

HOUSE OF ASSEMBLY

Tuesday, 18 October 2016

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

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

Bills

NATIONAL ELECTRICITY (SOUTH AUSTRALIA) (AUSTRALIAN ENERGY REGULATOR - WHOLESALE MARKET MONITORING) AMENDMENT BILL

Second Reading

Adjourned debate on second reading.

(Continued from 28 September 2016.)

Mr VAN HOLST PELLEKAAN (Stuart) (11:02): I rise on behalf of the opposition to debate this bill, and I indicate that I am the opposition's lead speaker on this matter. I also make it clear for people who are listening or who follow this debate in *Hansard* that, while at the moment we are debating the National Electricity (South Australia) (Australian Energy Regulator—Wholesale Market Monitoring) Amendment Bill, this bill is part of a broader body of work that the government is undertaking at the moment and is closely connected with the Statutes Amendment (National Electricity and Gas Laws—Information Collection and Publication) Bill, which I expect this house will debate next.

People who are interested in this topic, and who are following what is discussed and said in this place, may well want to look at the transcripts of both those to get the complete picture because, while they are two separate bills, there is a lot of interrelationship between the two of them. This bill, the one we are dealing with at the moment—the National Electricity (South Australia) (Australian Energy Regulator—Wholesale Market Monitoring) Amendment Bill—is essentially about conferring on the Australian Energy Regulator a wholesale market monitoring and reporting function.

As members of this house would know, the AER has many functions and one of them is to ensure that laws and regulations are being followed appropriately by participants in the electricity and broader energy market. While the AER currently has the responsibility to provide oversight, what the government is proposing to do at the moment is to give it an obligation of market monitoring and, very importantly, reporting.

The opposition supports this bill. I note that the consultation that was undertaken by the COAG Energy Council received no negative feedback whatsoever. There were a few small queries and questions as to why it was necessary, whether it will work effectively, was it really going to achieve what the government said it wanted to achieve, but I am not aware of any energy market participant who raised any specific objection whatsoever to the government pursuing this path and trying to improve the completely unacceptable situation we have with regard to electricity in our state at the moment.

The government wants the AER to systematically monitor the performance of the wholesale electricity market in relation to effective competition and perform other monitoring functions that relate to offers and prices within the wholesale electricity market. That seems pretty straightforward and I have no concerns with that whatsoever, but it is probably worth going through how we got here. The minister has made it very clear that this bill has come before the house in an effort to improve the lot of South Australians, both household and commercial users, whether they be small or large, and that the government wants to try to make things better for South Australian electricity consumers.

Back in July, Mr Speaker, you will remember that we had a very significant price spike in the electricity market in South Australia. At that point in time, while there were quite a few factors that all

came together, one of the key factors was that there was extremely high wind velocity and high electricity demand at the same time. That meant that some of the wind farms had to shut down and that meant demand far exceeded supply, prices shot through the roof and a group of some of our state's most important companies—not the only important ones but some of the most important ones, including Arrium, Nyrstar, BHP, Adelaide Brighton Cement and others—came to the government and said, 'This is completely unacceptable. The situation our state is facing has got to be addressed.'

It is worth making crystal clear for everybody that in South Australia our largest employers are typically also our largest electricity consumers, and so it is no surprise that we have the highest electricity prices in the nation and, simultaneously, the highest unemployment rate in mainland Australia at the moment and, in fact, quite often including Tasmania as well. When those companies came to see the government, they said, 'Look, you've got to do something. This is completely unacceptable and it cannot continue.'

It was also brought to light, through the media and via the opposition and many different commentators, that the government up until that point had ignored warnings of this type of price spike and this type of reduced reliability of electricity supply. These warnings had come quite publicly, quite freely and quite openly from Deloitte Access Economics, from AEMO itself, from Frontier Economics and from other organisations.

The opposition was aware of these warnings. I say quite openly that I do not think anybody in the opposition, myself included as the shadow minister, considers themselves to be an expert in electricity, far from it, but I certainly heeded these warnings, and the opposition and the Leader of the Opposition certainly heeded these warnings, and we tried very hard to bring them to the government's attention. The government ignored those warnings but, thankfully, when that group of large companies went to the government and said to them directly, 'Something has got to be done,' the government did listen then, and I am pleased that those companies did that.

Interestingly, Alinta also warned the government of the increases in prices that would come to our market during discussions between the government and Alinta about, at that point in time, the potential closure of the Port Augusta power station and the Leigh Creek coalmine. Alinta said to the government, I am led to believe, that if the Port Augusta power station closed prices across the state would increase very quickly and be very high and that there would also be a marked decrease in the reliability of supply of electricity.

I am advised that the government's response at the time was that they did not believe that was the case and that it believed that it was Alinta trying to negotiate, trying to improve their position with regard to negotiations seeking help, etc. The reality is that this is exactly what has happened. Since Alinta announced the closure of its Port Augusta power station, forward contract prices in South Australia, on average, have gone up 72 per cent. Since Alinta actually closed the power station in May this year, on average spot prices have gone up 105 per cent across the state.

Alinta's warnings, and the warnings of Frontier Economics, Deloitte Access Economics, AEMO, etc., have all proven to be true. We have had a more than doubling in the spot market prices, on average, from the period before the closure compared with the period after the closure in South Australia. That has hurt South Australian businesses and South Australian employers enormously.

There is still a huge impact of that which is yet to flow through to household electricity prices because until now most household consumers have been protected by the agreements they are on with their retailers and they have not been subject to these significantly high prices. The next time that the prices are reviewed, this more than doubling in the spot market will flow through to those households. So, it is a double-edged sword. I welcome the government doing what it can, but it has come way too late: it could easily have been addressed many months ago.

Alinta was in discussions with the state government about the potential closure of the Port Augusta power station in the first half of the 2015 calendar year, so the government has had a very long time to address these issues, yet today we are here dealing with the legislation the government has brought forward to try to deal with it.

When this group of companies came and spoke to the government, and when the government said, 'Okay, yes, now we're starting to understand. We ignored the warnings of these independent economic commentators, we ignored the warnings of the opposition, and we ignored

the warnings of Alinta, but, yes, we now get it.' The first thing the government did was try to blame lots of other people, lots of other organisations. It blamed privatisation, Mr Speaker, and you would have heard that many times.

Let me say very clearly that South Australia and Victoria are both privatised electricity markets. They were both privatised at almost exactly the same time, yet South Australia has the highest electricity prices in the nation and Victoria has the lowest electricity prices in the nation—so it has nothing to do with privatisation.

The government tried to blame gas supplies. The government said very clearly that it thought the market was not fair and open and operating the way it should with regard to the supply of gas into electricity generation businesses. The government tried to blame the electricity market itself and talked about generators entering and leaving the market in a way that would be opportune for those generators so that the prices they would receive would be as high as possible.

So, the government basically tried to blame everybody else at the time, and then the government said—and what we are debating at the moment is part of this—it would do three key things. It would look at trying to improve market rules and regulations, trying to improve the electricity market essentially, and that is what this bill is seeking to do and that is what the next bill that we will debate shortly will also be part of. That comes with COAG agreement, and I respect that.

The second thing the government said it would do is provide \$24 million to the gas industry to encourage the gas industry to produce extra gas, ideally to produce cheaper gas so that we can have cheaper gas going to electricity generation, and hopefully that would flow through to cheaper electricity prices. That sounds good, and not surprisingly the gas industry welcomed that with open arms. The gas industry thought \$24 million completely unexpectedly into their industry—

The Hon. A. KOUTSANTONIS: Point of order, Mr Speaker: relevance. This is a COAG energy reform. The bill is about wholesale market monitoring. The shadow minister is talking about the gas market.

Mr VAN HOLST PELLEKAAN: This bill we are debating is one of three attempts the government is making, so I think it is important to talk about the other two.

The SPEAKER: Yes, the member for Stuart is always most helpful to me in shaping my rulings, and despite his submissions I am going to allow him to continue.

Mr VAN HOLST PELLEKAAN: Thank you, Mr Speaker. While the bill we are debating at the moment is part of the government's response in the first of the three efforts that it is making, as I was saying, the second is \$24 million towards the gas industry. The government has not made public how it intends to spend that \$24 million. People from the gas industry tell me that they still do not know. The government may have shared that with some participants in the gas industry but certainly there are plenty of them saying that they still do not know what that money is for, how it is going to produce cheaper gas or cheaper electricity, but let's hope it does.

The third response that the government had to its realisation that there was actually a very serious issue that needs to be dealt with in South Australia in regard to electricity prices and reliability is that it said it would offer 75 per cent of its own government consumption to a new generator supplier into the market, so 75 per cent of its own business would be offered over a 10-year contract. That seems like a pretty good thing to do on the face of it, but when you actually look at the numbers the government's electricity consumption is approximately 484 gigawatt hours per year; so 75 per cent of that is 363 gigawatt hours per year approximately. That is far too small an amount to attract a new generator to be built in South Australia, unfortunately, and the 10-year offer rather than the 20-year offer the industry would seek is also not nearly long enough.

I understand that the government today is briefing industry participants, people and companies who would tender for this business, and I look forward to learning more about what the government wants to do. Certainly generators have made it very clear to me in advance of the briefing—which I think might even be going on as we speak, as I believe it started at 10.30 this morning—that the government offering 75 per cent of its own use is not going to be nearly enough to attract a new generator into the market.

I am still extremely concerned that none of these three strategies that the government has offered will actually provide South Australian households and South Australian commercial consumers with much hope whatsoever. I would like to point out, though, that on that third offer, the size of what the government is offering would fit very neatly with the 110 megawatt capacity solar thermal power station development that has been proposed to the government. That would actually fit very neatly.

I also highlight that the Treasurer announced over the weekend that the government has received \$42 million of surplus over and above the \$258 million that was predicted under the last budget, so the government has \$42 million available to it to use, which it did not expect to have at the time the budget was released. That money could be extremely well placed to contribute to solar thermal power generation in Port Augusta.

That then would make the third of those three planks that the government is offering potentially useful because that is the size, roughly, of a power plant. They would still need a 20-year contract instead of a 10-year contract, but that might actually work very well. It is for the Treasurer and the Premier to determine how best they are going to spend that money. I know that they would have many options, but that is certainly one of them. I encourage them to consider that option very seriously because that would be not only useful with regard to encouraging a new generator into the market, as the government wants to do, but also very positive with regard to supporting the transition from fossil fuels to renewable energy.

The key is that we need renewable energy with storage. Until we can store renewable energy at large scale, there is only so much of it that we can have in our energy mix without making the problems we have in South Australia even worse. That is something for the Treasurer to consider, and he may well have already. The Premier might well be thinking about that already. That is essentially what the government's plan is: to try to change the market, try to make the market more transparent, try to support the gas industry to provide cheaper gas—and ideally that will flow through to cheaper electricity—and to offer a share of its own use towards a new generator.

