HOUSE OF ASSEMBLY

Wednesday 27 June 2012

The SPEAKER (Hon. L.R. Breuer) took the chair at 9:01 and read prayers.

LEGISLATIVE REVIEW COMMITTEE

Mr SIBBONS (Mitchell) (9:01): I move:

That the Legislative Review Committee have leave to sit during the sitting of the house today.

Motion carried.

SITTINGS AND BUSINESS

The Hon. M.F. O'BRIEN (Napier—Minister for Finance, Minister for the Public Sector) (9:02): I move:

That standing orders be so far suspended as to enable routine business, with the exception of the asking of questions without notice, to be taken into consideration forthwith.

The SPEAKER: I have counted the house and, as an absolute majority of the whole number of members is not present, ring the bells.

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

Motion carried.

PAPERS

The following papers were laid on the table:

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

Regulations made under the following Act— Serious and Organised Crime (Control)—Prescribed Offences

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

Regulations made under the following Act— Liquor Licensing— Fees and Default Penalties— Correction Fees and Default Penalties

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

Regulations made under the following Act— Emergency Services Funding—Remissions Land

By the Minister for Workers Rehabilitation (Hon. J.J. Snelling)-

Regulations made under the following Act— Workers Rehabilitation and Compensation—Volunteers

By the Minister for Mental Health and Substance Abuse (Hon. J.D. Hill)-

Regulations made under the following Act— Controlled Substances—Pesticides Licence Fee

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

Regulations made under the following Act— Environment Protection—Waste Depot Levy

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

Regulations made under the following Act— Local Government—Local Government Sector Employees—Adelaide Central Market Authority

PUBLIC WORKS COMMITTEE

Mr ODENWALDER (Little Para) (9:07): I bring up the 451st report of the committee on the Adelaide Entertainment Centre multideck car park.

Report received and ordered to be published.

ENVIRONMENT, RESOURCES AND DEVELOPMENT COMMITTEE

The Hon. M.J. ATKINSON (Croydon) (9:08): I bring up the 67th report of the committee on population strategy.

Report received and ordered to be published.

The Hon. M.J. ATKINSON: I bring up the 68th report of the committee on biosecurity fee.

Report received and ordered to be published.

STATUTES AMENDMENT AND REPEAL (BUDGET 2012) BILL

In committee.

(Continued from 13 June 2012.)

Clause 1 passed.

Clauses 2 and 3 passed.

Clause 4.

The Hon. I.F. EVANS: Minister, this is the leave provision for the Education Act which flows on to other employees under the Public Sector Act. This is the skills and experience retention leave entitlement. I just wonder what productivity gain the government gets out of this entitlement.

The Hon. M.F. O'BRIEN: This is an area that was canvassed by the member for Davenport in estimates. The intent of this particular provision is to ensure that we retain those individuals within the public sector workforce who have a highly developed set of skills based on longstanding experience. It is the view of the government that the productivity gains will actually flow from retaining this cohort of highly specialised individuals.

The Hon. I.F. EVANS: Minister, given that it is about retaining public servants, I just want to get it clear that public servants who are receiving this retention allowance to keep them in the Public Service can also be offered TVSPs to leave the Public Service.

The Hon. M.F. O'BRIEN: That may actually be the case, member for Davenport, but I think, in the larger scheme of things, as the member would be aware, we have a large cohort of baby boomers moving through the Australian economy. I think it is a phenomenon right through the West. I know that China and Japan will be grappling with very much the same issue.

The challenge that we have as a society is to ensure that we actually manage this fairly significant demographic shift and we do so in a way that we do not denude, in this instance, the South Australian public sector of a wealth of experience. So, the proposition is largely in place to ensure that we retain these individuals. There will be some individuals who would be beneficiaries who would be offered TVSPs but I think that, in the overall scheme of things, the intent is to retain a large number of individuals who may otherwise be inclined to exit the public sector.

The Hon. I.F. EVANS: I just want to check my understanding of it. There is this one set of leave entitlements before the Foley change two budgets ago, then there is another set of leave entitlements that existed after the Foley amendments but before these Snelling amendments and now there is another set of leave entitlements that exist after the Snelling amendments. I assume the way it works is that the public servants accrue the leave under three different schemes and, under this scheme, the accruement is going forward, or is it retrospective?

The Hon. M.F. O'BRIEN: It is going forward.

The Hon. I.F. EVANS: So whoever is doing the HR in the Public Service will have to calculate their leave under three different schemes as a result of this. Is that right?

The Hon. M.F. O'BRIEN: That is correct.

The Hon. I.F. EVANS: Well, that should improve productivity! I want to check: you are not looking at introducing long service leave for MPs, are you? Some of us have been here a long time, and we note that the Public Service are getting all these benefits.

The Hon. S.W. Key: Just don't stand again, then you'll have long service leave.

The Hon. I.F. EVANS: That's right.

The Hon. M.F. O'Brien interjecting:

The Hon. I.F. EVANS: Yes, that's right. Under clause 4(2)(3a), it provides:

the Director-General may make a determination under which the accrual of the entitlement will be calculated instead as a number of working hours leave for each completed month of effective service;

So it gives the Director-General an opportunity to make a determination. I am just wondering how the parliament would know that a determination has been made and whether there should not be an amendment to the act in another place to have that matter tabled by regulation so that the parliament is aware that a different form of calculation has been applied by the Director-General.

The Hon. M.F. O'BRIEN: Member for Davenport, I will get advice from that section within Premier and Cabinet, the Public Sector Workforce Relations unit, and we will come back to you with advice on that particular matter.

The Hon. I.F. EVANS: I am looking at clause 4(2)(3a)(d), which is about the five-year limit and if they have not taken their leave within five years and the leave is lost. I want clarification as to what happens if the person, say, accrued the leave over four years and then took two years off on sick leave, what happens to the leave at that point, given the person would then be having a sixyear period? They would lose their leave at the five-year period because they are on sick leave. I am wondering how the scheme is designed to cater for someone who, for instance, is sick for a long period of time.

The Hon. M.F. O'BRIEN: The advice I have been given is that the provisions that currently exist for that particular scenario in relation to long service leave would apply. Exactly what they are we have yet to determine, but it is covered under existing arrangements.

The Hon. I.F. EVANS: I appreciate the minister filling in for the Treasurer, who, for family reasons, cannot be here. Maybe the minister could get the agency to flick me a note on how it is going to work. Under the same part, clause 4(3), which deals with section 19 of the act, is, 'Section 19—after subsection (4) insert' a new subsection (5). New subsection (5)(b) provides:

(5) The regulations may—

(b) fix different monetary amounts according to different classes or categories of officers.

The \$180 figure referred to in the second reading explanation, what level of officer is that and what is envisaged under this clause, that someone at a higher level of pay gets a higher dollar amount? Is that the theory, and, if so, can we have a schedule of what those amounts are going to be? The second reading explanation only refers to a \$180 amount.

The Hon. M.F. O'BRIEN: I gave that particular figure some consideration when I read the second reading explanation. That is an amount that applies right across the board. That particular provision allows for movement against CPI movement, but the actual amount will apply to all officers at whatever level.

The Hon. I.F. EVANS: If the intention of the government is to have the \$180, increased only by CPI, then might I respectfully suggest to the government that it amend the act to say that, because this does not say that at all. This says that the regulations may fix a different monetary amount according to different classes or categories of officers. What that means is that a government can come in and do a deal with the public service union and strike a different monetary amount according to the category of officer: ASO1, ASO2, ASO7, executive level 8, you name it. That is the power that you are giving in the act. If that is not what is intended then amend it to say that the fee is \$180, amended by CPI each year, and then it is clear what the government means. I think any public servant reading that clause could only interpret it to mean that if they were on a different category they would have the opportunity to obtain a different level of monetary payment.

Clause passed.

Clauses 5 and 6 passed.

Clause 7.

The Hon. I.F. EVANS: Clause 7 deals with the winding up of the RESI Corporation, under the old Electricity Corporations Act. The briefing provided to the opposition by the Treasurer's agency was that there was a capital surplus of \$3.5 million to \$4 million which will be returned to government—I will just put that on the record—and that RESI's assets were, at the end of May, \$7.5 million in cash deposits with SAFA. I then noticed that clause 11 of the bill, which deals with assets and liabilities of RESI, provides:

(1) The Treasurer may, by instrument in writing—

(b) transfer the amount of \$250,000 held by RESI at the time of the execution of the instrument to the Treasury and Finance Operating Account kept by the Department;

I cannot reconcile why the briefing to me was that there was going to be \$3.5 million to \$4 million returned to government and the bill states that a transfer of \$250,000 will apply. Can someone explain to me the difference between the two amounts and why there are two amounts?

The Hon. M.F. O'BRIEN: The explanation is that the \$250,000 will be transferred, really for contingency. There is a figure of \$3.5 million, which is a residual, and that will go into general revenue. The figures do reconcile, it is just that the amount is being split with a quarter of a million dollars going to one area—

The Hon. I.F. EVANS: So the total then is \$3.75 million.

The Hon. M.F. O'BRIEN: Just refresh my memory.

The Hon. I.F. EVANS: If the figure was going to be \$3.5 million to \$4 million—what I am trying to clarify is: is the minister saying it is now \$3.5 million plus \$250,000 making it \$3.75 million, or is it \$3.5 million including the \$250,000?

The Hon. M.F. O'BRIEN: It is \$250,000 plus \$3.5 million, so the amount that we are talking about is \$3.75 million.

Clause passed.

Clauses 8 to 14 passed.

Clause 15.

The Hon. I.F. EVANS: This is the First Home Owner Grant. I wonder whether the minister agrees with the Treasurer who said that the First Home Owner Grant has an impact of making it more expensive for people to get into the home ownership market. I am wondering whether the Minister for Finance has the same view as the Treasurer on that matter.

The Hon. M.F. O'BRIEN: Sorry, member for Davenport, I just had a side conversation in relation to where the adviser was. Could you repeat that, if you would not mind?

The Hon. I.F. EVANS: I am wondering whether the Minister for Finance agrees with the Treasury's view that having a First Home Owner Grant makes it more expensive for people to get into the home ownership market because all it does is inflate the entry price. I am wondering whether you agree with that view or not.

The Hon. M.F. O'BRIEN: That was a view that had some currency, and when the Treasurer made that observation I think it was a reasonably widely spread view of what was happening in the market. However, I think the Treasurer would now be of the view—and I certainly am—that, given the tightness of the market and the fact that it is very subdued, builders and real estate developers are very keen to keep the price of their product as low as they can. So that propensity that existed, say, three or four years ago, to basically inflate the price of the product in line with what was being offered (not only in South Australia but elsewhere in Australia) by way of first home owner grants, is no longer a phenomenon.

The Hon. I.F. EVANS: Can you just remind me about the rules around actually having to live in the home to get the grant: how long you have to live there and those sort of things?

The Hon. M.F. O'BRIEN: You have to move into the newly-acquired residence within 12 months and then have to reside therein for a period of six months.

Clause passed.

Clauses 16 to 19 passed.

Clause 20.

The Hon. I.F. EVANS: Clause 20 deals with the amendment of the Highways Act. I raised these matters during my second reading contribution, so they should not be a surprise to the advisers, at least. This is the issue about giving the Commissioner of Highways, or the minister essentially, the power to acquire land for purposes other than just building. The briefing we got was that part of the reason is that they are going to put American-style billboards all down the freeways to help fund the budget; McDonald's and Hungry Jack's will be very happy with that, I am sure.

The more interesting aspect, to my mind, was the issue of the retrospective nature of use of land that has already been acquired for the purpose of a road and not for a commercial purpose and how the people who have already had that land acquired from them are now going to be fairly compensated for the land being used for a different purpose from that for which it was acquired. This provision, as we understand it, will go back and change the available uses for the land that has already been acquired from private ownership.

My family has had land acquired from it and so I am familiar with the process. When land is acquired, the entity acquiring the land has to nominate the purpose for which it is going to be used and that establishes the value. If you are not happy with the value, you can go to the Supreme Court and have an argument there, and the court will decide the value. What is happening now under this provision is that some land that has been acquired for a road construction may end up having commercial activity on it, as a result of this legislation. It may have a petrol station or something like that on the land, which, of course, totally changes the value.

I am just wondering how the government intends to deal with the issue of any intent at all to go back to those people the land has been acquired from and reimburse them for the new value of the land, given that you have acquired the land for one purpose and are now using it for a different purpose.

The Hon. M.F. O'BRIEN: Essentially, what this amendment seeks to do, rather than ownership of the land on a selected number of roads, which are basically the Southern Expressway, the South Eastern Freeway, the Northern Expressway and the Port River Expressway, is to change the existing regime whereby the land would have transferred to local government and they would have been the beneficiaries. Rather than that occurring—and the situation which you have outlined, member for Davenport, would have existed under the old regime, but local government would have been the potential beneficiary—we are saying that on a limited number of roads we will retain ownership rather than transferring across to local government, so that potential benefit accrues to the state rather than local government.

The intention is to allow the construction, particularly of service centres, which not only are a hallmark of the British road system but also of the highway system on the eastern seaboard. I think the member for Davenport is probably aware of them—a service station as such and then a number of convenience stores that generally specialise in fast food. That is the intention and we believe that we are better placed to get those propositions up as opposed to local government because we are the constructors of these quite significant stretches of road.

I have been advised that the Land Acquisition Act provides the ability for compensation to be gained but it does not deal with the enhanced value of the land as a result of a road being built. I think it would probably be unfair for a person who previously owned a section or a body of land to expect that they should be compensated for the enhanced value of that land by virtue of a significant stretch of road being laid through it.

The Hon. I.F. EVANS: Let me understand what I am being told. The way I understand your answer, minister, is that currently under the act, the land would transition to local government and they could build a service station on it, or allow a service station to be built on it, and there would be no extra compensation back to the previous owner. Also, that there is no provision under the compulsory acquisition act for the government to declare the purposes for which it is acquiring the land, so that the valuation of the land can be established based on that purpose.

The Hon. M.F. O'BRIEN: The statement I made about the existing regime whereby the land adjacent to a roadway and on which the roadway sits is transferred and vested in local government is correct. They have constructed these service centres if the development is a complying development. Things are largely unchanged. The only difference, as I said, is rather than local government being the beneficiary, the state government becomes the beneficiary, and the intent for which the land is purchased is for the construction of a road. The construction at a later date in the instances that I have outlined, were not foreseen at the time of purchase of the land and I think are adequately dealt with within existing legislation.

The Hon. I.F. EVANS: Does the minister accept, then, that the value of land when you are acquiring it for a road is different from the value of land when you are acquiring it to put a service station, fast-food outlets, a car park and a car wash on it?

The Hon. M.F. O'BRIEN: In terms of the methodology that is employed, an offer is made on the existing use of land so that if an individual has a factory or a shop situated on the land, he or she or the company, the entity, would be offered—and, in most instances, would accept an offer based on the current value of land, not future intended purposes.

In some instances I think that it could be argued that the future use, which initially might be just road, may actually be less than current use, which is retail. The methodology is valuation on current use, and that would be fair and reasonable for someone having to sacrifice a business to make way for a road rather than a future use which, in most instances, would be purely for the laying of tarmac.

The Hon. I.F. EVANS: I am not sure whether or not my uncles were involved in this, but I will declare this. I have uncles who, I think, had land taken off them as part of the Northern Expressway project. They are market gardeners out at Virginia. Certainly at one point there was some discussion about the road touching on their property. I am unclear as to whether or not it happened, but I just put that on the record for the sake of the exercise.

