes of an offence of use or possession of a prohibited weapon under section 21F(1)(b) of this Act if the person uses or has possession of a prohibited weapon in the course of providing a lawful and recognised form of entertainment of other persons that reasonably requires the use or possession of the weapon.

23—Sport and recreation

A person is an exempt person for the purposes of an offence of use or possession of a prohibited weapon under section 21F(1)(b) of this Act if the person uses or has possession of a prohibited weapon in the course of participating in a lawful and recognised form of recreation or sport that reasonably requires the use or possession of the weapon.

24—Ceremonies

A person is an exempt person for the purposes of an offence of use or possession of a prohibited weapon under section 21F(1)(b) of this Act if the person uses or has possession of a prohibited weapon in the course of an official ceremony that reasonably requires the use or possession of the weapon.

25—Museums and art galleries

A person is an exempt person for the purposes of an offence of possession of a prohibited weapon under section 21F(1)(b) of this Act if the person has possession of a prohibited weapon for the purposes of a museum or art gallery.

No. 61. Schedule 1, page 19, line 29 [Schedule 1, clause 4]—Delete 'Commissioner of Police' and substitute:

Minister

RAILWAYS (OPERATIONS AND ACCESS) (ACCESS REGIME REVIEW) AMENDMENT BILL

The Legislative Council agreed to the bill without any amendment.

At 23:54 the house adjourned until 9 November 2011 at 11:00.