Coming back to this bill and the first of those three prongs of the government's strategy, unfortunately I am not convinced that this is going to work, but I am more than supportive of the government having a go at this. I think there is a good chance that it might add red tape. I think there is a good chance it might add extra cost to the AER, which, of course, must flow through to all consumers. Certainly, there is no harm in this bill that I am aware of, apart from that. I think it is important that the government is given every opportunity to get on and address the electricity crisis that we have in our state.

The opposition will not stand in its way with regard to this bill. Unfortunately, we have the highest electricity prices in the nation: something must be done. We also have the most unreliable electricity in the nation. I have a very strong view that that is because the government has the mix wrong in the generation. That generation mix is all coming forward from private industry. I respect the fact that the government is not the generator, but the government does have the opportunity to manage that mix as other states have done much, much better.

I say again that Victoria, a privatised state, has the mix much better and the cheapest electricity prices in the nation. We have the highest electricity prices in the nation. The opposition will support the government in every way possible to address this issue, and if the government believes that this bill will provide cheaper electricity to South Australia, then we will give it every bit of support that we possibly can to allow that to happen.

Mr PICTON (Kaurua) (11:24): I rise to support the National Electricity (South Australia) (Australian Energy Regulator—Wholesale Market Monitoring) Amendment Bill, as introduced by the Minister for Energy. To begin with, I note that this bill has come about from a large amount of work across the states and territories. As members should know, we are the lead legislator across Australia in terms of energy policy for the National Electricity Market, and so our bringing a bill to amend the legislation in this regard will flow through to other states.

This is a proposal that has been supported not just by this state but also by states across the country and the commonwealth government. The Liberal commonwealth government has been very supportive of this move in terms of wholesale market monitoring, as have other states, such as

the Baird government in New South Wales, as well as other Liberal governments, such as the Tasmanian Liberal government. I think that it is important that we give these extra additional powers to the Australian Energy Regulator to ensure that we have better confidence that the market is operating properly at the wholesale generation level.

That is not something that we necessarily have complete confidence in at the moment. I think this particularly affects states like South Australia where there is a small number of market players and they wield quite significant powers. That is why we often face the brunt of those market operators wielding those powers. The Australian Energy Regulator having more powers to investigate and to make recommendations about how we can have a better market, to protect both consumers in South Australia and also large industrial consumers of energy in South Australia, I think is going to be very important.

Why do we need this protection? This is not something that we necessarily needed 20 years ago, when we owned the generators and we owned the wholesalers and we owned all our network assets. I am often reminded by the member for Schubert that Sir Thomas Playford looks down upon us, sitting right above the member for Elder, who of course led the introduction of the Electricity Trust of South Australia as a government asset, as an asset for the people of South Australia. Sadly, that was privatised in the 1990s by the Olsen Liberal government.

That is something that has just been defended in the last 20 minutes by the member for Stuart in his conversation with this house. Because our electricity assets have been privatised in South Australia, we do not own the generators, we do not control the market and we do not have the ability to provide those protections without ensuring that there are protections within the market, and we need to take every step that we can to make that happen. This is one of those elements to doing that. This is combined with a number of other things that the government is doing to ensure better competition in the electricity market in South Australia.

First and foremost is that, as has already been mentioned, we are offering to the private sector 75 per cent of the government's electricity load to attract a new competitor into the wholesale generation market in South Australia. We think that that is particularly important to ensure that there is another player who can offer long-term or medium-term contracts for people to provide dispatchable power, particularly for a lot of our large industrial users in South Australia. At the moment there are two, if you are lucky, but quite often there might only be one person you can go to in South Australia to get those contracts.

That is where we see a lot of the games being played in the wholesale market, and that is why we are offering this 75 per cent, to ensure that a new competitor can come into the market and offer those contracts, not just to the South Australian government but also to industrial providers in South Australia as well as flowing through to the retail consumer market and small business market. Getting that competition right is very important here in South Australia. Comparison was made earlier to Victoria.

Victoria has a whole series of different players in the market; not only do they have significantly more competition in the market but they also have significantly more interconnection to other states. They have connections through to New South Wales, to South Australia and to Tasmania, whereas we have connection only into Victoria. The reason that we do that is that when ETSA was sold it was a clear principle of the then Liberal government to ensure that we did not build an interconnector through to New South Wales so that they could get the best price for selling off those assets here in South Australia.

We are paying the price for that now. You can easily go back and see the quotes, when the current shadow treasurer, the Hon. Rob Lucas, said that he saw that power prices would come down under privatisation. The truth of the matter is that that has not happened, in large part because of the lack of competition in South Australia. Adding this additional power for the Australian Energy Regulator and also the actions that the government is taking, in terms of offering up our load to attract a new competitor, is very important.

The other thing of note that has happened in the last couple of weeks is that we have seen the opposition say that we should turn the Port Augusta power station back on. I think this is quite surprising since we do not own the Port Augusta power station. That was sold by the previous Liberal

government. We do not have the power to switch that on. We did not turn it off. It was turned off by the private sector owner of the power station.

If they want to do this—and this is part of their '2036' plan; I do not know if it will happen in 2036 or earlier—what is the cost of that? How much taxpayers' money would they be paying to a private sector company to get them to turn on that coal-fired power plant? They do not know. They have not produced any funding plan for this. They have not said where they would be getting the funding to do it. The idea that we have the power to get somebody to do that without handing over large sums of money is quite farcical.

What we are doing are the right steps in terms of reforming the National Electricity Market. The Minister for Energy has taken a number of reforms to the COAG energy ministers' meeting and has gone a long way in terms of getting other states to agree that we need to fix a number of things in the market that we think will improve the situation in South Australia. Also, what we are doing here, in terms of this bill and wholesale market monitoring by the Australian Energy Regulator, and in terms of trying to attract a new competitor, are all very important things to manage this. I completely support this bill and the efforts the minister is making. We are dealing with a situation that we have unfortunately inherited due to some poor planning in the 1990s.

Ms CHAPMAN (Bragg—Deputy Leader of the Opposition) (11:32): I rise to speak on the National Electricity (South Australia) (Australian Energy Regulator—Wholesale Market Monitoring) Amendment Bill 2016. The lead for the opposition has indicated that we will be supporting this bill, together with one to follow. In supporting this bill, I do not accept for one moment that it is going to make a scrap of difference to the price vulnerability that South Australians experienced in a most serious way in July this year.

I am not surprised that the Treasurer, as Minister for Energy, attended a COAG meeting in July, riddled with embarrassment, red-faced, over the disgrace that occurred here in South Australia, where there had been a price spike that was unprecedented, and asked what we can do to ensure that we pacify our constituents about this embarrassing situation. He came up with the assertion, which he stated in September this year, that the energy ministers recognised that there was a lack of transparency in the way generators operate in the NEM and that we needed to be able to better monitor market behaviour in the interests of consumers. That was his quote. That was his way of saying to us that he had gone off to this meeting and agreed with the other ministers as to how they were going to placate the outrage of the public over the circumstances that had developed in their own mismanagement of energy wholesale production in the country.

As was published in the local media, he went on to point out the importance of doing this and of being transparent and giving 'the independent regulator the teeth they need to go in and investigate and more importantly make public the findings they have of excessive market power'. That is the position he presented to us, as though this was a reasoned and responsible reaction to what was a mess of his own making.

What was incredible about that was that at the same time, in the same months, the South Australian public had been demanding to see the Alinta documents in respect of the closure of the Port Augusta power station, which the Ombudsman of South Australia had directed the South Australian government to make available publicly so that they could see what was going on, so that they could have some documentary transparency as to what was going on.

What has happened? The government have consistently refused to produce that documentation and have been utterly untransparent and opaque in allowing the public, the consumers, to know what is going on. Why does he keep bleating to the minister about confidentiality, respecting the people with whom we have contracted, yet in the direct opposite, says, 'But the regulators must provide this information under a new regime which is to provide for a report every two years, covering a preceding five-year period, with certain information that is to be published.'

I will refer to the bill because it really, essentially, makes provision for a small amendment by an addition into the National Electricity Law, which is currently a schedule to our national electricity act. That talks about confidential supply information and defines who is to be affected by this. It is to do an analysis of whether there is effective competition in the market. Frankly, I would have seen that as already within the AER's charter. Secondly, it is to monitor and report on the features of the

market that may be detrimental to effective competition and the features of the market that may be impacting detrimentally on the efficient functioning of the market. There are two-year and five-year obligations in respect of that.

Then there is provision for the use and disclosure of that information under the new proposed section 18D, which is then highly qualified by subsections (2), (3) and (4), which essentially then give a right to be able to protect the confidential information, so I do not see this as a major leap forward in transparency at all. It does indicate that there has to be a statutory obligation for time-specific reporting, but that is it. How is that going to help us deal with the fact that we have a wholesale market that applies for South Australia that is frankly woefully inadequate for the purposes of having any genuine competition?

The other aspect of this, which I draw the attention of the parliament to, is that the Australian Energy Regulator, which is the body in Australia that regulates the energy markets and networks, including the wholesale markets (which is the specific subject of its annual report), has now been operating for over 10 years. In its 2014-15 annual report, which is its last published report, the AER sets out a number of things it has achieved. It proffers a report from the current chair, Paula Conboy, who I think was appointed in 2014, and she talks about the importance of the work they do. Interestingly, board members Steve Edwell and Mr Andrew Reeves, together with Mr Ed Willett, provide some interesting observations. These are some longstanding members of that board. Mr Edwell tells us, in this annual report:

I see the AER at this time of its 10th birthday as a very credible and best practice regulatory agency. Well-functioning energy markets require vigorous competition; and where regulation applies, the regulatory agency must be independent, transparent and professionally competent. For mine, the AER delivers on these fronts as part of a broad institutional architecture that makes the National Electricity Market one of the world's most efficient energy markets.

That is his assessment. He goes on to say:

Ten years on, we have completed at least two regulatory cycles, overhauled the regulatory rules and revamped the Tribunal remit. The AER has developed a comprehensive benchmarking framework and guidelines to strengthen efficiency and regulatory certainty. All for the better. The evidence, however, is that business submissions are increasingly voluminous, there has been no reduction in the reset timeline and consumers find it difficult to engage in a reset process that is ever more technically complex. Such is the world of best practice energy regulation.

The contribution from Mr Geoff Swier was:

The AER can be proud of many of its achievements over the past 10 years. It has learned much from its more challenging experiences. Further, Australia's energy regulatory institutional arrangements are well regarded worldwide.