Let us take the market gardener out at Virginia who has lost whatever land because the government wants to put a 'road' on it. The market gardener was not allowed to rezone the land to put a McDonald's on it, or a multistorey car park, or a car wash or a Shell service station. They were not able to do that. The land gets acquired at the market garden rate, and then the government turns around and says, 'Well, thanks for that. Now we're going to put a five-storey car park on it, three McDonald's, five service stations and a car wash,' and the government becomes the landlord and the government makes the money out of it.

Why could the government not have simply rezoned the land and say to the private owner, 'Well, there you are, you become the landlord, you become the developer and you be the profiteer out of the exercise'? Why would the government want to take the land off the private citizen so that the government can profit? Why would you acquire land on that basis? The whole idea of the compulsory acquisition act is to acquire the land for a public purpose, not to make money for the budget.

What the clause says, of course, is that 'it is a car park for public transport users'; so that is the public purpose, I have no doubt. However, ultimately there will be a charge to that, and there are a car parks all around the city that charge for people who use public transport. Even the government, down at the Entertainment Centre, has a \$2 charge, or whatever it is. My point is: why is the government now entering the field where it wants to compulsorily acquire land off the private citizen so that the government can become the landlord?

If the government wants a development next to the road, then allow the private citizen who owns the land to rezone their land and let them become the landlord and let them grow their wealth; or, indeed, you could cut the land off and sell it to private enterprise and let them develop it. What the government is going to do with this provision is simply become the landlord for Shell, McDonald's and all the On The Run car washes so that it can prop up its budget.

It is compulsorily acquiring land off the private citizen. The government is saying to the private citizen, 'We're not going to rezone this land for you guys. Oh, no, no. We're not going to rezone it for you guys.' In the Barossa Valley and McLaren Vale you are even going further than that. You are saying that you are not going to allow them to rezone the land, but as soon as the government's budget gets into trouble the government says, 'What we're going to do is we're going to rezone the land for commercial enterprises, not for a public road.' This is not for a public road. This is not for a public purpose.

I am not opposed to having a service station next to the freeway or a car wash next to the freeway, or whatever. I am not opposed to that principle. What I am opposed to is the big brother government coming in over the private citizen and stopping the private citizen from growing their own wealth. It is the private citizen who has kept that land for all those decades and it is the private citizen who has been restricted by the government from subdividing and developing the land. Then the government comes along and says, 'We are going to run the road through your property and the government is going to profit out of it.' I know what the government is going to do, eventually, down the track and that is develop it and ultimately flog it off. They will make a huge profit out of it,

and the poor old private citizen who had the land taken off him gets dudded in the eye. If the government wants to do that, why not simply rezone the land?

I am aware of cases where the court has ruled that the valuation is based on a certain use and, if the use changes, the family has a claim against the entity that acquired the land because they acquired it for a set purpose and they cannot then re-use it for a different purpose. I am aware of at least one case where the court has actually said that.

I am just interested as to why the government has decided it wants to make the money out of all this exercise, and why not use a different approach and cut the land off and let the private citizen grow the wealth rather than the government?

The Hon. M.F. O'BRIEN: I think, in essence, member for Davenport, why the government would object to your approach is that on a stretch of roadway which, for argument's sake, runs for 20 or 30 kilometres, one particular landowner would be a significant beneficiary as a result of the construction of the road because land that he or she or the company formerly held is now the site of a service centre but every other individual who has had their land acquired over that 20 or 30-kilometre stretch would not enjoy the windfall gain.

I think you would find, in the example that you have given on the Northern Expressway with all those market gardeners, if one individual was to find that the land that they formerly owned was the site of a service centre, their neighbours would take objection to the fact that, first, they were somehow singled out for benefit and, secondly, the benefit was significantly expanded or inflated by virtue of the fact that the state government or federal government committed a significant amount of funding for the construction of the road. So it would be (1) a windfall gain and (2) a benefit that would not accrue to any other individual along that 30-kilometre stretch of road.

I have been advised that this particular model is employed elsewhere in Australia. I think it is a clean way of doing things, and the construction of these service centres is actually a benefit to the motoring public and, from my experience, along the eastern seaboard and throughout Europe and the UK there is a high rate of utilisation. I believe that the government's approach is the most logical one, and I think South Australian motorists will ultimately be the beneficiaries of the provision of these service centres on our major routes.

The Hon. I.F. EVANS: Minister, whatever you do, please do not drive across from Adelaide to Perth. I rode a pushbike from Adelaide to Perth and I slept at all these service centres across the way, and they were all owned by private enterprise and they exist. So the argument that somehow landowners will be treated differently, to me, is a nonsense argument.

Go to any zoning proposal. Why are there only two service stations in Stirling? It is because the zoning says they will not allow any others. All the landowners are disadvantaged. Why is it that in Stirling you cannot subdivide land unless you have four acres? So, there is a disadvantage to other landowners. The reality is that the whole planning system disadvantages and advantages certain landowners. The reality is that all around Australia already existing, not under this scheme, are rest centres, service stations, car parks and car washes—all over the place. You do not need this scheme to deliver those facilities for the public. You do not need the scheme.

My point is this: you say that the landowner who gets this facility built on their land will have an advantage. Well, they are losing an advantage at the initial point of acquisition because they lose their land. I have been through this process. My family lost land that had been in my family for four generations. I am not going to accept the argument for one second that we were lucky because we got compensated. How lucky were we? The land was taken off us after four generations. How lucky were we?

To say that the government can then come in and change the rules of the acquisition and profit out of it in my view is unprincipled. My view is that it is unprincipled. I might be in the minority, but it is my view that if the government of the day is taking your private asset for one purpose and then uses it for another purpose, then the compensation should reflect that.

The government knows the areas. When you design a freeway, where are these car washes at McDonald's going to be? I think they will be at the entry and exits, generally. It is not as if it is not known where these things are going to be. Go to Main North Road and see where they are. All those on Main North Road are privately owned. You do not need this. This is nothing more, in my view, than the government coming in and trying to prop up their budget. I have made my point, so I have no more questions on that particular matter. We can go to clause 31.

Ms CHAPMAN: I have a number of questions.

The CHAIR: On this matter, clause 20, member for Bragg?

Ms CHAPMAN: Yes, the whole of part 6, amendment to the Highways Act 1926. I am happy to ask questions on clause 20 or any number of them which go up to clause 30 on this aspect. The representatives from the department and the Treasurer's office provided a briefing shortly after this budget repeal bill was tabled, and I thank them for that. During the course of that presentation I asked to be briefed on the number of other jurisdictions to which this model applied. The second reading contribution indicated—and I am reading from page 6 of the published material:

The revenue from any commercial activities will be paid into the Highways Fund and it is intended that it will be used to fund additional road maintenance. Other States already have such powers, including New South Wales and Victoria.

I have not received any response to the inquiry about other states. It seemed a rather peculiar way of describing it. If it was to be all other states except Tasmania that would be clear, but New South Wales and Victoria are specifically identified as included. I would appreciate it if the minister could now tell me where else this model applies.

The Hon. M.F. O'BRIEN: The situation in South Australia is currently unique in that there is a transfer of road land to local government, whereas interstate I have been advised that the situation is that the land remains vested in the state government. What we seek to do with these amendments is remove this anomaly and bring ourselves into line with the situation elsewhere in Australia.

Ms CHAPMAN: Every other state?

The Hon. M.F. O'BRIEN: That is my understanding. We will provide confirmation but that is our understanding.

Ms CHAPMAN: Does every other state currently provide its minister and/or commissioner, with the agreement of the minister, with a model that they can use for commercial purposes?

The Hon. M.F. O'BRIEN: My advice is that the financial model, if I can describe it that way, reasonably closely aligns us with Victoria and New South Wales. There is some difficulty making that comparison in that some of the states do not have highways commissions, if I could describe them that way. Their administrative structures are a little different to ours, but in a broad conceptual sense what we seek to do here is to align our practice with the practice in New South Wales and Victoria.

What we seek to do by utilising funds raised through the leasing-out of land for service centres is to have those funds flow across to the Highways Fund. I would have thought that would be broadly acceptable to the opposition in that it has some alignment with the notion of user-pays. As a former executive with the RAA, they are very keen on this proposition, that any revenues that come out of road use, particularly taxes raised on fuel, ought to flow directly to construction and maintenance of roads. That is their strong view.

I would have thought this proposition would be broadly acceptable to the opposition in the sense that the moneys that we will raise through the leasing of land for service centres and other commercial activities will be earmarked for the maintenance of roads, so we have an additional source of funds which will allow the South Australian government to maintain and further develop our road network.

Ms CHAPMAN: I was coming to this question of what provision there is for it to be secured for the purposes you have just stated, that is, to fund additional road maintenance, which is what is described, although I think you have broadened it to be an intention of the government to earmark it in the Highways Fund to provide for safety measures, which begs a number of other questions about what is going to happen to the \$10 million a year that the Motor Accident Commission currently invests in road safety measures, etc. In any event, I will stick to the script for the moment.

So, the position really is that this financial model applies in New South Wales and Victoria, and that other states, under whatever model there is, do not currently offer the sides of highways for commercial purposes in which there is a benefit to government.

The Hon. M.F. O'BRIEN: At this point in time, member for Bragg, we only have certainty on New South Wales and Victoria and, as I said previously, we will gain advice on practice in the other states. I made the point that doing the comparisons are a little difficult in that there are different administrative arrangements elsewhere in Australia. I think seeking to determine some alignment with broad principle with other states such as Queensland, Western Australia and Tasmania should be reasonably easy to do, and we will endeavour to get back to the member for Bragg as rapidly as we can.

Ms CHAPMAN: The other aspect is this question of what currently applies. My understanding, at the briefing, is that the current caretaker obligation is transferred to the local government once the highway or road is built, and they then put a garden on it, maintain it, keep the weeds off it, or put the sheep in, or whatever they do to maintain the proper management of it; they have a caretaker role.

It is not my understanding—and you can make this clear, if it is possible—that they are actually vested with a fee simple title to that property. So, I would just like that clarified, because I think the implication of what you have said previously, in answer to the member for Davenport's question, is that the existing situation is such that the local government, under its current powers, could actually put the supermarket there, or put up a billboard, or any other commercial enterprise that has simply been transferred—which was the way I heard you describe it—to the government.

That does not happen at the moment, anywhere, as far as I am aware. In any event, I think, as the member for Davenport has pointed out, the current planning laws would restrict it from doing that. So, local government might have want to do it, but they have not actually been able to do it. Hence, when we come to this bill, there are a number of amendments which remove the 'under the care of' clause and make provisions for 'vest in and under the care of'.

In fact, what you are getting is a retention of the estate in fee simple, which is the title of that land, and then, with all the other provisions we are about to be invited to pass, the powers of the commissioner will give them to chop down trees, close certain roads, open certain other roads, etc., that will all enable it to facilitate to do exactly what you are saying local governments currently have power to do.

The Hon. M.F. O'BRIEN: Briefly, the land under the current arrangement is vested in fee simple with local government under the Local Government Act, so what we are saying—and I am reiterating what I have said previously—is that we will retain ownership of the land rather than it being vested in local government.

I have just been given an example of the ability of local government to actually develop the land. A road was closed at Tarpeena and a timber mill was developed on that land, so it can occur. As to why we have not seen local government wanting to develop service centres, I have no indication at this particular point in time. But, if it is complying, they do have the power, and all we are seeking to do is remove that opportunity from local government to state government to ensure that we have an additional source of funding for our road network.

Ms CHAPMAN: Well, I will come to the Tarpeena example shortly when I refer to another parcel of land the government has acquired in dealing with the current superway. I do not see that as akin to the land that is actually immediately adjacent to the bitumen, which was where these developments were going to be, but in fact another parcel of land they had which was not utilised for the road and which was used to develop a timber mill—not that it would be much use now, of course, with the forests being sold, but that is another matter.

I will just come back then to its application. I am entirely with the member for Davenport here, and I am sure that most South Australians who might have any land interest are going to be keen to hear that, in the event that the government of the day makes the decision that it is important to acquire land, whether it is for a road, hospital or any other good public purpose, under the legislation—which we fully accept is necessary for the public good and services—people will be given proper compensation.

They can only be given proper compensation if, on the table, it is clear that with the valuations that are to be undertaken, and then usually argued about, the opportunity to develop the commercial enterprises on it, whether it is for flashing billboards or service stations, that value is added in. To hear you, minister, suggest that it is really important for the government to be able to be the single landlord here, as an argument to dispel a high expectation or unreasonable unfairness given to other landowners around someone who might get it, is just a complete and absolute nonsense.

If other Virginia farmers in that example were lining up on along the side of the road, and they had land acquired, they should be entitled to exactly the same. If the one on the other side does not, then as the current acquisition rules apply they do not get it. They do not get it now and they do not under any of our acquisition laws. I find the 'we need to be the sole landlord' argument an absolute nonsense and I reject it entirely. However, let us get back to the introduction of this and the opportunity the government sees to make some money out of these road verges and how it is going to be applied.

During the briefing the indication given to us was that it would be to develop service stations, but the primary purpose, stated in the briefing given to us, to start straightaway was billboards, advertising space. In relation to any advertising or structure which potentially could be a diversion to traffic on these major roads, has there been any consultation with the RAA or any other road safety body (I think we have an authority which Sir Eric Neal used to chair—I am not sure whether he still does) as to any road safety aspects, introducing flashing billboards or pictures of people on them, and so on? They are usually pretty ritzy.

The Hon. M.F. O'BRIEN: The advice I have been given is that the existing road safety protocols that apply to the erection of billboards will be applied in these instances. Certainly, the ability to erect a billboard with a moving image would never be countenanced. The member was talking about flashing lights. The location and type of billboards, I understand, are fairly tightly constrained as things currently stand, and those constraints would apply to the location and type of billboard that would be erected along these roadways.

Ms CHAPMAN: I hate to use an example that is probably not a good one, but at the Britannia roundabout they have billboards here in the city and they move and change and are a distraction. If you are trying to edge your way around the Britannia roundabout at certain times of the day, they can be very dangerous, which is probably why they have an average 2½ accidents a week at that intersection.

Current road rules actually allow for these things, which is why I ask. Of the four nominated roads you have here, in addition to all those that it is proposed you will be able to prescribe—and we do not know what they are or where they might be—let us look at those four nominated in the bill. People will be going along at, presumably, at much higher speed than they will be going around the Britannia roundabout. I wonder what extra provision there will be to restrict that if, as you say, they will be modest in size or in their capacity to move or whatever, so we will not have the football oval-type advertisements rolling over and distracting drivers.

The Hon. M.F. O'BRIEN: If it is of any reassurance to the member for Bragg, we are not talking about the Britannia roundabout, which is a reasonably complex proposition. These are on controlled roadways with very few entry and exit points and, for that reason, we believe that the safety aspect is basically dealt with by the nature of the roads. However, I will obtain for the member for Bragg a thorough briefing on that particular matter, so that she can gain some surety that all those matters she has raised in relation to road safety are more than adequately dealt with.

Ms CHAPMAN: It is just that, as I understand it, minister, the current laws in relation to advertising size and what can be on them etc., are going to apply. My point is that under current laws, you can have moving pictures, etc. Secondly, from what you have told us, you have not nominated anyone that the government has consulted in relation to the safety component on this aspect on these major freeways. I am not convinced, on that information, that there is any provision—other than what currently applies in advertising, which has certain restrictions on content and size—that is there to protect.