Mr Ed Willett's comments were:

I believe the National Electricity Market remains, by a clear margin, the best electricity market in the world. But there are clear vulnerabilities. Network prices remain too high, wholesale contract markets are too thin, the spot market's continued viability as an effective market (rather than a mere dispatch engine) is at risk and demand side participation remains formative.

Mr Andrew Reeves, who is the former chair, makes similar comment, and even Ms Cristina Cifuentes said:

The AER's independence, purpose and objectives are reflected in legislation. Our challenge has been to give effect to this in our everyday work. We have made it a priority to ensure our decisions are not only evidence based and supported by robust analysis, but are clearly reasoned and communicated.

The contributions in this report outline the legislative framework, governance and management under which they operate. It sets out a report on the performance and strategic priorities, and it identifies the performance of the work program. None of this report suggests, in any recommendation to this parliament, that there needs to be some increase in a reporting process to the parliament or to the minister.

The Hon. A. Koutsantonis interjecting:

Ms CHAPMAN: Sorry? None of this recommends that; in fact, they suggest that they have a website which already has, I think, 4,500 documents which they uploaded in that financial year. So I say to the parliament that I have no confidence that adding to this extra provision of information,

which is so heavily cloaked with exemptions under the confidentiality rules, is going to make a scrap of difference to what is a real problem: that is, the competitive lack of contestability within the wholesale market.

The government may have some other programs in which they might invest in a policy or reform area which may or may not work. That is not the ambit of this bill. However, the minister should not come in here and make statements to the public pretending that his position, clothed with the embarrassment of what happened in July, of a general agreement at COAG, is some justification for advancing even a higher level. I would like to have some information from the minister regarding the extra costs that would be involved, whether there has been any consultation with the AER on what their obligations will be in providing this material, what extra costs will be involved in the legal assessment of what is confidential and what is not. There will be some other questions during the committee stage.

In this parliament we rely on organisations, in this case the Australian Energy Regulator. Remember (for most who perhaps were not here in the parliament) that this was established as an entity independent of the ACCC because of the very special nature of the significance of a secure and affordable energy supply being provided to the public, both domestically and for industry. I will be interested in the answers the minister will have in respect of this, but I rely on this.

If the regulator says, 'Look, we are hamstrung in providing certain information, we need some assistance in this regard,' then I would have thought we would have heard from them. They would have identified an area in the report which was inadequate for them to be able to do their duty to be open and transparent and assist the consumer to be informed, to enable them to make submissions to them. All of that is good, but it is unbelievable coming from the lips of the Treasurer, who will not even give us a document about Alinta in this state.

The Hon. P. CAICA (Colton) (11:44): I will not hold the house for very long. I obviously support this bill and, indeed, you cannot look at this bill without looking at the one that is going to follow this bill as well. I think the member for Kaurana made a very salient point, and that was that our state's position in the electricity market has been somewhat compromised as a result of the decision by those opposite to privatise ETSA.

The member for Kaurana also mentioned some of the shortcomings of that privatisation with respect to maximising the return that the opposition, when they were in government, would get as a government for the sale of that particular entity. Contrary to the views that were expressed at the time, the privatisation of ETSA has not resulted in power prices coming down. I do not think this state government or any state government is going to compulsorily acquire the means of production. Some people might like that to happen, and I am not suggesting that it would, but what I am saying is that the last time I had a look around I do not think we are going to do that, and I understand the reasons that we would not.

That said, how is it then that we as a government, working with people interstate and the commonwealth government, can have some say in the way in which the marketplace operates, and that is through a regulatory framework? This is another tool in the toolbox. I think it is very important that this bill does provide the AER with a wholesale market monitoring function and a wholesale market reporting function, and that is a good thing.

I find the electricity market very technical, and I have suggested that I am not technically minded to be able to understand every aspect of it, but I commend these two bills because I think, in the scheme of the technicality that is the Australian electricity marketplace, this is a simple and good move that is going to provide a level of transparency that I believe does not exist at the moment.

It pains me to say this, but the member for Bragg spoke on confidentiality and the restrictions that exist with respect to the promulgation of information. However, in my reading of the bill, that confidential information can be used. It needs to be combined and arranged with other information so that it does protect the interests of those people who are being inquired upon, but it can be used and I think that is a very good thing.

The member for Bragg also spoke about and quoted from the board papers or information that the board has promulgated. Let's face it, why would the members of that board not be promoting what a great job they are doing? That is just what they do. That is not to suggest that they are not

doing some good things, but of course they are always going to say, 'What a great job we are doing. We are leaders in this particular area and, indeed, the way we do things is the standard by which the rest of the world should operate.' Why would they not say that?

It is a bit like those opposite saying, 'By geez, we're a good opposition.' I guess you have had a lot of time to be in opposition to get good at it, but I do not think you are a good opposition. My mum used to say that self-praise is no recommendation. Of course, what was quoted by the member for Bragg was nothing more than some self recommendation by those people who sit on the board. That is not to say, as I said earlier, that they are not doing a reasonable job, but this is another tool in the toolbox.

I think this is a tool in the toolbox that is going to be celebrated by our consumers because it will add a level of transparency, a proper analysis of how the marketplace is operating, an analysis of what restrictions are in place and identified in regard to uncompetitive practices or even untoward practices, and that can only be a good thing.

This bill defines what the AER must assess in determining whether there is effective competition. We live in a marketplace and the marketplace will only survive if there is effective competition. The marketplace will only thrive if there is effective competition. The consumers of electricity will only benefit if there is effective competition within that particular marketplace and this bill is about promoting that. How will it promote that? As I said, it will determine whether there is effective competition in the wholesale electricity market and that includes active competitors where the prices are determined over the long term by underlying costs of market power, barriers to entry and independent rivalry.

It allows a level of transparency that I do not believe exists at the moment, and I am very pleased that, as South Australia is the lead state with respect to matters of energy across Australia, this has been put in place and supported, as I understand it, by all states and, indeed, by the commonwealth minister; so, it could not be a bad thing. It is another example of those opposite being at odds with their parliamentary colleagues at the commonwealth level.

Mr Pengilly interjecting:

The Hon. P. CAICA: Well, it is not the first time. It is not like it is an aurora australis that you do not see very often. You see it very often when it comes to those opposite being at odds with their people at the commonwealth level. I can look at my friend the Minister for Energy here and say that we have not always agreed on things and that, from time to time, we have had a bit of a blue on issues, but on this—

Mr Knoll interjecting:

The Hon. P. CAICA: No, I'm not, on this particular issue I support him 100 per cent. What we will see, despite the fact that we have heard all that has been said on the other side about, 'This won't make an iota of difference,' is the simple fact is that they are going to support it, and why are they going to support it? Because it is the right thing to do—and, indeed, they believe that it will make a difference, and it will make a difference.

I am very pleased about the reporting periods and, in particular, that a report will be provided at least every two years and work over a four or five-year monitoring period and cover that period; so, that is also a very good thing. Of course, that report will need to be done in such a way, as I say, that the person who is catching a bus at bus stop 28 outside my office will be able to understand it, and if it is not written in that way then it is up to us to make sure that it is done in such a way that it adds transparency to the way in which it is communicated.

Mr Knoll interjecting:

The Hon. P. CAICA: I do not know whether that is right. What I am saying is that quite often when I was the science minister I used to look at a report and say, 'What the hell does that mean? Please take it away and write it so that (1) I understand it, but, more importantly, so that I can then approach the member for Schubert and be able to communicate it in such a way that he understands it as well, and in turn he would then be able to communicate it.'

It is about how you actually report in such way that it has some meaning and some understanding for those people who are going to read it. That is a challenge for some of these people of a technical nature, just as it was for the scientists who said, 'Oh, that will be difficult', but they went away and did it, and then it ensured that it was easily readable, understood and digested by those people to whom a report will be most meaningful.

I am not going to bang on about the liability or the confidentiality that the member for Bragg spoke about because I think that she is wrong in that particular area. As I said, that information can be combined and arranged with other information there. I think that this is a good thing. Again, I do not say that our constituents are not clever, because particularly in my electorate I have numbers and numbers, tens of thousands of the most intelligent people, but this is a technical area.

However, what they do not have available to them is a level of transparency about how the marketplace works; a level of transparency about why it is that certain things are impacting upon them in how they perceive and feel is an adverse way. This bill, in tandem with a bill that we are going to debate in, I hope, a not too long a period of time, are very important tools in the toolbox. A toolbox has to have a lot of tools in it to be an effective toolbox and this is one of those tools, and I—

The Hon. A. Koutsantonis interjecting:

The Hon. P. CAICA: Was that directed at me?

The Hon. A. Koutsantonis: No, sir.

The Hon. P. CAICA: Right.

The Hon. A. Koutsantonis interjecting:

The Hon. P. CAICA: No, that is it. So, in finishing off, I congratulate the minister on bringing this bill to the house. I congratulate his colleagues for embracing it in the way in which they have at the national level. I congratulate the federal government for embracing these measures as it has, and I commend the bill to the house.

Mr KNOLL (Schubert) (11:54): I rise to support this legislation but, in the true style I understand the debate was meant to be formed in this house, I would like to discuss a few things that have been said in the preceding couple of speeches. It seems quite interesting that the member for Colton made a contribution in which he called members of his own community scientifically illiterate, he called me scientifically illiterate, and then also went on to question the integrity of the AER board being truthful in their annual reports. He is welcome to his own contribution, and obviously everyone can interpret it as they wish, but I would have thought that the AER board had extreme integrity in their dealings, and they should be commended for the work that they have been doing.

The second point is that I think the government and government members, who have made contributions trying to pin this on privatisation, fail to understand one point; that is, if privatisation was going to drive up prices in the electricity market and ETSA was privatised (and I am going to say in 1997, 1999), why is it that it is only 17 years later that we have started to talk about issues in relation to price? Why is it only in the last couple of years that we have started to talk about these issues? Surely, if privatisation were going to be a problem, if a lack of interconnection were going to be a problem, this would have been a problem soon after the privatisation of ETSA. Why is it that it is only now, 17 years later, that we are starting to deal with these issues? Could it be that there are other changes within the energy market that have led to these price spikes?

Interestingly, if the government is so against privatisation of the energy electricity market in South Australia, then nationalise. If you think that privatisation is the thing that is holding it back, then do it; and if you do not, then do not. The point is that you are trying to have your cake and eat it too by blaming something and then saying that you are not going to fix it.

Although, interestingly, it would go against statements that the Treasurer has made on a huge number of occasions when it comes to the sale of the forests, the Lotteries, HomeStart Finance, the Lands Titles Office, the Motor Accident Commission, any building that is not otherwise nailed down in South Australia that they own, TAFE campuses. This is a government that has flogged off everything that moves but somehow has some sort of moral tirade against the privatisation of ETSA.

Well, I tell you what has changed in recent years, what has changed the South Australian electricity market, what is likely to have led to increased prices (and I say this with a reasonable degree of evidence that I will go through in a minute)—it is the fact that we have seen a huge increase in the amount of intermittent energy generation in South Australia.

One of the points that the member for Kaurua made related to the level of competition in the market, the fact that there is not enough competition in the market. Well, I tell you what: when you have wind energy bidding into the market at prices that mean that other forms of energy generation cannot compete and drives that energy generation out of the market, is that not what causes reduced competition in the marketplace? The answer is yes, and it is a fact that those opposite do not want to talk about.

The truth is that when you force out operators from the market and you have a lower number of operators with an ability to compete, you then rely more on interconnection from interstate in order to get generation. Surely, that is what is creating a lack of competition within the market. It is interesting that those opposite have tried to frame this debate as coal versus renewables. There could not be anything further from the truth. When the Premier stood up hours after having received the AEMO interim report and said, 'You basically have to choose now whether you are on the side of renewables or whether you are on the side of coal,' the truth is that it is his government that has chosen coal-fired generation, but they did not choose South Australian coal-fired generation: they chose Victorian coal-fired generation.

When you have 26 per cent of capacity coming across the Heywood interconnector and 51 per cent of that generation is coal, you are backing coal. You are just not backing South Australian coal, you are backing Victorian coal. It is an absolute disgrace for them to frame this debate in that way because, even if you were to accept their premise, they fail by their own standard that they have set for themselves. Do not think that this government is anything other than a lover of coal. They just want it to be far enough away that they can look good in front of their trendy lefty mates while forgetting the fact that the Heywood interconnector pumps coal across the border every single day. In fact, without that Heywood interconnector coal generation we would not have been able to kickstart the South Australian electricity market after the blackout.

When it comes to this bill, I think there is an inherent understanding that these things are sensible. What effect they will have in the longer term is debatable, but it makes sense. Greater information and greater transparency within a marketplace help to improve the efficiency and operation of that market. That we can concede. Having said that, what it does not deal with is the fundamental energy mix and the fundamental transmission and competition capacity within our marketplace—that it does not do. It is all well and good to potentially have greater information about the fact that you have the highest power prices in the country, but you still have the highest power prices in the country.

Whilst we support this bill because, in principle, it seems like a reasonable idea and, as the member for Stuart has talked about, there has not been opposition to it, the idea that this is some sort of panacea is completely wrong. We move on to the fact that in recent years we have seen a huge increase in the price of electricity, especially the wholesale price of electricity, in our market. That is something that the member for Stuart talked about, and he referred to specific bits of evidence.

I would like to go back to 2003, when the member for West Torrens was a lowly backbencher in the early stage of his long time in the darkness and wilderness of the government backbench. He sat on the Environment, Resources and Development Committee when it heard from a man who at that stage was the head of ESCOSA. His name was Lew Owens. Interestingly, Lew Owens has gone on to have other roles with utility infrastructure in South Australia. Lew Owens makes the following point:

The other generators are then required to make up the difference. If all the wind farms are busily generating at their maximum amount, all the other generators will back off by that amount, and if the wind stops, then the other generators have to come back up. That causes severe operational problems for other generators. If you are a coal fire generator, you like to be running fairly constant demands, you cannot turn it up and down every few minutes, it causes major operational instability. When you have few megawatts of wind power and you have 1,500 megawatts of gas fired or coal fired generation, it does not matter, it can easily be absorbed and it is just a gentle flicker.

However, as you start to increase the quantity of wind power coming into that system up to 100 megawatts, 200 megawatts, or whatever, you start to cause this instability in the rest of the system where, for example, if we had 1,000 megawatts of wind energy coming in, most of the base load stations in South Australia would be required to shut down, and to then start them up again is a 10-hour operation. There becomes a physical limit to just how much of this wind energy, which can be full capacity one hour and down to zero the next hour, you can actually fit into the system.

That is from 2003, from a committee that the now Treasurer sat on. It is a warning from a man the government obviously respects because he is a long-term chairman of SA Water, and it is advice that they should have heeded at that point. We come now to the Deloitte Access Economics report, released in November last year, which states:

It is the intermittent nature of this renewable electricity that creates challenges for systems and markets that were designed around dispatchable plant such as hydro, fossil fuels and nuclear. These conventional plant types also have characteristics that allow them to contribute to the stability of the grid, including keeping frequency levels consistent and being able to restart the system after a major blackout. Solar is not designed to contribute in this way, and while wind can (in limited circumstances) assist, its intermittency constrains its use for grid stability.

This morning, on the front page of *The Australian*, in a submission to the review into electricity security, the Queensland government-owned Stanwell Corporation said:

...renewable energy policies had 'emphasised "energy", while neglecting to value other electricity market services which are required to maintain a secure and reliable electricity supply'.

'This has led to the weak system and instability problems in South Australia,' Stanwell said...

We then go on to the Frontier Economics report, which states:

South Australia has experienced a spate of high wholesale electricity price events in July 2015. As has been long predicted, increasing penetration of wind, and its inherent intermittency, appears to be primarily responsible for the events.

This briefing from Frontier Economics then goes on to examine these incidents and how policy changes might be required to ensure the South Australian market operates more efficiently. We then go on to the Deloitte Access Economics report which talks about the increased spot price movement volatility in the South Australian market:

This greater price volatility in the wholesale market relative to Victoria can be linked back to the increased penetration of renewables that results in squeezing out of base-load and mid-merit generation (in SA) and is leading to:

- (a) an increased dependence on intermittent wind; and
- (b) an increased reliance on electricity supply from Victoria.

It goes on to say many other things. I do not know how many bits of evidence the government needs to be able to say we have a problem with our electricity mix generation in South Australia.

I do not know how many bits of evidence this government needs before it takes its head out of the sand. What scares me more is that we have a government that in 2012 put through an interim DPA that basically made it impossible to stop wind farms in South Australia. I have had two of them approved in my electorate: the Keyneton wind farm was approved under the old scheme in about 2012-13 and the Palmer wind farm was approved earlier this year but is still going through an appeals process in court.

Interestingly, many people ask me about where the Keyneton wind farm proposal is at. It has been quite dormant for a while. The reason it has been dormant I think in part is due to the renewable energy target renegotiations that happened at a federal level. When Tony Abbott as the Prime Minister announced that review, he basically stopped investment in renewable generation across Australia whilst that target was being renegotiated. If that process had not occurred, I have no doubt that we would see even more wind generation further advanced in South Australia, leading to potentially a larger problem than even the one we have now.

The truth is that the Liberal Party is not against renewables. We are not against renewables, but we want a decent, nuanced, cautious discussion, which the government refuses to engage in because they know they have egg on their face. Here is the thing: if you wanted to see the success of renewable energy and to deal with the issues that come as a result of climate change, then the worst thing you could do is undermine public support for renewables in South Australia or across the country.

The way you ruin support for renewables is by stuffing it up, by not being able to manage to integrate renewable energy into the grid properly. What will happen is that now, as the member for Stuart said, when we start to see consumers having to have renegotiated high electricity prices come in, when potentially we see brownouts and blackouts over the summer because we do not have the Northern Power Station to fall back on for base load generation, we will start to see an undermining of the broad support that exists for renewables.

It will not be our fault because we want to have the nuanced conversation, albeit that the government has not been able to do this properly, has not been able to integrate the supply into the grid. Once South Australians realise that it is the government's fault for not being able to do that and that they are the ones paying from their hip pocket, that will then flow back to renewable energy generation. Then, everyone on the other side of the parliament who stands up and believes that they are some sort of champion will be the ones who caused this issue in the first place and should be the ones—and we will be here making sure that South Australians know it—who stand condemned for not being able to get the job done properly.

We should have done what the rest of the country has done—that is, taken a more cautious approach and incrementally increased wind so that we can start to test the limits of their intermittency and the lack of synchronous supply, in terms of dealing with low levels of frequency stabilisation that wind brings. We would be able to test the market and then start to deal with the issues that result.

But, because we have had a government that blindly went about this without looking at the consequences, even though so many of the experts were able to tell them that this was going to happen, we now have a situation where we have gone too far and where we are going to have to start to fix things after the fact, as opposed to being able to look forward and actually predict some of the things that were going to happen in the first place.

The problem is that anything to do with electricity supply is not a quick fix. We talk about interconnection, which could potentially take three to five years; we talk about improvements to battery storage, which could potentially solve some problems around the intermittency of wind generation but which is still years and years off, and who knows if and when that technology will come on board. Instead of waiting for those things to happen, the government is blindly, with its blinkers on, saying, 'We're just going to head down this path, regardless of any of the consequences, and we're just going to see what happens afterwards,' and it is South Australians who will have to pay.

We on this side of the house will continue to be a sound and reasonable voice, to actually talk about these things in a detailed, scientific and rational way. I commend the member for Stuart for the way he has gone about dealing with the issue to this point. The government needs to realise that we will not be silent on this issue, and over the next 18 months we will prosecute this issue with great fervour. The government also needs to realise that issues are coming up in our future—that is, the potential shutdown of the Hazelwood power plant next year that could cause us further issues into the 2018 summer—and we will be here, making sure that South Australia realises that the worst friend of renewable energy in South Australia is the Labor government of South Australia.

Mr PEDERICK (Hammond) (12:09): I rise to speak to the National Electricity (South Australia) (Australian Energy Regulator—Wholesale Market Monitoring) Amendment Bill 2016. This comes in line with another bill that I believe will be debated later today. We are the lead jurisdiction for energy legislation, and these bills were developed by the COAG Energy Council's Energy Working Group in response to issues raised by the Australian Energy Market Commission, which is the national governing body for our energy markets. These two bills were developed together as part of a national electricity law and national gas law amendment package.

Certainly, back in 2013, the Australian Energy Market Commission identified vulnerabilities in the National Electricity Market, resulting in potential barriers to entry into the wholesale electricity market for generators and structural factors that may be limiting competition. As a result, the COAG Energy Council agreed to introduce an explicit wholesale market monitoring function for the Australian Energy Regulator to identify these issues and propose possible solutions.

Part of the solution is to enable the AER to regularly and systematically monitor the performance of the wholesale electricity market in relation to competition; to require the AER to

publish on its website a whole market monitoring report at least every two years, including its opinion on whether there are features of the wholesale electricity market that may be detrimental to effective competition or effective functioning of the market, which may require a legislative response; and also to introduce explicit provisions around the process to seek additional information on the terms of confidentiality.

These measures are intended to ensure that there is effective competition in the National Electricity Market, protecting the long-term interests of consumers. The monitoring and reporting functions are designed to provide energy ministers with information and evidence to support legislative and regulatory responses that may be necessary. This talks about the security of the market, wholesale markets, and monitoring using confidential information, and about how we can manage these markets.