A briefing is not going to help me. If there is going to be some set of new rules on size, content, distance from the side of the road and all those sorts of things or if there is going to be some level of regulation on this, I would be very happy to hear it. If there is not, then I would be asking the government to ensure that they prepare it and, if the passage of this bill is advanced today, as I expect it will be, to ensure that we have some assurance that that will be attended to and that in fact the government will go and consult with these bodies. That is what we have them for—to ensure that.

I am the world's worst driver—I am happy to admit that—so I do not need any distraction on any road, but what I do say is that, apart from the fact that I think the infrastructure that is being built on these particular four roads is quite impressive and there is a beautiful view out into land at the north and the south and so on, I personally am not actually all that enamoured of the concept that, next time I go driving up there, I am going to have billboards all the way along it or, for that matter, service stations. In any event, if it is going to happen, I would like to think that there is fairly clear regulation and also, as I have already raised with the minister for transport, that there is not going to be some preference given to any party to have access to the advertising.

In estimates, the Minister for Transport, I think made it fairly clear that, in his understanding, the advertising and commercial opportunities would be open to anybody, whether that is a non-government organisation—that is, the private sector—as distinct from other departments, but I can tell you that, if a situation arises where the first preference to advertise is given to other government departments, and I drive along the new superway and have shoved at me every hundred metres some good news message from the government, it will make me choke.

I think it is important that we have an absolute assurance from the government that that is going to be open to other parties, that it will be on the same terms and that there will be some process of scrutiny that enables that to be available because, at the moment, the only billboards that go up are the ones that say, 'I'm from the commonwealth government; this is a great project,' or 'I'm in the state government; this is a great project.' We get flashed with those all the time. I drive past them and think 'It's my taxpayer dollars going into this; I would rather them actually going into the road.' Nevertheless, if you are going to have billboards as well, then I want to know that if the Liberal Party wanted to have a billboard, subject to the political advertising rules, we could do it as well.

The Hon. I.F. Evans: No, we can't. Under the department of transport rules, political parties can't advertise.

Ms CHAPMAN: Then we need absolute clearance. The member for Davenport suggests that, and what I raise with you is that that was also the issue raised in estimates with the minister for transport. I think he said words to the effect of 'You will have the same access that we will' in relation to that. So I want some assurance that it will be safe, and that there will be some regulatory regime to ensure that it is; and, secondly, that it is open to anyone, and that some process will be set in place to ensure that it is.

When we come to the commercial opportunities—car parks, service stations, hamburger shops, whatever—I would like to know that that will also be open, that it will not be just a tender process go out to the whole of the superway to one particular company being able to secure up the opportunities all the way along. As I say, I would like to know that it will be an open, fair and transparent process in relation to that.

That leads me to my next question. Before introducing this, did the minister approach any of the existing operators of these types of facilities along the route of these roads or their representative associations, such as the service station association (if there is one)? I assume there are some representative bodies: Business SA, retailers associations, someone who has an interest in advocating and protecting the interests of those already out there who operate service stations, car parks and the like. Did the government do any consultation with any of those people along the track, or their association or advocacy bodies? If so, whom?

The Hon. M.F. O'BRIEN: I will deal with the billboard issue first. It is not going to be open slather; there will be selected sites which will, of course, be selected on their advertising potential. That is an obvious proposition. Additionally, the safety considerations would be taken into account. So it will be selected sites, which will be leased; not open slather. The signs themselves will be subject to development control, which is currently the case. The lease arrangements that will ultimately be entered into will have a whole range of conditions attached and that will be the means by which we will be able to ensure there is no road safety impediment, in addition to us having control over the location of the sites.

In relation to the leasing of service centres, these will obviously go out to open tender. It will very much be a transparent process. It could well be that one company tenders for all sites. I have noticed that phenomenon even driving up the Main North Road; I think virtually every service station is under the one banner, so strategically they have made a decision that they want to buy into a particular route.

I have noticed elsewhere in the world that on some motorways you will find that, for argument's sake, Shell have all of the service centres. We have yet to determine the manner in which we will offer the leases, whether it is done as a string on a particular route or offered individually. Even if they were to be offered individually, it could be that one company makes a strategic decision that they want to dominate that particular route.

In relation to the question you asked about the level of consultation, I have been advised that, no, that has not occurred. I think the reason that it has not occurred is that these motorways if I could describe them that way; this is kind of an all-encompassing term—are such that, if we were to locate service centres, there would not be competitive pressure. From your own experience on the Southern Expressway, the Northern Expressway and the like, any service stations are well distant at this particular point in time, so the view is that, by and large, there would not be an immediate competitive pressure arising from the construction of a service centre.

Ms CHAPMAN: I am very disappointed to hear that there has not been consultation. I think you would also appreciate, minister, if you are on the Southern Expressway and there are five service stations going south and another five coming north, that it will clearly have an effect on the current operators of service stations at the Darlington precinct—just to use that as an example; not to mention chicken shops or anything else. At the moment the motorist knows that once they get onto the Southern Expressway they cannot access a petrol station or anything else, so they use the facilities before and after.

I do not think it would be beyond the understanding of a government—and certainly not you, minister, who has a clear understanding of these things, I am sure—that there is going to be a deleterious effect financially on those existing enterprises. I am disappointed that the government has chosen not to go to them and consult with them, because surely their livelihoods are going to be at risk and I am sure they would want to participate in some opportunity, for example, to relocate, if the government were going to follow this route. It is most concerning that that has been the case. However, I cannot undo it. It has been introduced with this bill, with really no notice to anybody until it has been tabled in this parliament, and that is very disappointing. Anyway, that is par for the course.

The Hon. M.J. Atkinson: Of course.

Ms CHAPMAN: The Cadell ferry springs to mind, member for Croydon. I have not seen anywhere in this bill the fund deposit of these moneys into the Highways Fund. Is there some provision in this bill or some other bill to direct these funds there, because I have not read it? Or is it just a promise; a bit like, 'We will put moneys out of the Lotteries Commission into the hospitals of South Australia as some extra benefit to them.' I do not think Hugh Hudson even believed that, but we are a long way down the track from that. We are starting on this venture and I think the second reading explanation made a commitment to it, and I think in your statement you said that the government is going to put this into a fund for extra road maintenance and now road safety. Where is the provision in this bill to secure that?

The Hon. M.F. O'BRIEN: It is contained within the Highways Act.

Ms CHAPMAN: I would like some clarification on that because we know the fund exists under the Highways Act. I do not know if there is an all-catching clause that says, 'All commercial revenue has to be paid into the Highways Fund,' but this is a new opportunity for the vesting of land with the commissioner, and with the authority the minister has power to lease out, etc. If that exists then I would like to be informed of it.

The Hon. M.F. O'BRIEN: It is section 31 of the Highways Act under the heading 'Highways Fund'.

Ms CHAPMAN: I am happy to read it another time, minister. Can you give me an assurance that the provision is there that all funds received from any activity will have to be transferred into that fund, because the highways fund just sets it up?

The Hon. M.F. O'BRIEN: I have been advised that section 31 covers that. You are obviously more than free to look at it, but one of the officers will also sit down with you to just explain the operation of that section.

Ms CHAPMAN: The other matter is the superway, which is one of the nominated roads proposed to be utilised in this fundraising opportunity. As you would know, minister, being in cabinet, this project is a jointly funded commonwealth and state exercise. The superway is an \$800 million-plus project. In the presentation of this project to public works, it included the government's intention to acquire \$30 million worth of property basically to set up a facility for the construction, facilitation and assembly of all those great big blocks out there and all the wiring and an assembly yard to build it.

Whilst I appreciate that you are not the Minister for Transport, being in cabinet, you would be familiar that it is the intention of the government to buy it, use it for the purposes of assembling

and constructing all of the planks and so on—or cement blocks—and then sell it. That is what was presented to public works and that is what is in all of the material.

We heard from minister Conlon in estimates that the poor old Land Management Corporation fell flat on its face this year and did not have any dividend to give the government because property sales were low, etc. In fact, its \$58 million expected dividend for the government evaporated. He has told us that, although the government has bought up land, it is not planning to develop it—for example, the Caroma site—for a number of years because things are pretty tough out there in the real estate market.

You may also not be aware—so I will just briefly try to summarise the position as I understand it—that the land adjacent to the superway, acquired under the compulsory acquisition legislation for this exercise, was resisted by the owner. It culminated in a Supreme Court action by him—objecting to the compulsory acquisition of this property—against the government. The government won. The owner went to the Full Court and the government won again, and the government has the property.

The owner is unhappy because, essentially, as I understand it, his case was that he was happy to make this land available to the government; the government was perfectly entitled to develop it so that it was fit for purpose and had all the bits and pieces for those great big trucks and things that they have out there—although I see that a pipe speared through some hapless person's windscreen while he driving under the superway the other day—but, in any event, there was a major objection, but it was acquired anyway.

Now that land, under this legislation, as I see it, could be kept by the government and developed. Some commercial benefit could be gained from it—which, in some ways, I hope occurs now that the taxpayers are funding it—pending the hopeful resurrection of the real estate world where it might onsell it down the track. Certainly, if it were facing a massive loss on the disposal sale proceeds of it, one would have to look at it from the government's point of view as to how else it might ameliorate that impending financial poor return.

My concern, which in some ways highlights the issues the member for Davenport has raised, is with people getting fair compensation. Irrespective of the unhappiness of that particular owner in having his land acquired, he is not going to get it back and he is not going to have any opportunity to get any revaluation of that property if the government decides that it is going to go on and develop it as a commercial activity.

My concern, minister (and you may not have this information available to you) is whether there is any other property that has been acquired along these four particular routes which the government intends to sell but may decide now to keep and develop commercially. It begs the other question of whether in future when the government decides it is going to acquire land for the purposes of a roadway it will, in fact, actually buy extra because of the commercial opportunity and use the acquisition powers of the legislation to buy an extra rim of property to exploit ultimately the financial gains from the commercial opportunity.

There are two aspects: first, what other existing property does the government have that it was going to sell and will now keep along these four roads and, secondly, what assurance can the government give the people of South Australia, or anyone out there who has property who might be the subject of acquisition, that its intention in the future is to proceed to buy up land, taking into account not only the necessity for a road but the argument that it is also necessary to have room for a service station, billboards, car parking and commercial ventures?

The Hon. M.F. O'BRIEN: That is a fairly lengthy question, so it is probably easiest to start at the end rather than the beginning. The concluding comment you made, member for Bragg, I think has probably been adequately covered in an earlier exchange I had with the member for Davenport: we can only acquire land for the purposes of building a road. The actual superway is not in the bill because, among other reasons, it is an elevated road, so access and egress is nonexistent, but that is not to say that, at a later stage—

Ms Chapman: You can't add to it?

The Hon. M.F. O'BRIEN: Yes, at a later stage, but at the moment just the practicalities probably preclude any opportunities for—

Ms CHAPMAN: Can I just clarify this? In fact, this superway example is exactly the situation where the government has bought the road space, quite properly because it wants to do a superway, but it has actually bought this whole tract of land separately to provide an assembly

region. We will not go into whether or not that was necessary, as the Full Court has dealt with that. The government has got it and, under land acquisition laws, it is really not that difficult for governments to be able to present an argument that they need it.

In this instance, they did not need it for the road: they just needed it to park their trucks, build their things and do whatever they do. I have seen it all; it is a rather magnificent facility, but is a huge area. We are talking about a \$30 million property. There is no road on it, and it could easily have an addition to facilitate its being a great commercial opportunity for the government. It is of concern to me that it is already using its powers to buy other assets, other than a strip of road that is necessary to build it.

The Hon. M.F. O'BRIEN: In relation to that particular site, I have been advised that it is within our power to acquire land for roadworks and, as the member for Bragg has observed, that is the purpose to which this large area of land is currently being put. I have been advised to explain it as when the land is no longer required, it is our intention to put it back onto the market. When we no longer require it for the construction of the components of the superway, or for what other purposes may arise at a later date, once those purposes have been exhausted, then the land will be sold.

Ms CHAPMAN: I understand that, minister, and I appreciate that at the time of presenting the Public Works case for this that was its intention. However, we have heard this week how badly the situation is out there in the real estate market and the Minister for Transport has confirmed that although he is setting up his new Urban Renewal Authority, etc., there are assets that are sitting there, and we have had a really bad year in the last year and it is not looking bright straight away. In fact, he indicates that that is not their expectation to have revenue from a number of their projects, so it may not be a good time to sell. I quite accede that in those circumstances it would not be smart to just put it back on the market and try to get \$10 million back for it, would it, from a taxpayer's point of view? I think you would understand that.

Other opportunities are similar to what they are doing at the Caroma site, continuing it as a commercial operation, and it might be four or five years before they develop it. I can see it coming like a semitrailer and I just want some assurance that the government are not going to go out there and buy an extra half a kilometre either side of the area that they want to have for the roadway and the necessary safety slip sides and so on; they buy a bit more because of the money stream opportunity. In the meantime I had a look at section 31 and I see that under (2)(a) the fund consists of 'money paid into the Fund as required or authorised by this Act or any other Act'. There is no other provision in here which I can see which would recover it, but there may be something else in the act. So I will take up the minister's offer to speak to one of the advisers about where that is because it does not seem to be illuminating quickly.

The Hon. M.F. O'BRIEN: The advice that I have received is that the legislation before us does not give us the power to undertake the activity that you fear may occur. I think it is highly unlikely that it would. I think most of those matters that you have raised have been dealt with by the Minister for Transport, so we will probably just settle it on those points.

Clause passed.

Clauses 21 to 30 passed.

Clause 31.

The Hon. I.F. EVANS: This is the biosecurity levy commonly known as the Livestock Health Programs Fund. The government has been out consulting on this for at least two years, and I am wondering: has the government decided how it is going to be charged and how is the money going to be collected?

The Hon. M.F. O'BRIEN: I have been given some written advice which I will read into the *Hansard* because I hope it adequately covers the question asked by the member for Bragg. I am pleased the honourable member has acknowledged the long and thorough consultation process. I must admit that I was involved, as the minister for primary industries, at the commencement of this particular process—

Ms Chapman: We want you back.

The Hon. M.F. O'BRIEN: —thank you, member for Bragg—that the government has undertaken with the livestock industry in relation to the proposed biosecurity fee, which will result in the livestock industry co-investing with the government in important exotic disease surveillance and

emergency preparedness programs. To ensure that the livestock industry understands what is being proposed, and to allow it to have a say in the type and level of service delivery required to have a strong biosecurity surveillance program, the Minister for Agriculture, Food and Fisheries established a committee, chaired by Mr Dennis Mutton, to engage industry on those important issues.

The committee has met several times and the Minister for Agriculture, Food and Fisheries attended the most recent meeting to discuss the proposal to cost recover a proportion of the exotic disease surveillance program. The outcome of the committee discussions have been summarised and are available on the website—not that I am asking you to do that, at this particular point in time anyway. In relation to how the fee is being charged and collected, that is a matter still under consideration through the consultative process, and the Minister for Agriculture, Food and Fisheries is looking forward to further advice from Mr Mutton on those issues. However, to enable collection of a fee, new regulations may need to be drafted, which will require further consultation before being finalised, and any regulation would be tabled in the parliament in due course.

The Hon. I.F. EVANS: Is the fund going to be a hypothecated fund, or will it be a fund that the Treasurer can get his hands on for other purposes? The emergency services levy is a hypothecated fund: the money cannot be got at. Is this levy going to be a hypothecated account?

The Hon. M.F. O'BRIEN: No; this is not a hypothecated fund. It is a fund that will be managed by the Treasurer. Given the degree of rigour with which this process has been gone through and the seeking of assurance by the rural sector that, one, they are not going to be overserved, and, two, their requirements are going to be met and that the South Australian livestock industry will be protected from exotic disease, I would be of the view that there would be a fairly strict application of funds for purpose, but it is not a hypothecated fund.