What we have witnessed, especially since Alinta has shut down at Leigh Creek, causing the subsequent closure of Port Augusta, is the collapse of power generation in South Australia and the collapse of the management of power generation in South Australia. Just short of three weeks ago, we had 'black Wednesday', 28 September—

Ms Redmond: At least this government got us back in the black.

Mr PEDERICK: Yes—when the whole state went black. I reckon that has probably never been competed with anywhere else in the world, but I would have to check that. To me, there is a host of failures there; one is the initial issue of at least 22 towers either coming out of the ground or bending over near their bases in winds that essentially were not that high, from what I understand. That happens, but then it trips out the entire state on a circuit-breaker, for want of a better word, to protect the rest of the national network through to Victoria.

We had this absurd situation where people in Nelson, in Victoria, had their lights on. They could cook dinner, they could do everything they needed to do at night after work—they could get home and travel with streetlights on and that sort of thing—yet a few kilometres away in Mount Gambier the lights were off. There is a significant flaw in the system, when these towers collapse 250 kilometres north of Adelaide and it throws the state out. There has to be a better way. Anyone in private industry who ran a situation like this would not be in business. It just would not happen. To think that protections could not be put in place just shows how headlong this government has run into the mantra of renewable energy.

What happened that day was that because the government was so reliant on the interconnector to Heywood, when all of a sudden it looked like there was going to be a problem on the line, that line tripped out and we lost the lot. Obviously, not much wind was operating and what was operating was not generating much. The issue we have with wind energy is that it is not synchronous, it does not run at 50 hertz to give a base load base that is needed, and that was certainly what was needed to bring us back from the black. From what I understand, the Heywood interconnector was needed to power up Pelican Point on the gas to get it going to help us light up the state again.

We saw progressively over that night that some of the outer areas got power before a lot of Adelaide. I know the inner city came back reasonably quickly. I know that around Murray Bridge in my electorate it came back at around 9 o'clock and outer areas in Adelaide did not come back until midnight or 1 o'clock in the morning. But then we look at what happened in farther flung areas, and essentially the state's West Coast or Eyre Peninsula was just abandoned.

Emergency generators did not fire or could not fire. We saw that happen over there. We saw people out for 60 to 70 hours. In fact, from what I am told, it is hard to buy a generator on Eyre Peninsula. I have heard that Paramount Browns' have had to put back orders in. People I have talked to who come from not only that part of the state but elsewhere are now buying diesel generators to connect to the house so that they can have the lights on and manage their households into the future. They have no faith in how things are managed in this state.

We have a state where the government talks about wind energy and is hell bent on it, yet we have a minister, who is a mining minister and very much a fan of mining, who has seen the closure of a perfectly good coalmine that would have had coal for another 15 years for this state. What the government wants to hide from the people, as the member for Schubert exemplified in his

contribution, is the simple fact that without coal-powered generation from Victoria, without that base load, we would not function in this state.

Even Mike Rann, the champion of the miniature windmills on top of this place (that did not work either), acknowledged years ago that we needed more interconnection and we needed that interconnector to New South Wales because he understood that you had to be connected to base load to even out the reliance on wind energy. That is the issue: it is not, as has been said, that we are against wind energy, but you have to balance it out. I certainly believe that for every kilowatt of wind energy you have, you have to have a kilowatt of base load. That is part of the reason why we are the most expensive jurisdiction for electricity, not just in this country but in the world.

It is ridiculous. You would think that when you pay a higher price for electricity that you would have reliability of supply, but that is the last thing that happens in this state. I, along with many others, have put on solar panels mainly because I need to protect myself from what I know is going to happen in the next two years. It is going to get worse, it is going to get a lot worse as we head into the 2018 election and the different scheme changes for solar panels. They are getting quite cheap but obviously you do not get the payback.

In fact, I talked to my supplier when I put the last lot on. I think the person I was talking to on the phone was in Melbourne and she said, 'Adrian, you only need this much.' I said, 'I need more. I need to turn that meter backwards. I need to turn it backwards when I can because of the costs that are going to be imposed on top of what we are already paying now.' What we are already paying now is outrageous enough when we look at what happened on that Wednesday—'black Wednesday', 'blackout Wednesday'. The simple fact is that we do not have surety in this state. If people do not think it is going to happen again, just remember what happened back in July, when the minister had to beg Pelican Point to fire up. Industry was on his door saying, 'We need Pelican Point operating to make sure we have power supplies to keep industry going in this state.'

With 'black Wednesday', we had industries that were nearly caught with blast furnaces solidifying, and they barely managed to get through. We know there are enough issues at Whyalla without imposing that issue on them, and also Nyrstar. On 'black Wednesday' Pelican Point was not operating—even though the minister advised it was operating—and it had to be brought on later.

As I indicated, we are finding now that we essentially have no base load supply of basin gas here in South Australia. We have the Murraylink interconnector from Red Cliffs in Victoria through to Berri, which is a 220-megawatt line: there are a couple of cables buried underground, and that line won some awards when it went in. That is a 180-kilometre line. We have the Heywood interconnector which, with the upgrade, comes out at 650 megawatts, and that is certainly what we are reliant on to back up our gas.

As the federal minister, Josh Frydenberg, indicated in the media the other day, one day with the wind it was operating at 1 per cent of our power supply and the next day it was operating at 80 per cent, and that is the issue. The only way to balance that out is to have base load but, essentially, you end up running two different systems. I want to look at what is happening in Queensland, and I quote from an article in today's publication of *The Australian*:

Annastacia Palaszczuk's ambitious 50 per cent renewables energy target has been undercut by Queensland's largest government-owned power generator, which has warned Australia is moving from being one of the lowest-cost electricity nations to one of the highest.

In a submission to a landmark review into electricity security, the Queensland government-owned Stanwell Corporation said renewable energy policies had 'emphasised "energy", while neglecting to value other electricity market services which are required to maintain—

And this is the secret, and you do not have to be a brain surgeon—

a secure and reliable electricity supply'.

Stanwell also said:

'This has led to the weak system and instability problems in South Australia,'...while also ringing the alarm about energy affordability. 'It is disappointing that Australia has moved from one of the lowest-cost electricity nations to one of the highest cost, to the detriment of Australian industry and economic growth.'

The comments, which are focused on the national energy market and do not single out Queensland, have reignited debate over renewable targets and are significant as the Queensland Premier pursues a 50 per cent renewables target by 2030.

I just hope that Queensland is having a good look south at what is happening in this state. The article continues:

Former Queensland Labor treasurer Keith DeLacy warned last night that high renewable energy could send energy-intensive industries offshore, which would mostly have an impact on those on lower incomes. 'There is no place for hi-vis shirts in a high-renewable energy state,' he told *The Australian*. 'All manufacturing jobs will be gone, exported offshore to all those countries who are more interested in growing the economy and providing electricity than they are in saving the world.'

This is coming from a Labor man, so we really do need to have a good look at what is going on in this state. We cannot have a government that makes out that they are the champion of renewables, yet are as much reliant on coal as anyone else in this country. We are absolutely reliant on the Murraylink and the Heywood interconnector, as has already been said in this place.

If some of those coalmines in Victoria—I think it is the Hazelwood mine— shut down next year as rumoured, what do we do then? From some of the information I have been reading, coalmine power and their power stations are cleaning up their act. They are doing a great job in reducing their emissions from the emission totals that they were emitting in the past. The simple fact is they are an absolute part of our mix, because the issue with the renewable energy targets is that it is made so that the gas generators cannot compete, coal generators absolutely could not compete in South Australia, and that is why Alinta made the decision.

As the member for Bragg said, it would be interesting to see on the correspondence from Alinta to the government their warnings to the government about what would happen into the future with Leigh Creek closing down. We are in dire straits. I look at people making investment decisions in electorates along the border of South Australia, in the Riverland right down to the South-East, and certainly if I had almond properties—and they are the real go at the moment in Victoria and South Australia—and I had to build an operating shed or a packing shed, I reckon I know which state I would build it in, and sadly it would not be here—

The Hon. A. Koutsantonis: What a disgrace!

Mr PEDERICK: —because one of the costs—no.

The DEPUTY SPEAKER: Order!

Mr PEDERICK: This is a state where people are making those decisions because it costs so much to operate those businesses, especially with the high power costs. I have had businesses that have long been established in South Australia that are telling me—

An honourable member interjecting:

Mr PEDERICK: Yes. They are telling me that they are expanding their interstate operations because—

The Hon. A. Koutsantonis: No, you said you would.

The DEPUTY SPEAKER: Order!

Members interjecting:

The DEPUTY SPEAKER: Order! I am on my feet. Sit down. Members on both sides are asked not to interject. I remind them of the standing orders, on both my left and my right. The member is entitled to be heard in silence.

Mr PEDERICK: Thank you, Madam Deputy Speaker. I know companies that are investing and broadening their exposure interstate because one of the issues is the price of running their business. Certainly, as a South Australian, that angers me. Even when you look at it, you would have to look at the operating costs to see whether you would operate on this side of the border in this great state, which I truly cherish, but as a businessman you would have to make a sound decision, and that is the issue we have here. We have such vulnerability in our power supplies in this state. We do not have security of supply, yet we pay the most for electricity in this country.

People talk about the electricity market in this state not being government owned anymore, but neither is Victoria's. They have the cheapest power, the cheapest electricity costs, in this country and yet we have the most expensive. People are making investment decisions around that, and I hope we can attract more business into this state. We saw what Keith De Lacy, a Labor man from Queensland, has said. He said himself that the hi-vis shirts will go and there will not be any manufacturing if Queensland goes down the path of what is happening here in South Australia.

Mr WILLIAMS (MacKillop) (12:29): What an interesting debate! I think it is very timely; in fact, I think it is a bit too late. South Australia is on the precipice of economic ruin. A fair bit of it is caused by our government, and our government remains in denial. Ever since the government came to power in the early 2000s it has run this mantra that the selling of ETSA has caused increasing power prices, and it has caused a whole heap of other issues and ills for the state.

The reality is that nothing could be further from the truth. As the member for Hammond just pointed out, the Victorian government sold their power assets at about the same time and now enjoy the cheapest power in the nation. We, alternatively, enjoy the most expensive power in the nation. The government has no answers, other than to repeat the lies that the selling of ETSA has caused a problem. I will give a quick lesson in history, Madam Deputy Speaker, because you and I were both here at the time, and a few people were here, as was the minister.