The Hon. I.F. EVANS: The government has provided a briefing in response to some questions I raised in the briefing after the budget was announced and before the debate began. It has provided some estimates of the revenue from this new tax. It says that in 2012-13 it will collect \$740,000, in 2013-14 it will collect \$1.72 million and in 2014-15 it will collect \$3.14 million. What is the 2015-16 figure—the budget estimates go out to 2015-16 and the advice I have does not give me the 2015-16 figure—for the estimated revenue from this new tax?

The Hon. M.F. O'BRIEN: My understanding is that the final figure to which you have referred at 3.14 would be the figure for the final year but these figures ultimately are based on cost recovery. That is the central proposition to recover in part these services provided by PIRSA. The negotiation with industry is to determine the level of service, if you like, that is required to ensure that there is not any overservicing but, equally, that there is not an underservicing and that the service provided is provided on as efficient a basis as is possible. However, the work that Dennis Mutton is doing will ultimately determine the amounts that will go into the budget. As I said, member for Davenport, this is a cost-recovery exercise which is going to be very tight and the figures will ultimately be determined by the level of service which is agreed in what I can describe as a co-production model between the South Australian government and the livestock industry.

The Hon. I.F. EVANS: So, let me understand this: there is going to be some agreement a written agreement, is there—about the level of service between all the different livestock providers? So, the chook people, the pig people, the cattle people, the lamb people, the llamas, the horse people, they all have different disease issues and they all have different management issues; they are all going to be covered by this new levy. So all those individual groups are going to sign off on a service level agreement with the government about what services they are going to be charged for.

What is to stop the government coming in and saying, 'Well, we want to put another 10 bureaucrats into that section and just increase the levy?' There is no parliamentary oversight, like the emergency services levy, as far as I can see. This levy does not go to a parliamentary committee where it can be queried. The natural resources levy goes before parliamentary committees where it can be questioned. Do you honestly expect parliament to sit here and say, 'Don't worry about it. We've had two years of discussion with the industry.' Even after two years they cannot tell us how it is going to be charged, who is going to be charged, what they are going to be charged for or how it is going to be collected.

The reason they cannot do that is because the department itself does not know the answers to those questions. Are they going to have a written invoice, are they going to put it on council rates, are they going to put it on sales—how are they actually going to collect this? Is there

going to be a written agreement with each of the different livestock industries for the level of service and, if not, what stops the government from simply changing the level of service when it needs to increase or decrease its budgetary position, given the circumstances of the budget of the day?

The Hon. M.F. O'BRIEN: There will be a fund established for the purposes of allowing activities to be conducted by Biosecurity SA's Animal Health program. There will not be a service agreement but there will be created a series of five-year management plans with each of the different sectors.

I have had some experience in fisheries and aquaculture, having to deal particularly with the oyster producers, so I know that these are workable and are really the result of some fairly hard-nosed negotiation. So there will be the plans and they will set out the activities that will be funded from the fund. Livestock advisory groups, and any other people in the industry not represented by an advisory group, will be consulted in establishing and reviewing these plans on at least an annual basis—so there is a process.

The Hon. I.F. EVANS: Minister, what is going to stop the Public Service or the government from saying, 'Look, under the plan we need to run education programs about foot-and-mouth disease, flyblow or mad cow disease'—take your pick. 'We need to employ another 30 people to do that. We are going to run the world's best education program, so we will just employ 30 people to do that and charge it on.' The plan is not going to have a restriction on the size of the program or the number of people employed or, indeed, the cost. My understanding of these plans is they are simply setting out the type of things they will be doing over the five-year period. They will be managing outbreaks of exotic diseases, they will be looking at the import/export issues for quarantine, they will be running discussions with the veterinary industry, etc.

Is it not true that ultimately it is going to be the minister, through the budget process, who decides how much will be spent and therefore collected? Where is the control, from the industry point of view, about how much can be collected and spent? Is that not solely at the discretion, ultimately, of cabinet? If cabinet wants to collect another \$5 million a year to run some program under the plan, they will; and if cabinet wants to cut \$5 million a year, because they do not want to fully fund, or do not want to fund to the same extent, something under the program, they will. Where is the control?

The Hon. M.F. O'BRIEN: The scenario that the member for Davenport has outlined could occur. There could be an outbreak of foot-and-mouth and I think in the first instance there would be a call on Treasury, but ultimately you might find that you have to maintain for a period of many years a regime of high and strict surveillance, particularly with respect to animal movement and the like. In essence, things remaining as is, with no outbreaks of exotic disease, there would be that call for emergency funding. We are dealing with a cost-recovery regime that would be set out by regulation and any change to the fees under this cost-recovery model would have to come back to the parliament.

The Hon. I.F. EVANS: So the scheme is going to be set up by regulation rather than by the act. With the emergency services levy, all the details were put into the act and there was a lengthy debate on that, and having spoken against it, the Labor Party then voted for it. Under this scheme, it is all going to be in regulation, which we know is almost impossible to disallow because the minister just reintroduces the disallowed regulations the next day. The government will get its way in the regulation.

You are saying there is going to be one fee? How is the fee going to be structured? Is it going to be a different fee for chooks, a different fee for pigs and a different fee for cows? When you say that the fee is fixed, is it going to be in the regulations? Is it going to be a dollar fee that cannot increase unless cabinet decides so? Is that the story? It is not going to be CPI linked or anything like that?

Just explain this to me: South Australia has one of the best agriculture systems in the world. We have not needed this fee up until now. We have faced all sorts of diseases in Australia and we have had one of the best agriculture systems in the world. This is not about animal health; this is just about budget health ultimately, is it not? This is nothing more than a grab to budget. All of those programs that we speak about—whether it is mad cow disease or fruit fly or take your pick—ultimately they have been dealt with by the system for over 100 years without a need for this levy. You went to the last election saying that you would not introduce any new taxes, how does this not breach that commitment?

The Hon. M.F. O'BRIEN: Firstly, it is based on the fee-for-service model, and the department of agriculture, I understand, was either the first or one of the first departments established when South Australia was a province. Education may have been the first, but agriculture has always been a significant economic activity in South Australia. I think, among other things, the industry has moved to a position of some maturity.

For the first 50 or 60 years it was the acclimatisation of crops and animals and generally working out the best way to utilise the natural environment for agricultural production. When you get to a point where the industry is largely mature, the principles that apply to other sectors of the South Australian economy, we believe, should also now apply to the agricultural sector, so that if the South Australian government is supplying a business service to this sector, as it is to other sectors, then the sector should make some contribution.

We employed ACIL Tasman to do a study to determine the breakdown in private benefit as opposed to public benefit. That study was given over to industry to consider and to come back to PIRSA with their views. Ultimately, I think there was some broad agreement that the determinant on the public good which should be borne by the taxpayer was X per cent; and the private good, which was a benefit that accrued specifically to business and to operators in the primary industries sector, ought to be borne by the sector.

So, that is the methodology if you like, that has been used to determine the private good as opposed to the public good by the provision of these services, and it is the basis on which the discussion and, ultimately, the decision will be made on the determination of the rates. In response to the questions that you ask, yes, it will be differential. Various sectors will pay a different amount determined by the level of service provided. It is not CPI linked. It could well be that in some areas the level of activity drops over a period of time and there will be a pullback on the fee that has to be paid. I think that, in terms of approval, any increases would have to be approved by cabinet.

The Hon. I.F. EVANS: I just want to check: could the CRC research centres—from memory, there is the genome research at the Waite—be funded out of this levy?

The Hon. M.F. O'BRIEN: No, they would not. I think the research arrangements or regimes that are in place, and for argument's sake, the way in which the activities of SARDI, another research institute, are conducted, are largely in line with the model that we are looking at here. There is a co-contribution by government and the private sector to have research activities undertaken, and this is the extension of that particular model. I am not saying that it is identical, but it is not too dissimilar.

The Hon. I.F. EVANS: I just want to make it clear that your advice to the house is that this fund cannot be used to fund research?

The Hon. M.F. O'BRIEN: The control or administration of the fund ultimately resides with the Treasurer, but the intent is that this is cost recovery for the activities of PIRSA. It does not preclude at some time the undertaking of research activities, but it is certainly not the intent. The intent is to fund the activities of Biosecurity SA in relation to the livestock industry.

The Hon. I.F. EVANS: That might be true. That might be the intent, minister, but the legislation is so broad that I want a clarification that it cannot be used for research. My reading of the application of the fund is that it is so broad that it could be used for research, and a treasurer, 10 years down the track, who is not party to this magnificent debate, may just take the opportunity to transfer costs out of the budget, into this fund and onto the landowners, and that is what I am seeking to establish. Is that possible under this legislation? I do not care what the intent is; I want to know whether it is possible under the legislation?

The Hon. M.F. O'BRIEN: I think the surety that we can give the member for Davenport is that any research activity would have to be contained within the five-year plan. A research proposition could not come out of left field, and to preclude the undertaking of that type of activity may not be a wise thing because it could well be that a particular issue arises where something has to be done fairly quickly in terms of some research activity; and if it is generally agreed by industry that that ought to be undertaken, well, that is probably a good thing to do.

However, the way in which research is conducted is largely on the basis of commonwealth funding for specific purposes, and those purposes in large part are not only determined by the scientists, the CSIRO, SARDI and individuals associated with the commonwealth but by industry, which is a large driver of research activity in Australia—so, highly unlikely.

A five-year plan, I think, would make that difficult. If within the five-year plan there is a call for a discrete piece of research to be done, so be it, but ultimately the Treasurer would have to sign off on that or allow that particular expenditure. Given the way in which agricultural research activities are funded and structured within Australia, I think that we would have recourse to using that particular structure rather than using this particular fund.

The Hon. I.F. EVANS: So, all a future treasurer has to do is to make sure that the word 'research' is included in the five-year plan and then the treasurer of the day can sign off on the expenditure? You can drive a truck through it. Everyone can see what is going to happen ultimately with that.

The Treasurer can sign off on it. The Treasurer is the one who will be under financial pressure to find little hollow logs of money everywhere. It is the Treasurer who will have the interest in trying to push as much cost onto this particular levy as they can. Go and have a look at what happened with the emergency services levy in the first year and see what Treasury tried to do to that. The reality is that the five-year plan is consulted on with the industry and then only signed off by the Treasurer. Is that right? Is that my understanding?

The Hon. M.F. O'BRIEN: It is signed off by the minister but administered by the Treasurer.

The Hon. I.F. EVANS: So, regardless of what the industry thinks, you can consult them, then ignore them. That has occurred with government from time to time. You can consult them and ignore them and then sign across any costs you want, ultimately, in the plan. I can understand why the rural community is nervous about where this levy might end up.

Going back to the revenues, minister, you said that the last year it was \$3.14 million. On my brief that is provided by the Treasurer's office in 2014-15 it is \$3.14 million. When you say the 'last year', are you saying that in the year 2015-16 the revenue is going to be \$3.14 million?

The Hon. M.F. O'BRIEN: That is the advice that I have received, but those figures will ultimately be determined on the basis of the thresholds that are arrived at through the Mutton consultative process and the level of service that is arrived at as a result of those discussions.

The Hon. I.F. EVANS: While the bill is between houses, can the minister's office arrange for the opposition to receive the modelling that goes to each of those revenue years, as to what level of service has been modelled? Someone in the bureaucracy must have worked out what that levy is going to cover, how much is going to be charged and what level of service is going to be underpinned to reach those figures. There is a minute somewhere within the agency that says, 'If we charge chooks this much and cows that much and pigs this much, it will come up to the figure of that levy.' I want the modelling that underpins it.

Minister, can you advise me whether these revenue figures are net or gross? Is this the net figure or the gross figure? Are we collecting \$10 million and having expenses offsetting it, or is this the total amount collected or the net amount collected?

The Hon. M.F. O'BRIEN: It is the total amount collected under the regulations. Because it is a full cost-recovery proposition, all incidental administrative expenses would be picked up in that amount, so it is a gross, not a net, basically covering all costs incurred by PIRSA in delivering a range of services for the sector.

The Hon. I.F. EVANS: The modelling I seek is not only the modelling of the levy that is going to be charged and how it is going to be collected and the collection costs but, also, the modelling of what PIRSA is including in the costs. That is the modelling I want.

The Hon. M.F. O'BRIEN: I think what we can supply you with is all the material that we have made available to industry. The process commenced when I was the responsible minister—

The Hon. I.F. Evans interjecting:

The Hon. M.F. O'BRIEN: No, if you just bear with me. My understanding, and it was certainly my intention as the minister, is that industry would be fully engaged and have a full understanding of all the issues you have raised so that, when a service level is determined and the costs associated with the provision of that service are known, all parties have a full knowledge of what the service level actually entails and what the internal PIRSA costs are in delivering that service. We will endeavour to provide you with all of that material. Certainly, some of the aspects that you have raised are the subject of discussion that Dennis Mutton is currently engaged in, but I am sure that we will be able to more than adequately answer those matters.

The Hon. I.F. EVANS: I do not want the information that was given to the industry: I want the information that underpins the modelling in your budget because, regardless of what the industry has been told, someone in the agency has decided there is going to be \$3.14 million collected. To decide that, they must have worked out how many cows and horses and chooks are going to be charged, how much the owners of those animals are going to be charged, how it is going to be collected and when it is to be collected; and, to underpin all that, they must have first worked out the costs that were going to be recovered.

By your own language, this is a cost-recovery mechanism. Someone must have worked out the level of cost to be recovered; so I want both sets of modelling that underpin the budget. The fact that the government has spoken to the industry does not mean the industry accepts it. The government needs to get over this issue of claiming it has consulted with people just because it has told them what is going to happen. That is different.

The Hon. M.J. Atkinson interjecting:

The CHAIR: Order!

The Hon. I.F. EVANS: The poor old member for Croydon should get back to Battleships on his computer. The reality is that the government has been painting the picture that the industry broadly supports this, that they ultimately support it. I am not convinced of that. That is the modelling I want, minister.

The Hon. M.F. O'BRIEN: We will provide that, member for Davenport.

Clause passed.

Clauses 32 to 38 passed.

Clause 39.

The Hon. I.F. EVANS: This is the cancellation of the promise about payroll tax rebates for apprentices and trainees that lasted two years under the government, the big promise before the election. I just want to know what happens to an apprenticeship that is halfway through a four-year indentured apprenticeship that was getting up to a \$1,440 rebate. If the apprenticeship is halfway through, and this has now been cancelled, what happens in the last two years? Do they not get that rebate?

The Hon. M.F. O'BRIEN: We are talking about the apprentice; the apprentice is not the beneficiary. If the employer has an apprentice undertaking a qualification in a critical skills list that has been determined by DFEEST, the employer will continue to receive the benefit; if not, then the employer will not receive the discount on their payroll tax bill.

The Hon. I.F. EVANS: Let me get this right. The government has gone out and said to the employers, 'Trust us. You take on this apprenticeship for four years, and we will give you a rebate on your payroll tax of up to \$1,440.' On that basis, some employers have done their sums and employed the apprentices. Then, two years into the apprenticeship, or it might even be one year into the apprenticeship (most apprenticeships are four-year contracts), the government has said, 'No, sorry. We're changing the rules,' so the poor old employer is left out of pocket because he might be in an industry that is important but not critical to the ones the department think are important. It might be a plumbing apprenticeship or a carpentry apprenticeship, not necessarily something to do with the mining industry.