At the time that we sold ETSA, the demand for electricity in South Australia was much greater than it is now; indeed, we were staring at the spectre of the lights going out and there was a debate about building an interconnector to New South Wales. When we were in government, we took an alternative decision. We took a decision that we would be better off building a new power station in South Australia—thus, Pelican Point Power Station. But, Madam Deputy Speaker, you and some of your colleagues will remember that the state did not have the capacity to borrow the money to build that power station. Why not? Because it was already almost broke because of the previous Labor administration, with debt to the point where we could barely borrow any money at all.

Indeed, the last borrowings made by the outgoing Labor administration in the very early 1990s (and we were still paying off this debt) was borrowed at an interest rate of 15 per cent from a group of Belgian dentists—15 per cent. We would have the member for Kaurana and the member for Colton suggest to us that we should have borrowed money at 15 per cent. Remember, this is because of the recession that we had to have—another Labor institution—but they would have South Australians believe that we should have borrowed money at 15 per cent or more to build power infrastructure and an interconnector to New South Wales.

If we had gone down that path, what would have been the energy source for that power? It would have been coal from old thermal power stations. I do not know what the efficiency ratio is, but I suspect that it is flat out to be 30 per cent. Instead, we built a combined cycle gas turbine generator at Pelican Point. When I say that we built it, we enabled the private sector to build it and built a modern combined cycle gas generator that has an efficiency of producing electricity from the thermal value of the gas fuel that it burns of probably in the high 60s—I think it is probably 67 or 68 per cent thermal efficiency.

That means that the carbon footprint from that power station is less than half the carbon footprint of supplying electricity into Australia from an interconnector into New South Wales. All these years later, our current Premier and Minister for Energy are turning back the clock and saying, 'Shouldn't we build another interconnector? That's our answer: we will build another interconnector into New South Wales.' The South Australian community has already bled to the tune of billions of dollars building wind farms and installing rooftop solar panels.

I would suggest that in excess of \$3 billion has been spent in South Australia in the last 10 or so years, maybe a little bit longer, in building that infrastructure. What have we seen happen? As a number of my colleagues have pointed out, the fact that they are intermittent generators of electricity means that we have had to retain backup. Basically, we have invested in capital investment twice: we have already had the investment in the traditional generating capacity and then we built a new generating capacity which is unreliable, so we have to keep the old generating capacity and switch it on whenever it is necessary.

But it gets worse, because it is not a matter of switching it on and switching it off. This is the problem with the Northern Power Station, a coal-fired thermal power station: you cannot switch it on and switch it off at a whim. It takes hours and hours to heat up the boiler in a steam-fired facility. So what happened at Alinta's power station, the Northern Power Station? When the wind blew, they kept pouring coal into the boilers, kept the boilers ready for when they needed to be switched on and, virtually every day of the week, at some point in the day, they were called on to switch on and fill the gap that had been caused by the drop in wind or the sun going down.

The reality is that the same amount of coal was being burnt in that facility whether they were selling electricity or not. The reality is that for a fair bit of the day they were not selling electricity. That is why Alinta took the decision firstly to shut down the power station in the winter months when the demand was lower, and then finally the decision to mothball, or shut down, the whole station. It is not because it is not efficient, and it is not because it is not cost-effective if it was doing what it was designed to do, and that is keep churning out power 24/7. It is very efficient and very cost-effective.

The fact is that they cannot keep putting coal into the boilers to keep them hot for the few hours or sometimes longer each day when they are asked to supply to the network. The reality is that even when the Premier and the minister beat their chest about this and say, 'We are producing 40 per cent of our electricity needs from renewables,' we are still burning the same amount of coal. Today, since Alinta has shut down the Northern Power Station, that coal is being burnt in Victoria. It is not burnt at Port Augusta, but do not think that because it is not burnt at Port Augusta it is not being burnt.

If the generators in Victoria did not have the capacity to feed electricity across the interconnector whenever the wind stops blowing or the sun goes down, our lights would be going out far more regularly, I can assure you. The member for Colton said that he struggled with technical information and technical explanations. He is lucky, and I suspect a lot of his colleagues are the same. They are lucky because they do not have to worry about the rubbish that they have been told by their political masters down here in the front corner.

They can go away and think that the world is one that resembles fairyland because that is the world they are living in. If the member for Colton did have some technical ability, he would understand the reality of what I am saying. He would understand that it does not matter how much renewable energy is used in South Australia: whilst we rely on backup principally from thermal, coal-fired power stations in Victoria—and the Premier and the minister want us to get further backup out of New South Wales—the same amount of carbon is being pumped into the atmosphere.

It gets worse again because, to pump electricity from the other side of Melbourne to our major load centre here in Adelaide in South Australia, we lose about 15 per cent of the electricity that is produced on the other side of Melbourne in what we call transmission losses in pushing it through those wires to get it here to South Australia. It is about 15 per cent. Indeed, you have to burn even more coal to provide the transmission. If we build a power interconnector to New South Wales—I can tell you I know a little bit about geography too, and I do not know whether anybody over there understands geography—it is a lot farther to the major power generators in New South Wales than it is to the Latrobe Valley on the other side of Melbourne.

Those transmission losses will be even more. I would suggest they would be in excess of 20 per cent. I think when we looked at this issue all those years ago when we were last in government, and there was a debate in our party room about the various alternatives, from memory the figures that we were given were somewhere between 20 and 25 per cent of energy losses in transporting electricity from the coast of New South Wales to the major load centres here in South Australia.

This is the great lie that has been told to the people of South Australia. The great lie that has been told to the people of South Australia is that we are saving the planet by building wind farms. The reality is that we are costing ourselves a huge amount of money and we are making diddly squat difference to our carbon footprint. That is the reality. I fully appreciate that most of the people on the other side are like the member for Colton and struggle with technical information and struggle with understanding it. That could be the only explanation for the decisions that they have been making.

My friend and colleague the member for Hammond spoke of the spectre of people considering investment options and whether they build a facility over the border in Victoria or they build it in South Australia; whether they move a business opportunity to South Australia or to some other part of Australia. The member for Hammond said that he could understand, if he was faced with that, and electricity was a big part of the decision-making, he would be hard-pressed to make the decision to build it here in South Australia.

The minister was sitting in his place at the time and he said, 'What a disgrace!' I agree with the minister. What a disgrace that the government of this state has put us in a position where it is almost impossible for somebody to invest in South Australia because of the cost of electricity. I think that is a disgrace. The further disgrace is that from the Premier through to the minister, right down and throughout every member of this government, they all remain in denial as to what is happening here in South Australia.

I served as the shadow minister for energy for a significant number of years. I am very keen on the spectre of us being able to produce electricity without putting more carbon into the atmosphere. I look forward to the day when we can do that. The reality is that today it is just not technically possible. It may be at some time in the future. I would suggest that it is at least 20 years away. I might be proved wrong. It might be a bit sooner than that. I suspect that it will be more like 40 to 50 years away before we can reliably say that we now have a renewable energy source which can provide all of our electricity 24/7 and do it at a cost that will allow us to survive in the real world—not that fairyland world that most of the members of the government seem to live in.

Why can we not build motor cars here in South Australia anymore? I will guarantee that electricity costs are part of the equation. There are lots of parts to the equation. I am not saying it is the only issue, but I will guarantee that it is part of the equation. When Ford announced that they were closing down their Victorian car building facilities, I was not surprised when they said they could build cars more cheaply in Asia—in fact, they said they could build a car for about a quarter of the price in Asia—but I was astounded when they said that they could build a car for half the price in Europe.

We did not have the economies of scale in our car building industry, but one of the things we did have here in Australia was cheap energy. That was a distinct advantage and one of the reasons why the car industry was able to survive for so long. But now we do not have cheap energy. South Australia's electricity costs are up there with Germany and some of those northern European countries that have gone headlong into renewables—Belgium, Denmark, Germany—and turned their back on traditional electricity-generating systems, yet import bollocks of electricity from places like France, which embraced nuclear 30 or 40 years ago.

The electricity market and the electricity industry are very complex. I fully accept that probably nobody on the government side, including the minister, fully comprehends how it works. If the minister does comprehend how it works, that is even worse for this government—that, in spite of understanding the problems, he remains in denial. The reality is that we are driving up the price of electricity through policy and we are having diddly squat impact on our carbon footprint.

There are articles in the paper every day about battery storage, most of them driven by people who have a vested interest in selling batteries. It is good business for them to sell batteries. They are going to turn themselves into millionaires, as a number of people putting rooftop solar panels on our roofs have turned themselves into millionaires. It has not solved our fundamental problem. It has not reduced our footprint and it has not provided us with cheap electricity. It has provided a few people with cheap electricity at the expense of everybody else.

The solar rooftop industry in South Australia is the worst piece of public policy I have seen in the time I have been in this parliament. We have encouraged the wealthy people in this state to put solar panels on their roof and they are being subsidised by the poorest people in this state. It is a disgraceful piece of public policy run purely to point out a political argument about the sale of ETSA. That is what drove it, and it was a disgrace. The people who today cannot afford to put solar panels on their roof are subsidising all those who have been able to afford it. I can tell the house that I have not gone out and bought solar panels and put them on my roof because I have an ethical issue with that. That is my personal issue.

We have this nonsense where the minister has been saying for months that the solution to the problem is to shop around. Now we have the minister saying that we have this problem because we need more competition. Then the minister says that we have to build another interconnector to New South Wales, and then he says that we are going to sign contracts for electricity supply—big, long-term contracts to get a new player into the marketplace to drive that competition. The minister changes his line every couple of days, but the reality is that the competition we have had here in South Australia has been driven to the wall by policies of this government.

The Northern Power Station has been closed down and we are now relying on a coal-fired thermal power station in Victoria that is just as dirty. The minister wants to rely on another one in New South Wales that has the same footprint, plus the 15 or 20 per cent transmission losses. We have Pelican Point sitting out there, a very modern, efficient, combined cycle gas generator sitting idle for the exact same reason—that it cannot afford to keep its boilers running and that it cannot afford to keep hot water whilst it is not selling electricity.

The people of South Australia have been lied to for too long by this government. The people of South Australia will start to wake up. The government has been getting away with it to date, but one good thing that might come out of the blackout that befell us all recently is that the people of South Australia might get to understand the truth a little more quickly.

Mr BELL (Mount Gambier) (12:49): I rise to support the bill before the house, the National Electricity (South Australia) (Australian Energy Regulator—Wholesale Market Monitoring) Amendment Bill 2016. I note with interest that South Australia is the lead parliament for national energy legislation, and quite possibly the reason for that is that we are the most desperate.

We have been put in a perilous position, a vulnerable position and—there is no other way of putting it—we are at the mercy of Victoria. This state government has eroded our independence to the point where we are now at the mercy of Victoria. Of course they will sell us electricity, but they will dictate the price and they will look after their own state first. If we need to purchase electricity at peak times we will be paying an exorbitant price for it.