Can you explain to me why those employers should be disadvantaged? Why should those employers be poked in the eye by the government when it is simply because the government has broken its promise, broken its word, and changed the deal? Why would any employer trust the government again on this rebate issue? Why would you as an employer want to take on an apprenticeship based on a rebate from the government, when one year into the contract the employer gets poked in the eye?

The employer cannot just sack the apprentice; the employer just has to wear the extra cost. Having employed apprentices when I was in the building industry, they are damned expensive to employ. It is hard to get single indentured apprentices up in the building industry; hence, the growth of the group training schemes. All this has done is penalised the single indentured apprentice to the single employer. It favours group training schemes, and yet all you have done is penalise the single indentured apprentice. Why has the government designed a scheme that cancels its word, breaks its word, one year after employers have taken on apprentices based on the government's word? The Hon. M.F. O'BRIEN: In simple terms, the government established the Training and Skills Commission to ensure that we were aware of the skill requirements of the state, and that advice was received by the Training and Skills Commission through industry bodies. On that basis, we have been able to determine what areas are effectively underskilled and have significant potential to grow the South Australian economy. I do not think that it will come as a surprise to the member for Davenport that the tight budgetary situation leads to difficult decisions. The decision was made that the funding model provided by the Training and Skills Commission in the identification of critical skills ought to be utilised in the application of the training dollar, and that is what we have done. There are some skill areas that do not fit within the critical skill list.

I was an employer of apprentices myself. I am not going to talk about individual examples, but the rebate I received as an employer for the employment of apprentices had absolutely no bearing whatsoever on my intention to employ an apprentice; there was a whole range of other reasons. I believe that, for a large number of individuals, this will have a negligible impact on their business, but that is not to say that for others it may not. The member for Davenport has a slightly different view, but my own practical experience, having employed a reasonable number of apprentices over a reasonable period of time, is that the impact will not be extreme.

The Hon. I.F. EVANS: Were yours in the retail industry?

The Hon. M.F. O'Brien: Baking.

The Hon. I.F. EVANS: Baking. Let me explain the building industry to you, minister. The building industry is not the baking industry. The building industry is far more boom-and-bust than the baking industry. Go and ask a couple of carpenters to make a full-year commitment based on their turnover; ask a set of plumbers to make a full-year commitment.

The Hon. M.F. O'BRIEN: Hence the support for the group training schemes, which is what we are doing.

The Hon. I.F. EVANS: Yes; hence the support for the group training schemes. The reality is that, particularly in the country areas where group training schemes are not as strong, a lot of the apprentices are taken on by single indentured builders, carpenters, plumbers or electricians who suffer the boom-bust cycle. I think the government has done a disservice to the building industry and the small builder, in particular, who may not be involved with the industry associations, and most of them are not. It has certainly done a disservice, I suspect, to those groups. I just wanted to get on the record why the government broke its word.

Clause passed.

Clauses 40 to 43 passed.

Clause 44.

The Hon. I.F. EVANS: I am wondering why the government changed its mind on bringing 45 Park Terrace, Gilberton, and the Bowden Village into the provisions of the stamp duty amendments with regard to apartments, because it opens up the question of how randomly you thought about your policy. Originally, this policy was for all apartments in the Adelaide City Council area and North Adelaide to have this stamp duty rebate. Then, the developer for the Gilberton apartments came out and did some media, and said, 'This is outrageous,' because his development left out.

Then, the government was embarrassed to find out, when the opposition raised the issue, that it had left out its own development site, and the advice from their own agency was that not having it in there would actually cause some difficulties for that development to get up. So, the government sat down in cabinet and could not even work out its own mind and that it had left out its own development, and then it was embarrassed into bringing in the Gilberton apartments because one developer complained.

So why is it only the City of Adelaide and North Adelaide areas, plus the developer who complained, plus your own site? I bet you that Newport Quays would have killed for this stamp duty exemption. We have developers writing to us from the Cape Jaffa development and a lot of the country areas asking, 'Why is it that my apartment does not get this rebate?'

Only 15 minutes ago, minister, in the debate about this bill, you were telling us it was really important that all landholdings be treated the same—a 30km freeway, and all the landlords are going to be treated the same. You told us how you could not possibly have one landlord being treated differently to another landlord: that was the advice to this committee.

In this section of the bill, you are doing precisely the opposite. You are favouring one landlord over another landlord. Why is an apartment in Grenfell Street any more beneficial to the city than an apartment on Greenhill Road? Why is Greenhill Road, or any other road outside the Adelaide city square, left out? Why are the apartments down at Glenelg, for instance, on the tramline that comes straight into the city, of less value to the state, as far as economic development goes, than an apartment in the city?

People are going to spend money down at the Glenelg shops; they are going to buy their fish and ships, their dresses and their cars down there, so why is economic activity in that part of the state less valuable to the government than economic activity in the city? I am just wondering why the government has suddenly brought in just Gilberton and Bowden; what was the policy judgement that brought them in?

There are all those Housing Trust units between Adelaide Clinic and the old Channel 7 site, which is now included. If, all of a sudden, those were developed into apartments, they are left out. What about the brewery apartments just up the road? If they were being built now, why would they not be in there? In fact, there is another set of proposed apartments next to the brewery apartments, just near PAC; why are they being left out? What was the policy behind this particular issue?

The Hon. M.F. O'BRIEN: I move:

Page 25, line 19-Delete 'within the area of The Corporation of the City of Adelaide;' and substitute:

- (a) within the area of The Corporation of the City of Adelaide; or
- (b) on any land within the area where the Bowden Redevelopment project is being undertaken (Bowden Village) and identified by the Treasurer by notice in the Gazette; or
- (c) on any land within the area known as 45 Park, Gilberton, and comprised within Certificate of Title Register Book Volume 5114 Folio 927 or Volume 5114 Folio 955;

In responding to the member for Davenport, I move this amendment, because the member for Davenport has actually been talking about that particular amendment.

The Hon. I.F. Evans: And the reason?

The Hon. M.F. O'BRIEN: And the reason? The member for Davenport is probably aware that, in the Governor's speech, the Governor outlined seven strategic priorities for the South Australian government, one of which was what we term 'Vibrant city'. The underlying rationale for that particular strategic objective was to make Adelaide an interesting and vibrant place for people to work in but, more importantly, to reside in.

The consequences of that are a retention of our younger and brighter people, who have an increasing propensity to move to the eastern seaboard or go overseas. In the event that they make that decision, our aim is that Adelaide will be of sufficient attraction for them to actually come back to Adelaide once they have that global experience. Having made that strategic determination, we then set about realising it.

One of the things that we were able to do was to lift the height restrictions in the CBD so that we can turn Adelaide into a more modern, European-style city, with a certain density of population that allows restaurants, smaller bars and retail to flourish. Additionally—

The Hon. I.F. Evans: You opposed retail trading hours for 10 years, Mike.

The Hon. M.F. O'BRIEN: Yes, but then we pushed them through. This is all part of the broader strategy. Additionally, we are devoting an enormous amount to what could be described as the Riverbank precinct, the remodelling of the oval, the footbridge, the potential redevelopment on the other side of the river, all of the development that is occurring further along North Terrace in a westerly direction—the new RAH, the medical research centre, the upgrades, the significant building that is being undertaken by UniSA.

So we have a whole range of activities and decisions being made to bring about some vibrancy to the City of Adelaide and the decision to basically spread the focus of attention a little further out along the River Torrens to Bowden and to the site in Hackney is to further drive the Riverbank precinct proposition in the full knowledge that those developments, because of their proximity to Adelaide, will actually reinforce our strategic objection of a vibrant city for Adelaide.

The Hon. I.F. EVANS: Why is the rebate only in place for a two or three-year period? If it is so important for Adelaide, why is it not ongoing, other than that the election is in that period?

The Hon. M.F. O'BRIEN: If people take any interest in international, national and state economic matters you would know that globally we are going through a period of tremendous uncertainty. Among other things, that is translating itself into a very subdued level of activity in the building sector. The resale of established and new homes in Adelaide is at something like a 20-year low. I saw that the figure is sitting around where it was in 1984. The fact that we are actually dealing with a difficult budgetary situation within South Australia—

Mr Williams: Your own making.

The Hon. M.F. O'BRIEN: Oh yeah, sure. We are cognisant of the fact that the real estate sector and the development sector are doing it extremely tough. We have a strategy in place for a vibrant city. We have made the decision as forecasts indicate there will be a reasonable period of subdued economic activity, particularly in the development sector, and this is to stimulate some activity.

The Hon. I.F. EVANS: With the First Home Owner Grant you have to live in the house. Does the person who buys the apartment have to live in it or can it be simply overseas investors buying the apartments and not living in them?

The Hon. M.F. O'BRIEN: Slightly different objective: the first home buyers grant is to get people into their home, particularly young people who are commencing the stage of their life that involves family formation. This has a different strategic objective, and that is to revitalise the development sector in South Australia and give some surety to investors, a large number of whom are actually international investors, that their money placed in the South Australian economy will ultimately work for them. So, it is slightly different in its intent, and that is it, in essence.

Ms CHAPMAN: Yesterday, our shadow treasurer received a letter signed by Mr Peter Louca, Chief of Staff to the Hon. Jack Snelling, explaining this amendment. I appreciate, minister, that you have not had the carriage of this bill and that, by the personal circumstances of a fellow minister, you are having to handle this matter—and it is a valiant attempt, I would have to say, so far in being able to give some explanation. As disclosed in this letter, cabinet took the decision after the bill had been introduced, after it had been approached—and after the opposition briefing, even—by the developer and the representative of the URA.

The URA is the new Urban Renewal Authority, and Mr Hansen is the new CEO. Incidentally, I can see his American influence already because Mr Louca is already starting to spell 'centre' of Adelaide as 'center'. However, the URA, of course, is the new 200-strong real estate agency of the government. It is going to have some Housing Trust in it, some Defence SA—what is left of it—in the metropolitan area, and now this precinct is going to come under Mr Hansen as well, as is referred to in here.

They are approached because they want to sell their Bowden site so, instead of starting with the premise of the City of Adelaide having this arrangement for the commercial reasons you say—to get investment into Adelaide—they have decided that they forgot to put in their own development. They want to put in the Bowden development, even though it is outside the Adelaide precinct altogether. Then, of course, the Western Australian developers of 44 Park Terrace scream from the rooftops and say, 'This is outrageous,' so they are put in. Yesterday, or the day before, when I questioned the Minister for Transport about what other developments the URA had in mind to sell, it included the blocks of Housing Trust properties between the Adelaide Clinic and the proposed development for the Western Australian developer for them to develop.

Of course, we also heard that the government, allegedly desperate for money, was flush with \$15 million to go and buy the Caroma site the other day when it wanted to hold it because it could not trust the property developers in South Australia to develop it properly. Inappropriate development could be put on it. I do not know where our development laws evaporated to under that allegation but, as valiant an attempt as it might have been, minister, for you to have to come in here at short notice and manage this for the government, the truth is that they bowed to a developer who was screaming and to an organisation out there that was saying, 'This is not fair.'

The government stood strong when it did the shop trading hours, giving preference to the City of Adelaide for all the reasons it said: it wanted to have a vibrant city, blah, blah, blah, and the 30-year plan. The 30-year plan, remember, was to be part of this, to have our urban infill, not just a vibrant city. We were going to have structure plans around the main roads—the inner rim structure plans, which are still sitting on some minister's desk.

Apart from the developments that have already gone ahead along that rim, is the government going to line up and grant the extension of this concession to any other group that complains as they are developing around that rim? There are plenty of them—Greenhill Road, along the Henley Beach Road area, and out along Prospect Road. We have plenty of developments, both government and private, that are going to be saying, 'Well, we're in this inner rim area, which the government has said on its own planning should be invigorated and infilled and multistoreyed and so on, and we need investors to be able to kickstart it.'

It is just not good enough to come in here the day before we are asked to pass this bill weeks after it has been tabled—and say, 'Look, we've had a couple of punters come along and explain to us that they need some special provision here. We forgot about one of our own developments,' which has no hope in hell of selling, according to the model that has already been put out there by the minister during estimates. They are struggling. The poor old URA has inherited the LMC mess for the last year and is not making any profit for the government. It is in a hell of a mess, and it comes in here to prop up its own development.

It is bad enough that the government has made a decision to support infrastructure projects deliberately and specifically to boost its own projects above other private sector projects. The Goodwood and Torrens underpass project is a classic example. The number one infrastructure project to underpass the rail under the Bowden development—close to \$300 million of a \$400 million project—that this state the government is advancing, and kicking in \$100 million of its own this forthcoming year and another \$100 million past the forward estimates, is clearly there to support its own project.

The government needs to understand that if it is going to be in the property development business, if it is going to cherrypick the best places, if it is going to divert the infrastructure money—whether it is a road to support its Evanston project, which is another one this year, or whether it is to do developments around those projects—if it is going to cherrypick and divert moneys to support its own projects above other private sector projects, it needs to come clean about that.

If and when one or two stand up and scream about it and need to be silenced, that is not an acceptable formula upon which to say to the Western Australian developer, 'Yeah, no problem; we'll put you in. We'll just draw the line around it.' That is not acceptable. It is unfair, it is unclear, it provides no direction, and it discriminates against all those out there in the industry, depressed as it is (as the minister has acknowledged) and needing assistance, to deliberately ensure that we end up with a program which is both unfair and discriminatory to the rest of the sector. That is not an acceptable formula for us.

Be fair, as the government, and say, 'We are going to offer a concession,' and, if everyone within that parameter is entitled to it under the rules, the geography of it should not make any difference. If the government is going to say that it is to do with a vibrant city, then stick to the city. If it is going to say that it is consistent with the 30-year plan—some of the submissions for which, as you know, we have not even seen yet because the government will not show them to us—if you are going to say it is in a rim development and it is Riverbank Precinct supportive, etc., then draw that around that inner rim. Do not come back to us with one or two pieces of legislation.

We have a law that is supposed to be for everyone. We have a rule of law that says that the law is supposed to be for everyone; in fact, we have a special provision in this parliament that says if you actually make a law specifically to affect one person or one group you have to have a special committee sit, analyse it and check that it has not actually been deliberate or positive discrimination in favour of one person. We have a special set of rules for that.

It seems to me that for the government to throw this in at the last minute, after it has hastily met to put out another fire because there is someone out there complaining, is absolutely disgraceful. It is a very bad precedent to set.

The Hon. M.F. O'BRIEN: If I can just respond briefly, the member for Bragg mentioned the 30-year plan. I actually chaired the review of the South Australian planning and development system, and I think the review can fairly claim the 30-year plan as our own. All the basic concepts were contained in the final report: the 30-year plan; the geographic boundaries of the 30-year plan; the fact that we sought, I think, 40 per cent of all population growth to be confined to our transport corridors, particularly to our rail corridors; and we enunciated the notion of TODs. I travelled extensively in the United States and had a look at these transport-oriented developments.

The inclusion of both these locations is, I think, an unintended consequence. We really want the Bowden site to work because, I think, it will be our flagship TOD site. It was only after the

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legislation had been worked up that we realised we were actually jeopardising the ability to get Bowden up as a very vibrant, leading-edge TOD site linked to all the tram infrastructure we invested in down near the Entertainment Centre. It is one rail stop from the city.

I think there have been discussions with the commonwealth for grade separation on rail so, ultimately, we will be able to run rail under the Bowden development. I think those opportunities could not be missed. Similarly, Gilberton sits adjacent to the O-Bahn. It is another good TOD proposition; again, very close to the city. If we can get both of those TODs to work it will in turn reinforce the vibrant city proposition. This set of considerations was the driver behind this particular amendment and I am hoping that it will be supported.

The Hon. I.F. EVANS: This is my last question on this clause, and perhaps, minister, you can get the answer between houses for us. What is the cost if this policy is adopted statewide?

The Hon. M.F. O'BRIEN: I will undertake to get that advice.

Amendment carried; clause as amended passed.

Clause 45 passed.

Clause 46.

The Hon. I.F. EVANS: Only to reinforce what I said in my second reading contribution. I wanted to speak now so that when it is put we can vote against this provision, because we are intending to try to delete this provision in the upper house, as we did in the last budget. We do not see this as a budget measure at all.

Clause passed.

Remaining clauses (47 to 52) and title passed.

Bill reported with amendment.

The Hon. M.F. O'BRIEN (Napier—Minister for Finance, Minister for the Public Sector) (11:42): | move:

That this bill be now read a third time.

Bill read a third time and passed.

APPROPRIATION BILL 2012

Adjourned debate on motion:

That the proposed expenditures referred to Estimates Committees A and B be agreed to.

(Continued from 26 June 2012.)

Mr WILLIAMS (MacKillop—Deputy Leader of the Opposition) (11:43): I will not be the only person to make this sort of comment, and it is not the first time I have made this sort of comment: that the estimates process is significantly lacking. It is a farce, because estimates should be about the accountability of government. It should be an opportunity for the parliament to go through the budget line by line and get an understanding of how the executive government is spending the taxpayers' money. That does not occur in our estimates.

Let me give an example of one of the experiences I had this week. I walked into one of the estimate committees and the budget line was on veterans' affairs. Veterans' affairs is basically a commonwealth function, but we do have a small veterans' affairs office at the state level. I think it has four full-time equivalents who operate in the office. It has a budget of some \$700,000. The budget line is contained within one page of the budget, yet one hour of the committee's time was dedicated to veterans' affairs.

I went into the committee with the Minister for Water (amongst other things), who is also responsible for SA Water. The Department for Water budget line takes 26 pages of the budget, which includes expenditure of some \$148 million. I had 30 minutes to ask questions on all of those budget lines. Similarly with SA Water. SA Water is currently in the process of delivering the biggest government project ever built in South Australia: the desal plant, and I had half an hour to ask questions.

The Minister for Water also took Dorothy Dix questions from the back bench of his own party and he made a lengthy statement, which ate into those two half-hour segments. It is a farce. I had dozens of questions that I would like to have asked the minister. Notwithstanding that we never

get answers, the reality is that it is a flawed process and it is time that the parliament addressed it. It is time that we did something about it and came up with a much better process. Might I suggest that we look to the commonwealth government process, where the Senate members actually ask questions of the bureaucrats (not of the ministers) on the budget lines. That gets some of the politics out of it.

I will now turn to some of the matters raised in the committees in which I was involved. First, in the minerals area, minister Koutsantonis is responsible for minerals and energy, for which I am the shadow minister. Again, minister Koutsantonis made a 10 to 15 minute opening statement which ate into the hour, but he did not take questions from his own side, which I did appreciate. I want to comment on some of the remarks he made in his opening statement.

He said that there had been a 38 per cent increase in the minerals industry between 2010 and the current year, 2011-12. I will just remind the house that that was the year when Olympic Dam had a problem with the Clark shaft. An accident involving a malfunction in the Clark shaft resulted in production dropping dramatically that year. So, I think it is a bit disingenuous for the minister to compare the current year with the year when our state's major mine was operating at about 25 per cent capacity.

I was also surprised that the minister would not even acknowledge that BHP may well be impacted by things like the commonwealth's mineral resources rent tax and carbon tax, both of which will impact greatly on companies like BHP. BHP Billiton, as a business, relies very heavily on the iron ore and coal parts of its business. Both those sections of its business will be impacted greatly by the minerals resources rent tax and by the carbon tax, particularly the coal sector.

The minister is right in saying that the mineral resources rent tax will not apply to its operation at Olympic Dam and the expansion project, but it does impact on its ability to fund that particular expansion, and it obviously will impact on its decision-making process. The minister would not even acknowledge that. We all know that the minister is simply playing politics there. If he is not, if he seriously does not believe that it is going to impact on BHP Billiton's decision-making, he should not be the minister responsible for mining because he is so far out of touch with the reality.

We talked about the agency's ability to give timely permitting, and the minister, as he should, defended his agency. However, one of the minister's officers pointed out to him that, in this budget, they were going to appoint another 15 regulators. So, they were going to increase the number of people actually doing the work of permitting and regulating the mining sector—15 more full-time equivalents. That says to me that there must have been a problem, and it confirms the issues that the opposition raised with the minister: that we are getting stories back from industry that there are problems with delays in permitting.

I spent a few days on Eyre Peninsula recently with my colleague the member for Flinders. One of the things that we identified was that there was a huge opportunity for the regulator (the department) to have people in the field over there working with the local community as they are going through a massive change. A series of communities which are basically rural, farming communities are now being intruded upon by the mining sector.

There are huge changes and there is, I think, a great opportunity for the regulator to be over there working with those people, easing their fears and helping them to work through the changes and the issues they are facing. I hope, with 15 more regulators going to be put into the agency, that the agency becomes more proactive in that field.

We then went on to energy in that committee, and there were some interesting things there. The minister made another opening statement, which again ate into the time allotted for the committee, and that goes back to my opening comments. He said that one of the government's responses to rising energy costs is that it has developed a home energy toolkit.

This smacks of what we had under one of the previous ministers of this government in the energy field. We all remember the door snakes. The minister had a warehouse full of door snakes—I do not know what the government spent on it, but it was all taxpayers' money—which were supposed to cut people's energy costs.

The Hon. M.F. O'Brien: Which is one of the major recommendations on a full page in today's *Advertiser*.

Mr WILLIAMS: Yes, you are still—

Members interjecting:

Mr WILLIAMS: It is good, minister. You might eventually get rid of the door snakes. You have probably still got them in storage, if you look around, but now you are giving away thermometers and stopwatches. I am not sure what people are going to be doing with a thermometer and stopwatch, but apparently you can save energy by reading the temperature and seeing how long it takes or something—I am not sure—but it smacks of the door snake approach.

There are some really serious issues. We saw the announcement from ESCOSA only a bit over a week ago that they have approved price rises in South Australia of 17.7 per cent. Some 6.4 per cent of that is directly attributed to this government's feed-in tariff. The biggest part of that rise is directly attributed to this government's feed-in tariff.

The Hon. M.F. O'Brien: And you're responsible for it! You are responsible for running it out to 20 years—you and the Greens.

Mr WILLIAMS: This is the well-rehearsed line of the government: I am responsible because we supported the Greens in running the scheme out to 20 years. Let me remind the house that, when the legislation was introduced, several things were acknowledged. One was that the scheme would last for more than five years but the government would continually review it and see how it went. If the minister goes back and looks at the original *Hansard* from November 2007, I think it was, he will learn that.

The other thing is the government was going to have a review. This was a review which it eventually had, but it was held much, much later than the government promised to have it and then it did not respond to the review for a very long time—nearly another 12 months. Guess what it did with the review? One of the recommendations was that it cap the scheme when the cost to the average householder hit \$10, as per the Victorian scheme.

Did it do that? No. What did it do? It wanted to move that the cost of the scheme actually be increased by some 23 per cent by increasing the feed-in rate from 44¢ to 54¢. What the opposition did was successfully oppose that and cut the cost to South Australian households by \$90 million. In hindsight, I wish we were even more proactive, but the opposition takes no responsibility for the \$114 average cost per household to the electricity bills in the 12 months because of the feed-in scheme of this government. It is wholly this government's incompetence that has caused that—\$114 per household.

On top of that there is another significant impost because of the federal government's carbon tax. At least the federal government is giving a rebate. They are giving some money away to some householders to cover the cost of their carbon tax. I do not agree with any of it. It is simply churning, and a lot of money gets chewed up in the way through, but at least they acknowledge the cost impost and the cost impact of some of their mad decisions.

I asked the minister about renewable energy in the APY lands. For a government that wishes to be seen as clean and green, and into green and renewable energy, I am surprised that there are no renewable energy projects on the APY lands. The commonwealth government built a solar farm there a few years ago; that has basically been mothballed because the state just cannot get it to operate and they cannot make it work effectively. However, there are no other renewable energy schemes in the APY lands; that seems to be a pity.

One of the other things the minister has said, and I think we need to remind him of the reality of the world, is that the government has little power to impact on power prices. What he is trying to suggest is that the government, because the power sector has been privatised and no longer owned by government, has no power to influence it. He has no less power than he ever did. If he owned all of the electricity assets to reduce the price of electricity, what the minister and the government would have to do is subsidise those power companies with taxpayers' money. There is nothing stopping the government from doing that today. They have no less opportunity today than what the government of South Australia has ever had. It is complete nonsense to suggest that because they do not own the asset, they cannot influence the prices.

I remind the house that the government owns all the water assets, and water prices in this state are going up at a greater rate than power prices are where we do not own the assets. That puts the lie to that particular argument. I will move straight on to water because that is the other area where I have been involved in the estimates committees. Again, we had a minister who took questions from the other side as well as making lengthy statements but the reality is that the minister failed to answer any questions. The other reality is that we did not have time to ask the

sorts of questions that the opposition would have liked to have asked—for example, the capital cost of the desal plant.

The minister confirmed that if the Auditor-General's figures are right from the amount that has been expended on that project to 30 June last (\$1.5 billion), and the budgeted figures for the current year (\$256 million), and the projected budget for the next year (\$98 million), in fact there is an overrun on that project of \$40 million. Notwithstanding that, the minister goes out on a daily basis and whenever he is asked any question about the desal plant, his stock standard answer is, 'But we are going to deliver the plant on time and on budget.' On my calculations, he is already \$40 million over the budget, and it will be interesting to see whether it gets delivered on time.

We saw the first water target was missed by almost a year and we had the head of SA Water come out last December and say that punitive penalties would be imposed which would be cost imposts on AdelaideAqua, yet we now see that the government has agreed with AdelaideAqua not to impose any penalties and they have paid up the money. Again, it is taxpayers' money; that is why water prices have gone up 249 per cent in this state.

Let us look at desal plants built by Labor governments around Australia: we will start at Queensland, then look at New South Wales and Victoria. We have had a change of government in all those states. In Queensland, their desal plant at great expense has been mothballed. The New South Wales desal plant has been mothballed in the interim for at least two to three years. In Victoria I am reliably advised that they do not expect ever to use their desal plant. In South Australia the decision to build a 50-gigalitre desal plant (or a bit smaller than that as we proposed from opposition all those years ago) was a good decision and one which we defended. The decision to double the size of that and then to mismanage the construction of the desal plant—two very poor decisions—go right to the feet of this government.

The decision to double the desal plant has never been justified by this government, no modelling has ever been put up, and yet there are independent agencies (now doing modelling) saying that we will not be using the second part of the 50 gigalitre capacity in the foreseeable future; that is, the next 40 years. Notwithstanding that, the long-suffering taxpayers in South Australian households are paying inflated water prices.

We learned, from the budget and in estimates, that last year there were \$125 million in savings because of delays in the desal plant, and yet the government still went ahead with price increases. I can inform the house that the Victorian government, when it had a similar situation because of delays in the construction of the Victorian desal plant, in the last couple of weeks cancelled a 9.6 per cent increase in water prices in Victoria. The Victorian government handed the money back to the people of Victoria or, more correctly, did not take the money from the people of Victoria.

I put that to the South Australian minister and he would have nothing to do with it. He wants to take the money. Bearing in mind, the reality is that when they take the money into SA Water it shows up as additional profits for SA Water at the end of the year, and 95 per cent of that goes straight to Treasury. It is not being used to pay for the desal plant, it is going straight to Treasury, and we all know what is happening to it there.

We also see that there is a projected \$212 million turnaround in the 2012-13 year in the relationship between SA Water and the government; that is, the government will be \$212 million better off because of SA Water than what it has been in the current financial year. That is serious money, yet it still went ahead with the water price increase for the next year, which will see an additional \$175 million taken from South Australian households.

Householders in South Australia are sick and tired of being hit, particularly by water. They are sick and tired of this government, with a 40 per cent increase in prices last year and a 25 per cent increase in prices this year. Householders in South Australia are paying the highest price for water in this nation, and they are sick and tired of it. They are particularly sick and tired of it because a fair bit of it is caused simply because this government continues to make stupid and dumb decisions.

I would like to go onto other Department for Water issues, particularly pertaining to the River Murray. There were a number of issues raised. I think the government is floundering on that issue. I asked the minister what the response is going to be, how the government is going to react to the plan adopted by the commonwealth government if it does not agree with it, and he said that is hypothetical.

I would have thought, with the way the Premier is running around, and particularly the fact that he has budgeted for another \$2 million, which it was confirmed in the committee was for advertising—it is not for doing scientific work, it is not for making representations to the MDBA, it is for advertising, so it is for a political campaign, and a domestic political campaign—that it is not hypothetical, that the government is not going to agree with the plan, but the minister would not accept that as being anything but a hypothetical question. I will leave my remarks there because I know my colleague the member for Chaffey will take up those issues, particularly with regard to the River Murray.

Mr HAMILTON-SMITH (Waite) (12:03): I rise to speak on the Appropriation Bill. It leaves us with little vision going forward and, I think, comes at the worst possible time for South Australians. At a time when South Australians might expect, after two and a half terms of Labor we were set up for the future, with things happening and a secure financial vision in front of us. What we find is ruin. What we find is a mound of debt. Labor is putting all of the things it should have been building years ago on the credit card and leaving us with little in reserve.

As I have said previously in the house, I think the first term of Labor was a term of doing nothing. All it was about was getting re-elected in 2006, it being a marginal government. It promised nothing, it did nothing, it just waffled. In its second term I think it was caught short, caught very short indeed. It was forced by the state Liberals to take positions on everything from moving football into the city to rebuilding the Royal Adelaide Hospital to reinvigorating the city to building new roads and rail, none of which was in its infrastructure plan, none of which was in any of its vision statements

It was forced into all of those positions by the state Liberals. It collapsed across the line at the last election and has now realised that it needs to build some things. Sadly, as the money rushed across the table at it in its first two terms of government, it let out its belt, swallowed the cash and fattened itself up. All the money was spent; all the money was gone; there was nothing left in the kitty. All this nonsense we had for eight years about what good financial managers they were and what a splendid treasurer the former treasurer (the former member for Port Adelaide) was, and the premier—what a great job they were doing in managing the economy and keeping our AAA rating has all been exposed as just utter nonsense.

Why is it so? Because all of those big surpluses that they were receiving were squandered: squandered on a big fat Public Service; squandered on 15 ministers—which is nothing but a joke. We used to have 13 and at one time 10, but when the government introduced the proposal for two additional ministers—for the former member for Chaffey and the former member for Mount Gambier—it was to be for them only but, of course, they kept them. Of course, the more chiefs you have the more Indians you need, and so it goes on.

Here we are with this budget before us—a mountain of debt. Yes, we plan to build things, but it has all been borrowed. The biggest ticking bomb of all is the Royal Adelaide Hospital, the \$12 billion to \$13 billion hospital over its lifetime that is a ticking financial bomb that will weigh this state down for years to come. When they are all gone we will still be paying for it. My seven-year-old son will still be paying for this when he is nearly 50. That is a scary thought.