What most people do not understand is that the interconnector with Victoria currently has the ability to supply only around 23 per cent of our peak demand. So what we had the other day, when all the wind farms turned off in a very short period of time, was this massive draw on the interconnector at Heywood in Victoria. That is basically like putting your kettle, toaster, microwave, every light and every electrical appliance in your house on right at the same time. Of course, the safety switch flicks in the electricity box.

Unlike turning off the appliances, going outside and flicking the safety switch back on, and then turning appliances on slowly—which can be done in a matter of a few minutes—when it occurs from a state perspective it takes a hell of a long time to reset the system. That is one part that has not been spoken about too much over the last few weeks when we had, of course, the statewide blackout and were totally at the mercy of any other state because the safety switch had been flicked.

Renewables have a part to play in this, there is no doubt about that, but what intrigues me about the statewide blackout is that I have had a lot of engineers come to talk to me and I have seen photos of one of the electricity towers that had been blown completely over, not bent over but basically picked up and blown over. What astounded them was the lack of concrete on the footings; in fact, one engineer said that his pergola would have more concrete on it than that electricity tower.

They then went on to say that what has been reported in the media was perhaps half-truths—and shock, horror when I heard that. It is virtually impossible for one of those towers to crumple the way some of the photos have shown, the reason being that they are built with steel lattice; that is, the criss-cross connection provides the strength with the steel. There is very little resistance for wind in there because the wind has nothing to push up against; it passes through the electricity towers and continues on.

These towers survive cyclones, hurricanes and are stress tested to a very high degree. What those engineers proposed to me was that, in fact, the first tower went over due to poor footings or virtually no footings, and the weight of the wires attached to that first tower then pulled over the other towers into that crumpled-looking mess that the Premier gets out and says, 'Well, the reason this

happened is because we had a big storm.' Well many parts of the world, and certainly many parts of Australia, have far bigger storms, far bigger wind events, and those towers stay perfectly upright.

Interestingly, if you look around the tower that was crumpled over, and used with the spin doctor's blessing, many of the trees in the background are perfectly upright and standing. You would have to wonder whether that construction was perhaps built out of Chinese steel, or whether it was what some engineers have come and told me: that the first tower being picked up, due to no or limited footings, and the weight of the wires were the actual causes of pulling that tower over.

What we have seen over the last 14 years is a failure to plan. There is an old saying that failing to plan is planning to fail, and over 14 years the chickens are now coming home to roost. This government has been on a wild binge of spending, but not in the right areas: not on energy security and not on reducing the price of energy, but on pet projects or, might I say, vanity projects. We have a \$2 billion desalination plant which has barely even been switched on to its insurance operating level—\$2 billion. We have a \$2 billion new Royal Adelaide Hospital, but of course it is the \$1.1 million per day every day for 36 years that is going to really cost us dearly.

There is \$4 billion that could have been used to address power security and the price of power, but it gets a lot worse. Of course, we had the sale of the Lotteries Commission; we had the sale of the Motor Accident Commission, reported to be in the order of over \$2 billion when all the payments come through; and we had the sale of the South-East forests. However, no attention has been given to energy security or price.

What does the government spend their money on? I went through a couple of things, including the desalination plant and the new Royal Adelaide Hospital, but there is also the O-Bahn. What a light-bulb moment that would have been for somebody. It is interesting that the O-Bahn runs through a couple of marginal seats; you might see the true intent of this current government. In fact, I am hoping the people of South Australia wake up and pull the plug on this Labor government because they have no plan on how to power this state.

I will go to the member for Hammond's point, who was rudely interrupted, which should never be tolerated in this place. He made the point that it is expensive to do business in South Australia, so I went and got a couple of quick stats. On Christmas Day, according to the average price tables published by the Australian Energy Market Operator, the regional reference price—that is, the average spot price—for a megawatt hour of electricity in South Australia was \$91.67. At exactly the same time, the corresponding prices in New South Wales, Victoria and Queensland were: \$37.33 in New South Wales; \$20.38 in Victoria which, as has been pointed out time and time again, has a privatised system; and \$36.20 in Queensland.

Ms Redmond interjecting:

Mr BELL: As the member for Heysen has pointed out—

The DEPUTY SPEAKER: You should not take any notice of that.

Mr BELL: —quite neatly, we could total the price of all three of those and it would still be around the South Australian average. However, of course the real pain comes when we have price volatility. On 17 December, the average spot price for a megawatt hour of electricity in South Australia was not \$91.67: it was \$259.59. No wonder major employers in South Australia say that this is a concern and that if this government does not take it seriously they will take their business elsewhere. Also, other businesses and employers wanting to set up in South Australia would look at these risk factors and say, 'Why would I bother?'

It is quite interesting that on 29 November a new climate change strategy for South Australia was released by the Premier and the Minister for Climate Change, Ian Hunter, and it was called an economic development initiative. I seek leave to continue my remarks.

Leave granted; debate adjourned.

Sitting suspended from 12:59 to 14:00.

**ANANGU PITJANTJATJARA YANKUNYTJATJARA LAND RIGHTS (MISCELLANEOUS)
AMENDMENT BILL**

Assent

His Excellency the Governor's Deputy assented to the bill.

SUMMARY OFFENCES (FILMING AND SEXTING OFFENCES) AMENDMENT BILL

Assent

His Excellency the Governor's Deputy assented to the bill.

**ASER (RESTRUCTURE) (FACILITATION OF RIVERBANK DEVELOPMENT) AMENDMENT
BILL**

Assent

His Excellency the Governor's Deputy assented to the bill.

JUSTICES OF THE PEACE (MISCELLANEOUS) AMENDMENT BILL

Assent

His Excellency the Governor's Deputy assented to the bill.

NOTARIES PUBLIC BILL

Assent

His Excellency the Governor's Deputy assented to the bill.

SUMMARY PROCEDURE (ABOLITION OF COMPLAINTS) AMENDMENT BILL

Assent

His Excellency the Governor's Deputy assented to the bill.

LEGAL PRACTITIONERS (MISCELLANEOUS) AMENDMENT BILL

Assent

His Excellency the Governor's Deputy assented to the bill.

RESIDENTIAL TENANCIES (MISCELLANEOUS) AMENDMENT BILL

Assent

His Excellency the Governor's Deputy assented to the bill.

**JUDICIAL ADMINISTRATION (AUXILIARY APPOINTMENTS AND POWERS) (QUALIFICATION
FOR APPOINTMENT) AMENDMENT BILL**

Assent

His Excellency the Governor's Deputy assented to the bill.

APPROPRIATION BILL 2016

Assent

His Excellency the Governor's Deputy assented to the bill.

Petitions

LAND SALE, PORT NOARLUNGA SOUTH

Mr PICTON (Kaurna): Presented a petition, signed by 8,017 residents of South Australia, requesting the house to urge the government to stop the sale and development of the paddock on Commercial Road, Port Noarlunga South, and convert the land to a national park.

*Parliamentary Procedure***ANSWERS TABLED**

The SPEAKER: I direct that the written answers to questions be distributed and printed in *Hansard*.

PAPERS

The following papers were laid on the table:

By the Speaker—

Auditor-General—

Part A—Executive Summary Annual Report 2015-16

Part B—Agency Audit Reports Annual Report 2015-16

Volume 1 Annual Report 2015-16

Volume 2 Annual Report 2015-16

Volume 3 Annual Report 2015-16

Volume 4 Annual Report 2015-16

Volume 5 Annual Report 2015-16

State finances and related matters Supplementary Report October 2016

[Ordered to be published]

Parliament of South Australia—Members, House of Assembly—Travel Entitlements Annual Report 2015-16

Independent Commissioner Against Corruption and Office of Public Integrity Annual Report 2015-16

By the Deputy Premier (Hon. J.R. Rau) on behalf of the Premier (Hon. J.W. Weatherill)—

Auditor-General's Department, Operations of the—Annual Report 2015-16

Premier and Cabinet, Department of the—Annual Report 2015-16

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

Criminal Investigation (Covert Operations) Act 2009—Australian Crime Commission Annual Report 2015-16

Rules made under the following Acts—

District Court—

Civil—Erratum to Amendment No.34

Civil—Supplementary—Amendment No.6

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

Commissioner for Kangaroo Island, Office of the—Annual Report 2015-16

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

ReturntoWorkSA—Annual Report 2015-16

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

Club One—Gaming Machine Act 1992 Special Club License Annual Report 2015-16

Liquor and Gambling Commissioner—Annual Report 2015-16

By the Treasurer (Hon. A. Koutsantonis)—

Regulations made under the following Acts—

Public Corporations—Education Adelaide

By the Minister for Finance (Hon. A. Koutsantonis)—

Regulations made under the following Acts—
Local Government Finance Authority—General

By the Minister for Mineral Resources and Energy (Hon. A. Koutsantonis) -

Regulations made under the following Acts—
Electricity—Provision of Limited Advice

By the Minister for Agriculture, Food and Fisheries (Hon. L.W.K. Bignell)—

Regulations made under the following Acts—
Fisheries Management—
Charter Boat Fishery—General
Charter Boat Fishery Definition
Demerit Points No. 2
Prescribed Fishery Regulations Definition

By the Minister for Tourism (Hon. L.W.K. Bignell)—

Regulations made under the following Acts—
Major Events—
One Day International Cricket Match—Australia v Pakistan 2017
Twenty 20 Cricket Match—Australia v Sri Lanka 2017

By the Minister for Local Government (Hon. G.G. Brock)—

Local Council By-Laws—
Municipal Council of Roxby Downs—
No. 1—Permits and Penalties
No. 2—Dogs
No. 3—Cats
No. 4—Local Government Land
No. 5—Moveable Signs
No. 6—Roads
No. 7—Waste Management

By the Minister for Education and Child Development (Hon. S.E. Close)—

Animal Welfare Advisory Committee—Annual Report 2015-16
Dog and Cat Management Board—Annual Report 2015-16
Wilderness Protection Act 1992—Annual Report 2015-16

By the Minister for Transport and Infrastructure (Hon. S.C. Mullighan)—

Regulations made under the following Acts—
Harbors and Navigation—Restricted Area Henley Beach

VISITORS

The SPEAKER: I welcome to parliament members of the Port Noarlunga South residents group. Is the member for Kaurna entitled, by dint of his address, to be a full member?

Mr Picton: Yes.

The SPEAKER: Excellent.

*Ministerial Statement***POWER OUTAGES**

The Hon. A. KOUTSANTONIS (West Torrens—Treasurer, Minister for Finance, Minister for State Development, Minister for Mineral Resources and Energy) (14:06): I seek leave to make a ministerial statement.

Leave granted.