So I was surprised, given that we had to have this \$12 billion to \$13 billion hospital, to receive an answer to a question asked by my friend and colleague, the member for Morphett, about what was the current asset value of the Royal Adelaide Hospital. The answer came back yesterday and it was that the asset value of the Royal Adelaide Hospital is \$146 million—that is an interesting figure.

What we have is a fantastic hospital, the Royal Adelaide Hospital where it is at the moment, that is valued at \$146 million. It has a certain number of beds, an emergency department that is doing an adequate job meeting more than 70,000 emergency presentations a year, and some of the best surgical rooms in the world, doctors have told me. However, improving that hospital at a minimal cost, which was the plan the government took to the election in 2006, is not worth doing, according to the government.

What we have to do is build up the road a \$12 billion to \$13 billion hospital that will not have any more beds, that will not have any more capacity, really, in terms of emergency department presentations going forward; it is not substantially more capable than the one we have, but it just costs \$12 billion to \$13 billion instead of the \$146 million hospital we have at the moment.

It sounds to me that it is like taking a very cost-efficient bit of infrastructure that is doing a pretty good job that costs a small amount and going to something that does not do all that much

more but costs something like 100 times as much. How does that work? How is it effective? How is that good for South Australia? Of course it is not; it is going to cost a lot of money, and we are going to be paying for it for decades to come.

There are other problems in the health budget, and I have been over many of them previously. We heard during estimates that, apart from the fact that we are \$125 million short for the year just ending, there is a savings target of \$117 million going forward, and when you accumulate those savings targets it is heading somewhere between \$340 million and \$360 million. We have heard about massive problems in regard to savings targets that have been set. We have e-health proposals being rolled out from EPAS to Oracle: some of them are going well and some of them are not.

We have massive problems with emergency departments with ramping, with overcrowded EDs, with a scathing report into the Lyell McEwin Hospital where they ran out of barouches and had to see patients in chairs and on the floor in the waiting area. We saw that misrepresented, in my view, to the parliament and is something that the minister feels proud about. I would not be proud of that report. There is another report going on with the Monaghan inquiry into Flinders and ED overcrowding there.

Why is it so? Well, the government has been focused on one thing in health for three to four years—in fact longer—and that is their \$12 billion to \$13 billion bricks and mortar hospital down at the rail yards. That is all they can utter about on health. Meanwhile, the very substantial things, the nuts and bolts of our health system, have been falling apart. Our emergency departments and our hospitals are full, and there are not enough mental health care beds. We have had the tragic disaster of not enough forensic beds and the subsequent mistreatment of a prisoner at the Yatala women's prison. We know we are short of beds in mental health across the board, we have problems with drug and alcohol services, our primary health care network is floundering, and many of our country hospitals are struggling.

All that, and all the government wants to talk about is their \$12 billion to \$13 billion new hospital. I think this minister has switched his focus away from primary health care, which was the focus of his predecessor, Lea Stevens, and made his focus acute care. Under his leadership, we have seen proposals for massive new hospitals in the city, and of course in the country. It is nice to have new hospitals, there is no doubt. It is wonderful to see money invested in acute care, but every million dollars you put into acute care is a million dollars that you have not put into primary health care.

If I ever become the minister for health, I think my motto for the department, my vision statement, will be this: our mission is to keep as many South Australians as possible out of hospital. I think that will be our mission, because every South Australian we can treat and care for at a country hospital, with a GP, or at a community or allied health care facility out in the community, every South Australian we can encourage towards a healthier and fitter lifestyle so that they are proactive about their own health and wellbeing, and every South Australian whom we can intercept with another healthcare offering other than an emergency department in a major hospital, is a South Australian well treated. The more people we can keep out of hospital the better.

This minister's motto seems to be: build flash new hospitals and get as many people as you can into the hospitals. It is the wrong mission. The mission of the health department is not to get people into hospital. The mission of the health department ought to be to keep them out of there. No-one wants to go there, and we should be doing everything we can to extend the primary health care network out to achieve that goal.

There are enormous issues in health, as I have mentioned, but of course other issues are addressed in this budget. I have mentioned briefly infrastructure. I am saddened to see that there will be delays to the electrification of the rail network. I think it is sadly needed. I am saddened that the public transport system seems to be in so much disarray. I note that the Minister for Transport Services has been handed a poisoned chalice. Her predecessor in that role could not hand it over quickly enough.

I just want to remind the house about how the current government railed when the former Liberal government decided to privatise the bus service, to go away from a government-run bus service. It was the worst thing that had ever happened in this state; it was terrible, it was shocking, it should not be done. No doubt they were running around telling everybody that if they were elected they would reverse the decision. Funny about that—not only have they not reversed the decision, they love privatisation of the bus services. They absolutely adore privatisation of the bus services.

In fact, they have tried to skin the contractors to the point where they are not coping and the services are falling apart, they have driven such a hard bargain. Clearly, the services are floundering about. I just say to the minister and the government: if you do not like the bus contractors, then end the privatisation. Buy the whole thing back and run it yourselves. I am sure you will do the job just swimmingly, just as you have with SA Water—isn't that a brilliant success—and the desal plant.

That is the other great lie that the government has been spruiking in the context of this budget, the lie that electricity prices are going up because the Liberals sold ETSA. I do not know how the Premier can sit there straight-faced and make such outrageous claims. He seems to be forgetting that South Australia seems to have the highest electricity prices in the world at the moment. Guess what? Electricity is privatised in Victoria, it is privatised in other jurisdictions, and in fact the New South Wales government is trying to offload it as quickly as possible. It is corporatised and on the road to privatisation in Queensland. As you look around the world, it is privatised in most western OECD jurisdictions, notwithstanding that the whole design of the national electricity market was a Labor idea—Paul Keating, thank you.

I say to Premier Weatherill that if he does not like the fact that it is privatised buy it back; go out there tomorrow and buy it back. I made this point after the 2002 election. You railed against privatisation, and the minute you got into government you loved it so much, you could have gone and bought it back, you could have gone to the bank and said, 'Give us that \$7 billion back. We want to go and borrow that money again and buy the electricity assets back.' Well, heaven knows what our state debt would be now if they went and bought ETSA back. It is bad enough as it is.

You have made a mess of SA Water. As if you would want this Labor government running the electricity network; is anyone kidding me? Look at the mess they have made of SA Water. They do own SA Water; it is government owned and look what is happening to our water bills. They do own the desal plant, and look what is happening to our water bills. They are saying that if they owned our electricity assets lock, stock and barrel, somehow electricity prices would be less.

What an abject load of nonsense, and for the Premier to sit there and say that is not even a joke, it is just sickening to watch. If you do not want ETSA to be privately owned, go to the bank, borrow the money and buy it back. You will not do that, will you, because you know that that will be an utter nonsense? You know that all your Labor colleagues in jurisdictions all around the country agree that it should be privatised and that it should be a national electricity market.

The problem is that Labor has failed in the way that it regulates the electricity market and in the way that it manages the electricity market; that is what is going wrong. It is your own mismanagement, both federal and state, and that is pushing up people's power prices, not the fact that it was privatised. If you look at those jurisdictions where it is not privatised, I think you will find that they have gone through significantly more pain than us up until recently. This government's ability to mess things up is first class.

Moving on to some other subjects, there is much in the budget to be sad about, but one good thing in the budget—and there are a few good things, to be frank—is that there are quite a lot of good ideas the Labor party has taken from the Liberals, and they stand out as being perhaps the only good ideas. I like what is going on with reinvigorating the City of Adelaide, I like what is going on around City West, I like the idea of live music in the city and a lot of those little ideas. In fact, when you look into the history of them, they all came from the Liberal Party.

I remember on live music alone that we had to amend a poker machine bill back in 2003-04, I think, to make you establish a live music fund (I was the shadow arts minster at the time) to put money into live music because you did not give a toss about it. That is what happened there. You must have gone back and re-read the *Hansard*. All your ideas about the City of Adelaide were ideas that we put out back in 2007-08—about Victoria Square, about City West, about reinvigorating the Torrens, and about new arrangements in regard to planning in the CBD.

All those ideas we put out there, and of course Labor was running around describing them as 'a squint not a vision'. All the Labor Party, including the current Premier, was out there saying, 'Oh, it's terrible, the Liberals' crazy ideas for Adelaide and reinvigorating the city. Nonsense, nonsense, we don't want any of that,' and of course what you have done is simply take them—and good, that is great, fantastic, I am absolutely delighted you have done that. I say to the people of South Australia: if you want the real thing, vote Liberal at the next election because any idea in this budget that is a good idea has come from us, most of the rubbish in the budget has come from Labor, so you may as well have the real thing—just vote Liberal and we will get rid of the pretenders because you may as well go to the people who come up with the right ideas in the first place.

Of course, they do not always take our ideas and do well with them, and desalination was a classic botch-up. We suggested they build a 50-gigalitre plant, but, no, that was not good enough for them, they had to go and build a 100-gigalitre plant that cost twice as much, botch the whole show up, build interconnector pipes, run the whole thing broke and blow out everyone's water bills. It is just an absolute nonsense. It is a good idea if you are going to vote at the next election for a party with the right ideas to get one that can also implement and execute them competently, instead of the current government, which could not organise a Sunday afternoon barbecue.

Another thing I like in the budget is, of course, in Budget Paper 4, Volume 1, and it has to do with an Office of Public Integrity and an Independent Commission Against Corruption—again, something which I personally championed, which the state Liberals, of course, first mooted and which the current government ran away from at 100 miles an hour. Having been forced into a corner where it had nowhere to move, it has finally embraced and been dragged kicking and screaming to the idea, and I am glad that it has been.

Again, I think that it has implemented a model that does not go far enough. I know that is being debated at the moment so I will not go through it in detail. Can I just say that I think that any action this parliament can take to fight against corruption is action well taken. This is a matter that cuts right across the three tiers of government, but it also affects to a degree the private sector. Corruption is the enemy of democracy. Corruption is the cancer that will kill all that we have built in this great nation, and we need to do everything we can to fight it. It is an evil, evil cancer.

I just want to make some observations on that because I have witnessed what I consider to be corrupt behaviour firsthand, and I am talking about the corrupt forging of documents. I would just make this simple point that anyone who corruptly forges documents for any purpose, be it a financial gain or a political gain, should be in gaol. We will one day find out who forged those documents, and I very much look forward to that because I know that the police have an ongoing investigation into that matter.

I am talking about when you go out and obtain a political party's fundraising documents and manipulate them, when you go out and obtain people's email accounts and manipulate them and when you put a great deal of work into a clever story with the object of achieving a political goal which has political implications. Of course, if you win a council election or if you win a state election there are winners and losers, so if the object of that exercise was to interfere with the outcome of the election—some might argue that it was, some might argue that it was successful—it is still corrupt behaviour. Any behaviour of that kind should be met with the full force of the law, and I hope that an independent commission against corruption will help us in that regard and prevent that sort of thing from ever happening again because it is disgrace.

Of course, if any acolyte or member of any political party was involved in such an activity, then they should be in gaol, and if any MP knew of anyone who was involved in that matter they would be guilty of corruption by their connection and through that knowledge, and had they not indicated it either to the house or to the police, then in my view they would be as guilty as the corrupt few who forged those materials in the first place.

Of course, one day we will find out who those people are, and I look forward not only to a criminal case but also a civil case.

The DEPUTY SPEAKER: The member's time has expired.

Mr HAMILTON-SMITH: 1 still have—

The DEPUTY SPEAKER: No, you do not. The member for Fisher.

The Hon. R.B. SUCH (Fisher) (12:23): Thank you, Mr Deputy Speaker. This week, in fact yesterday, Mr Gary Burns was appointed as the new police commissioner, and I wish him well. I do not know him personally, but I am sure that he will continue the high standard that we have had from previous commissioners. When his appointment was announced he spoke of how he would reform the police force and shape it. There is one issue that has not been addressed, even through the ICAC process, and that is that in South Australia we do not have anything like a police integrity

commission where a genuinely independent body can look at the actions of the police force systemically or otherwise.

The Police Complaints Authority is very limited in what it does and what it can do, and it often spends more time saying why it cannot investigate something. In relation to the Police Complaints Authority, it is generally looking at individual complaints in respect of an officer's behaviour to a member of the public, or something like that. In formulating the reform package of anticorruption, we still need a police integrity commission, and I believe and hope the government will move down that path.

There has been a lot of criticism of the NRM boards and I think some of it unfairly ignores the positive work that is done by them. I agree that the focus of the NRM boards should be on hands-on, front-line work, not on bureaucracy, but I believe that what they do in relation to soil conservation, pest and plant management, the restoration of rivers, and so on, is very worthwhile work. I think people need to have a balanced approach when assessing the role of the NRM and not simply focus on what they might seek by way of a levy but also acknowledge that the NRM boards are now a very important part of the total environmental management system in South Australia.

Members need to remember that the NRM boards come out of the water catchment management boards, which was a Liberal initiative many years ago under David Wotton, who was the minister at the time. So I just ask for a bit of balance in people's assessment because, often on talkback radio and elsewhere, you hear people being highly critical of what the NRM boards do and I think the criticism often is unbalanced and unfair.

On the matter of councils I will not go into great detail because I have a motion before the house, but I indicate to members that the government needs to do more in terms of bringing about reforms in the local government sector. It is a very important sector. People often say I am attacking local government but what I am seeking is to have it operate most efficiently and effectively and respond to the needs and wishes of local residents.

Only an hour or so ago, I had a response from the Chairman of the Productivity Commission, Mr Gary Banks AO. I have written to him about the role of councils (and, as I say, I will not get into the detail of that because I have a motion relating to it) and he has indicated to me that his final report looking at local government as a regulator—looking at its role in regulating and controlling things—will be released in early July, so that is not far away. I am not suggesting that that report will encompass all of the things that I am seeking, but he has indicated in his earlier letter to me that it will be looking at the optimal sizing of councils and giving some consideration to that, and achieving economies, whether that includes amalgamation or cooperation or sharing resources. I welcome that and look forward to that report being released in the next week or so.

I noticed in the media that the LGA was questioning why I was referring the matter to the Productivity Commission. The Productivity Commission (and members can look on the website) has the authority to look at any level of government in Australia and look at any issue, basically, that has an economic aspect to it, whether it be private or public, so the Productivity Commission is an appropriate body to look at issues like efficiency and effectiveness. I welcome that report.

One issue that concerns me, and I do not believe the government has adequately dealt with it (I know the Attorney has a lot on his plate), is the cost of what I would call justice, that is, the cost of our legal system. Without getting into personal details relating to someone, I understand a recent case involving a shoplifting matter and another associated allegation has cost that person in excess of \$200,000 in legal fees. Members might say, 'You don't have to have a lawyer,' but, given the reality of our system, you basically do, especially if it is a complicated matter.

What we have now in a whole range of issues affecting the courts—and I am not relating this comment to any recent case involving shoplifting—is a constant stream of people appearing in our courts who are suffering from a psychological condition, a mental condition. We are spending a lot of money and it is costing citizens a lot of money, not only through the role of prosecution on behalf the Crown, but through people trying to defend themselves.

I believe it would be a worthwhile thing for the government, through the Attorney, if we can reform the system so that people are not forced to spend a huge amount of money to defend themselves against what many would regard as low level, alleged offending, for example, a shoplifting matter. We need a better system, a more efficient system, and a less costly system. I know the former attorney, the Hon. Trevor Griffin, was looking at trying to deal with that issue of low-level offending, including shoplifting, but I think the move for reform petered out.

Likewise, we have a difficulty at the moment with so-called sexting. In our society at any mention of the word 'sex' people have a funny sort of reaction. What we are doing at the moment is turning teenagers into criminals. Teenagers are doing what teenagers have often done: dares, silly exposure of their body or someone else's. It has always happened, but now they are using electronic media. We are turning these people into criminals, and if we are not careful we will end up like Queensland, where I think they have something like 200 teenagers on the sex offenders register who have sent, inappropriately, a photograph of themselves or a friend via the net.

I took it for granted that when we were debating legislation about sending inappropriate images we were actually targeting paedophiles: people who want to harm children sexually, not some teenager who has unwittingly or otherwise sent a photograph of his girlfriend, himself, or whatever. They are not and are never likely to be hard-core paedophiles. Silly behaviour at a teenage level needs to be addressed in a way that is not so harsh and which does not result in them being labelled as sex offenders. It can deny, as it has in Victoria for example, the opportunity for some of these young people to become teachers because someone has sent them a photo of someone without their clothes on.

I think it is an area of urgent legal reform that is needed in this state. I urge the Attorney to pay some attention to that. I have corresponded with former justice Robyn Layton on this issue; she has a very keen interest in this issue. Surely, the government can come up with some proposals to change the legislation so that we can tackle the hard core and real offenders: the paedophiles, not some teenager who has a moment of silliness.

The other issue relating to the law is spent convictions. With the support of all members that legislation went through. We find now that the police have interpreted it to mean that they can reveal everything that has happened to someone via the court system going back to the age of 11. I do not believe that was the intention of the parliament, that we would resurrect situations—and I will not use names—of people like Mr A, who went swimming naked at Port Elliot with his mates when he was a teenager.

The matter of him as a teenager being dealt with by a justice of the peace, not even a magistrate, haunts that person and his wife day in and day out. He has not done anything like that since then, but 50 years later it haunts him to a point where he is virtually on the brink of committing suicide. Once again, the law needs to be sensible and deal with the real offenders, not with someone who went swimming naked with his mates when he was 14 and was convicted by a JP of gross indecency. I know he is busy, but I urge the Attorney to really attend to that matter promptly, because it is haunting people day in and day out and not only causing them distress but causing their families enormous distress as well. We need a criminal justice system that deals with real criminals, not people who did something silly or inappropriate as a teenager and have not offended since.

The other matter that comes within the purview of the Attorney is significant tree legislation. A meeting was called, months ago, to look at this issue. We are still waiting, apparently, for the development assessment body chaired by Mario Barone to come back with recommendations regarding the significant tree regulations. I am not sure what the hold-up is, but if action is not taken soon to correct some silly provisions in those regulations, the tree environment and the urban environment is going to suffer.

There is a range of silly provisions whereby trees in the city are treated the same as trees around a farm on the West Coast—quite silly, quite ridiculous. There is a provision that no eucalypts are to be removed, which is silly because some eucalypts are inappropriate and not indigenous to the area anyway; other trees are to be protected for reasons best known to the bureaucrats who drew these up. These regulations need to be redrawn and that should be done as a matter of urgency. The minister needs to ask the advisory panel chaired by Mario Barone to report back promptly so that appropriate changes can be made.

Electricity was mentioned by the member for Waite. Maybe we need to resurrect Sir Thomas Playford: he had an answer on the issue of electricity. The concern, then, was that electricity was not being provided, particularly in rural areas, as required by the farming community—not so much pricing. Maybe the government could look at not taking over the whole industry but putting pressure on by creating a baseload generator, because what we need is baseload. Wind power is great and solar power is great; they are great when the wind blows and the sun shines but they are not guaranteed baseload suppliers. If we want to have a manufacturing or any other base in this state, we need affordable electricity. We currently have the distinction of having the most expensive electricity in the world. If we are going to resurrect Sir Thomas Playford—we need him to help ensure that we get some affordable housing as he did many years ago, and that was the basis of the industrialisation of South Australia. Affordable housing for our workforce, and the population in general, is lacking at the moment. I cannot see any justification for a continuation of the so-called summer tariff, especially when it extends beyond summer. If you apply the same logic to water, we should pay more for water in summer because we use more water in summer.

We have some serious issues in relation to roads. I do not agree with the criticism in the total sense of our public transport system; I think, overall, it is a good system that needs a bit of refinement. The rail system is excellent, and that is what I use. Some of the major roads coming into the city from the south—Unley Road and Goodwood Road—need to be dealt with. The Britannia roundabout should have been fixed years ago by engaging a maths student from Adelaide Uni to do some calculations to apply a limited traffic light system there at peak hour; that is what we need and that is what I think should happen.

Overall, some positive things have come out of this recent budget process, but I think the government still has a way to go in terms of reform, not only in the area of the legal system, but particularly in terms of ensuring that people can afford electricity and water: two fundamental and basic commodities that people need every day.

Mr WHETSTONE (Chaffey) (12:40): I, too, rise to speak very briefly on the Appropriation Bill so that we keep the whips on both sides happy, particularly the Government Whip, who is very anxious for us to be out of here by 1 o'clock. My experience with estimates this year was somewhat mixed. I was given over 20 hours of sitting, listening and learning about the position this state is in today through government mismanagement of funds, mismanagement of assets and, just as importantly, mismanagement of the future, of where we are going in South Australia.

Obviously, in Chaffey all aspects of the budget are very important, and none is more important than agriculture, tourism, regional development, health and education. While all of those issues are important, I will perhaps indulge by speaking about something that I am a little more passionate about. Starting off, I listened to the Premier speak about the Motor Sport Board.

To hear the Premier say that he was not prepared to invest in something that is a huge economic driver for this state beggars belief. We are looking at the potential of having the Clipsal race under lights. We saw how South Australia suffered when the Formula 1 moved to Victoria because we were not prepared to move with the times; we were not prepared to invest in an investment that generated huge income for the state.

It is a \$15 million investment to move with the times—to move that motor sport event and keep it on a world stage. We all know that, to keep it on the world stage, we have to create new audiences and we have to address what international audiences want, and that is to put the race on at a time that is acceptable for the enthusiasts to sit down and watch, and to engage with motor sport. Of course, the Clipsal event is nothing short of world standard. My message is: let's not give that race to another state.

We look at the special interest vehicle registration that this government, again, did not support. It is an industry that is locked up in garages and sheds; the government does not give people any form of incentive or concession to get those vehicles out of those sheds and garages, and to display an investment they have made. In a lot of cases, it is a huge investment: we are not just talking chickenfeed here; some people invest many tens and, in some cases, hundreds of thousands of dollars in these vehicles, and yet there is no incentive to bring them out.

It is quite apparent that agriculture is an issue that the minister is above. She again relies on bureaucrats to feed her information, looks at cost recovery, and looks at ways to dissolve the responsibility and support of government into producing food—producing world-class product. Again, we have a South Australian food strategy for 2010-15. The economy was \$12.4 billion in 2008-09, and its target is \$16 billion by 2015. The way that we are going, the way that the Premier is particularly trying to play political games with the Murray-Darling Basin plan, I think that is in jeopardy.

The Premier does not have a hold of whether or not it rains for the cereal farmers, for the prosperity of livestock. Again, we look at livestock and see the government trying to claw back cost recovery with biosecurity levies; it really does beggar belief. I just want to touch on those food

sector issues, remembering that the food industry in the manufacturing sector. We do not get nearly \$300 million handed out to us to keep us viable for another five years.

We do not see these huge inputs of money into a food sector. It seems that the government wants to absolve responsibility, put it all back on the private sector and industry and say, 'Look after yourself; we're only looking after the golden child—we're going to look after the mining industry because that's what we see as something that will be worthy of support over the next 20 years.' We have to remember that agriculture has been around forever. We have had to eat, had to produce food, forever.

The government is walking away from its responsibility, whether it be looking at research and development so we can compete with our international competitors, or whether we are looking at biosecurity so that we can be responsible for keeping disease out of our food chain. That is something about which I shake my head on a daily basis.

We look at the fruit fly program, and the government continually looks at cost recovery. It is a cost recovery, but again it is an ongoing tax. South Australian food producers cannot compete on a level playing field. We are competing with cheaper labour costs with our overseas competitors, cheaper compliance costs and huge government subsidies. We are smart, innovative and probably world's best practice when it comes to farming, but we need unbiased help. Our reputation has to be built on that innovation, research and development, so why slash it when we need to be competitive? To me it does not make sense. We have to look at quality and at that strict quarantine regime. Why the attempts for these cost-recovery measures from industry, finding tiny savings and putting more impediments on the food sector? Again, it just beggars belief.

I want to touch on something very important to me. I came into this place with passion that we needed to reform water, particularly the River Murray sector. Over the estimates I listened to the Premier. He even used estimates to promote himself, that he was the fighting Premier for South Australia, that he was fighting reform. I say to the Premier that he has just spent \$500 million on a Goyder Institute report. He is now putting up a High Court challenge. He has put up \$300,000, plus all the government departments' expenses, on top of that. He has now indulged in a \$2 million campaign for 'the Premier' to stand upon so that he can stand up and say, 'I'm here as a crusader for the reform of the River Murray.' That is absolute rubbish. It is now so political that the Premier needs to own up. He has support for reform from our local paper on a daily basis. He knows damn well that he will never get up his idealistic approach on water reform.

It is about working with all the basin states, working out a solution, working out a way that we can actually get reform. It is something that has not been achieved in over 120 years, but this Premier needs to rise above the politics, instead of using taxpayers' money that we see today so that he can actually stand up on a campaign, a taxpayer-funded crusade, to say that he will ask for 4,000 gigalitres, no water from irrigators—'I don't want to give up any more for South Australia; we've behaved impeccably over our 40-year reform.' The reason we behaved impeccably over our 40-year reform. We forwent the Chowilla dam, we put our water into storage, and that is why we have spent the last 40 years being world leaders in efficiency gains and in best practice. The Premier needs to look at that.

We have the Conservation Council giving commentary from its office in Sydney, saying that we need buybacks. Those buybacks are giving a patchwork effect, particularly in the electorate of Chaffey. It is reducing community viability and putting those producers, those farmers, at risk because those ongoing costs of having water pumped to their property is so much more expensive. The Premier needs to get off his high horse and look at how we can actually achieve reform, and not just how it can be a benefit for his profile, so that he can use the morning paper that everyone gets up to every morning and reads how the Premier is standing up for South Australia.

The Premier is playing politics with reform that will achieve nothing for South Australia other than a political war between the four states. It really is sad to see that the Premier is putting himself before reform that is so dearly needed that has not been achieved over 120 years. I would like to go on for the next 15 minutes, if I could, to just point out how it is, but there are many more people who want to speak today. Again, the Premier needs to rise above politics and endorse reform.

The DEPUTY SPEAKER: I just remind members that we have eight minutes left for this whole debate. The member for Finniss.

Mr PENGILLY (Finniss) (12:50): Thank you, Mr Deputy Speaker; I will try to be brief. The estimates committees to me have got to the stage where they are just a complete waste of time.

We have inept ministers unable to answer questions, completely taken over by their public servants who whisper in their years at length whilst avoiding the real questions and real answers in prolonged speeches. However, let me turn to the minister for environment and conservation, and particularly marine parks.

I was not in the committee, but I was listening, and what an inept, ridiculous performance by minister Caica on marine parks. He was totally done over by the CEO of the department and others. Let me just say that on Friday night I watched the 7.30 SA and I watched the CEO Mr Allan Holmes make a total fool of himself on TV. He could not even get the gulf right. He kept talking about Spencer Gulf when it was actually Gulf St Vincent.

He said that fishermen could just move a bit further. They could just move a bit further out of the sanctuary zones and catch fish. He would not have a damn clue about the fishing industry, fishing grounds or anything else connected with that industry. That was bad enough on Friday night. On Sunday night I had a constituent from Cape Jervis ring me. He is a young fisherman who fishes off Rapid Head. He has bought the licence off his father and he set himself up in business and wants to fish professionally.

He went to the marine parks stand at the boat show on the weekend and he wandered up and said, 'Rapid Head, what is happening there?' The fellow behind the desk—I will not name him, but I know him quite well—the officer from the government there, said, 'Oh well, you'll just have to move off down the coast a bit.' This chap said to the government officer,' Well, the fish are not down the coast: the fish are right there where you put the sanctuary zone. It supports professional fishermen operating out of Cape Jervis, squid fishermen and scale fishermen.' He said, 'Oh well, they'll just have to move a bit. Anyway, why do want to know?' This particular fellow from Cape Jervis said, 'Well I am one of those professional fishermen.' This government officer hung his head in shame. Quite clearly the message from minister Caica, through his department, is to tell fishermen, 'You can just move down the coast a bit.'

That goes on top of the question I asked yesterday about the fishing industry on Kangaroo Island, where I mentioned in my question that the fishing industry has actually worked out that there is just under \$4 million loss of production in the sector. This is why the KI Futures Authority, promoted by the Deputy Premier to enhance the primary production capacity of KI, has certainly not been brought into these discussions. They want to wipe out \$4 million worth of production. The Deputy Premier's pet project KIFA has discovered that, while they are meant to enhance production and enhance income, they are going to be done over by these damn fools in the department of environment.

It is time Mr Holmes, Chris Thomas and a few others packed their bags and got out of South Australia, and it is time the government, particularly minister Caica, developed some intestinal fortitude and pulled this thing back into gear. The Premier has already dealt with it once. It is not good enough. I need to stop, because other members need to speak; however, I am going to pick up on it again next time. It is inexcusable that this government is letting this marine park sanctuary zones business blow totally out of control by an incompetent department, and it is not over yet.

The member for Norwood is firmly on top of this debate. We are seeing it around the state particularly from the West Coast, where the councils over there are rejecting it, and increasingly the professional fishing sector. We are just wondering when Premier Backflip will do another backflip on this and decide that he has made a big mistake. I can tell the house that minister Caica, minister Fox and a few other ministers will be right in the firing line over this at the next election. We will move heaven and earth to get rid of them—and I might add that it will not take too much to get rid of a couple of them.

It is a disgrace. It is not in the best interests of South Australia or the fishing industry, export income and local income. I am ashamed to sit in this place and watch this incompetent government go through this process and ministers like minister Caica make damn fools of themselves.

Mr VENNING (Schubert) (12:55): I will not address the budget because I only have two minutes, but I will just say this. It is quite a moment to be standing in the Legislative Council at the end of this week, for the first time to be actually sitting in this place.

The DEPUTY SPEAKER: Something your father never did!

Mr VENNING: That is exactly right; my father did not do that. It is an honour not only to have served the parliament in Mount Gambier but also to serve the parliament here—and also to be ejected yesterday, another piece of history.

I would like to say this. The problem with the asbestos in our chamber was known 20 years ago. I have been in this place for 22 years and there has never been a problem. Some might say that you can tell it has affected me; I hope it has not. I just cannot believe we have reacted like this for the sake of two or three days, when it has been like that for so long. I knew that canopy was up there, I had seen it 20 years ago. We knew it was there. It is a vast overreaction, and I want to apologise for the inconvenience to all the members and thank the Legislative Council for having us. It has been an honour to be here, but it will be great to go back.

Motion carried.

The Hon. C.C. FOX (Bright-Minister for Transport Services) (12:57): I move:

That the remainder of the bill be agreed to.

Motion carried.

The Hon. C.C. FOX (Bright-Minister for Transport Services) (12:57): I move:

That this bill be now read a third time.

Bill read a third time and passed.

LEGISLATIVE REVIEW COMMITTEE

Mr SIBBONS (Mitchell) (12:57): I bring up the 11th report of the committee, entitled Subordinate Legislation.

Report received.

At 12:59 the house adjourned until Tuesday 10 July 2012 at 11:00.