The Hon. A. KOUTSANTONIS: I can inform the house that as of 12 October ElectraNet had fully restored and energised power to the three circuits damaged by the violent storms and that full load levels are available to all its customers across the state, including industry. With full access to the transmission network restored, ElectraNet expects to erect permanent towers over the coming months, repairing the damage caused by high winds to three of the four main transmission backbones.

South Australia's major industries, including Arrium at Whyalla, Nyrstar at Port Pirie, and BHP Billiton at Olympic Dam, have worked together with the Department of State Development, ElectraNet and SA Power Networks to minimise the impact of the outage. I also bring to the attention of the house the efforts of the management and workers at Whyalla, Port Pirie and Olympic Dam, to quickly stabilise their industrial operations and ensure the safety of their fellow employees. They should be congratulated.

On 5 October, the Australian Energy Market Operator released its preliminary operating incident report into the South Australian power outage. The preliminary report advises that generation in South Australia initially rode through the transmission system faults but, after an extensive number of faults in a short period, 315 megawatts of wind generation disconnected. This significant reduction in electricity supply resulted in increased flow on the Heywood interconnector, which overloaded and disconnected to protect it from damage.

A rapid reduction in the power system frequency from the tripping of the Heywood interconnector resulted in the remaining load and generation being lost, and a statewide electricity outage ensued. Because the Heywood interconnector separated from the South Australian power system to protect equipment, it remained functional and therefore was able to supply electricity to the state to help progressively restart South Australian generators and restore power to the grid. The restoration was undertaken progressively to ensure the stability of the power system was maintained throughout the process.

While the report states that the event was triggered by extreme weather, AEMO will tomorrow update the findings of its initial investigation into the system black event. I met with the Essential Services Commission of South Australia yesterday, which informed me that the organisation is now partnering with the Australian Energy Market Operator to help in these investigations.

The state government recently imposed a new regulation requiring ElectraNet to provide advice to the AEMO to help them manage the rate of change of frequency in the South Australian system. I can also advise the house that, prior to the event on 28 September, the government had already taken steps to ensure that the national electricity framework adequately provided for the reliability and security of the power system as it transitions to a carbon-constrained future.

On 12 July, I submitted a package of four rule changes to the Australian Energy Market Commission which sought to offer flexibility to the Australian Energy Market Operator to manage security as the generation mix changes. The federal Minister for Environment and Energy, the Hon. Josh Frydenberg, convened the Council of Australian Government's Energy Council on 7 October to consider the 28 September event.

I advised my colleagues that renewable energy will be an increasing part of Australia's electricity mix as we transition to a carbon-constrained future, and ensuring that we have the right framework for integrating these renewables into our power system needs to be the priority of the energy council. Energy ministers agreed that the National Energy Market is undergoing significant transition due to technological change as more renewable energy comes on line.

I was pleased that the commonwealth government has taken the first steps to modernising the National Electricity Market by appointing Chief Scientist Dr Alan Finkel AO. Dr Finkel will develop a national reform blueprint which will outline national policy, legislative reform and rule changes required to maintain the security, reliability and affordability of the National Electricity Market (NEM) as it transitions to a cleaner future. This work will be vital to ensuring that our NEM is brought into the 21st century and better integrates renewable energy sources into our grid to deliver reliable base load power while meeting Australia's international climate change commitments.

The South Australian government is working with other jurisdictions to nominate two other experts to support the review, and Dr Finkel will present an initial report to the leaders' COAG in December ahead of a further energy ministers' COAG in mid-December. The Council of Australian Governments also agreed to reviews into the system black event from AEMO, the Australian Energy Regulator and the Australian Energy Market Commission. During that meeting, I also reached an agreement with my New South Wales counterpart, the honourable minister Anthony Roberts, to help facilitate a new interconnector between our states, boosting competition and improving stability of the National Electricity Market.

While the circumstances of 28 September are still under investigation, it has been bitterly disappointing to witness politicians at both state and federal levels using the events to push their own ideological agendas. There were numerous ignorant and sometimes quite dangerous statements made during—

Members interjecting:

The SPEAKER: The minister will not be requiring the protection of the Chair from this point on.

The Hon. A. KOUTSANTONIS: There are numerous ignorant—that is a foreign concept for me, sir, protection from the Chair; I've not yet experienced it.

Mr Gardner interjecting:

The Hon. A. KOUTSANTONIS: Yes, that's what I was trying to say. There were numerous ignorant and sometimes quite dangerous statements made during and after the event. During times of difficulty the public expects leadership not politicking.

Mr Marshall: From you! You are a complete joke.

The Hon. A. KOUTSANTONIS: Mr Speaker, thank you for your protection, sir. In closing, we should not overlook the tireless efforts of the many South Australians who worked tirelessly to restore power to the transmission network and to protect homes and businesses from widespread floods and the furious storm. It is during events like these, as we saw during the Sampson Flat and Pinery fires, that the very best of South Australians comes to the fore, working together to meet these challenges.

Mr Marshall interjecting:

The Hon. A. KOUTSANTONIS: Ask me a question.

GAWLER RIVER FLOODING

The Hon. L.W.K. BIGNELL (Mawson—Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Tourism, Minister for Recreation and Sport, Minister for Racing) (14:14): I seek leave it make a ministerial statement.

Leave granted.

The Hon. L.W.K. BIGNELL: Our state's agriculture sector was hit hard by the recent storms and flooding, particularly in the Gawler River Floodplain region. The South Australian government has been busy assisting primary producers across the state following the impacts of these severe weather events. The flooding of the Gawler River has had the biggest impact on primary production, with an estimated area between 1,000 and 1,500 hectares under flood in the Gawler River Floodplain horticultural region.

I have visited the region twice in the past two weeks and seen the damage firsthand, although its full scale is yet to emerge. The latest update from the area is that the water has been receding but rain over the past few days, including today, is keeping it muddy, and there are still some areas of significant flooding.

In 2005, when there was flooding, the local community and growers were prepared to manage the clean-up themselves. Unfortunately, it took months for the water to drain away and the process caused angst amongst people who were already stressed because of the flooding. This time, the state government has stepped in early to coordinate those efforts. Almost immediately, we had crews from Primary Industries and Regions, South Australia (PIRSA) assessing the damage and providing advice to businesses.

The assessment teams have been meeting with producers to assess the damage to market gardens, crops, livestock, greenhouses, farm buildings and equipment, and liaising with industry associations. To date, more than 200 property and business assessments have been undertaken. The state government also set up a 24-hour hotline for producers to report losses and other associated issues, which has helped more than 40 callers and is still receiving calls.

Recovery operations are also identifying and assessing issues regarding access to clean water, organic waste and waste disposal. Initially, PIRSA's operations were overseen by an incident management team based at Glenside. Recovery programs have then operated from the Virginia Horticulture Centre since 11 October. I was out there last Monday when things moved into the horticultural centre at Virginia.

Other organisations located at the recovery centre include the Department for Communities and Social Inclusion, Centrelink and Red Cross. Information is being provided to flood-impacted farmers, which includes PIRSA recovery grant fact sheets and application forms, and contact details for rural business support services. There has been an increasing number of visits to the centre as people begin to better understand their situation and seek short-term support.

The government quickly provided \$260,000 to help pump floodwater away from properties and back into the Gawler River in a coordinated way as a first step in helping growers clean up and get back on their feet. The state government has recently announced more support to assist flood-affected primary producers in the Gawler River Floodplain region with grants up to \$10,000. These \$10,000 grants, administered by PIRSA, are available for primary producers in the inundated areas of the Gawler River Floodplain region to reimburse expenses incurred for the immediate costs of cleanup, re-establishment and repair.

In addition to the grants, a task force has been established to oversee longer term recovery across all storm-affected areas of South Australia and help affected businesses develop future investment opportunities. As agriculture minister, I will chair the Business Reinvestment Industry Taskforce with the Treasurer, the Minister for Transport and Infrastructure and the Minister for Innovation, as well as industry representatives. The focus of the task force will be using business reinvestment opportunities to re-establish and grow primary production businesses affected by the storms and floods. The state government will then provide additional financial support where appropriate.

Much work has been done in a very short period of time. However, the recovery process will take a long, long time, with many producers estimating it could be six months or longer before they are back in full production. At a time like this it is important everyone pitches in and does what needs to be done. I call on the local councils to step up and make sure they are fulfilling their responsibilities for flood mitigation and infrastructure in the Gawler River area.

While there is still a long way to go, I would like to thank all the staff and volunteers who have been involved in the recovery program to date. Your hard work in assisting affected producers to get back on their feet is very much appreciated. I look forward to supporting the continued recovery efforts and want the growers to know our government will be there with them for the long haul.

EXTREME WEATHER CONDITIONS

The Hon. Z.L. BETTISON (Ramsay—Minister for Communities and Social Inclusion, Minister for Social Housing, Minister for the Status of Women, Minister for Ageing, Minister

for Multicultural Affairs, Minister for Youth, Minister for Volunteers) (14:20): I seek leave to make a ministerial statement.

Leave granted.

The Hon. Z.L. BETTISON: The extreme weather event commencing on Wednesday 28 September 2016 caused power outages and storm damage across the state, along with severe flooding, particularly in the Northern Adelaide Plains area. The State Coordinator declared the incident a major incident at 5.30pm on 28 September 2016, pursuant to division 3, section 22 of the Emergency Management Act 2004. Both the Emergency Relief Functional Service in Housing SA and the State Recovery Office functions were activated.

The Emergency Relief Functional Service opened relief centres on Thursday 29 September at Ceduna, Clare, Port Augusta, Port Lincoln, Port Pirie and Whyalla, and Gawler on Friday 30 September 2016. Additional accommodation for those sleeping rough in the Adelaide CBD was also made available by inner city homelessness agencies on the nights of Wednesday 28th, Thursday 29th and Friday 30 September and again on Monday 3 October.

The Recovery Hotline 1800 302 787 was already operational and continues to be available from 8am to 6pm. Public information about relief and recovery activities has been issued across multiple media channels, including the sa.gov.au website, social media and traditional media. Three emergency grants have been made available to assist people impacted by this event—the loss of power grant, emergency relief grant and the emergency clean-up grant. People who presented at relief centres for emergency support were assessed and, if eligible, received immediate assistance.

Due to the volume of loss of power applications received, assessment of some applications is still underway. More than 14,000 applications in total have been received. The majority of loss of power applications received at the relief centre, around 7,000, are being processed this week. Funds can take up to five days to appear in people's accounts. Those received by post or email will be processed over the coming weeks as further verification is required. People who did not meet the eligible criteria will receive a letter advising of the outcome.

As the immediate need for refuge, information and personal support services reduced across most of the state, all emergency relief centres closed at 6pm on Monday 10 October 2016, with close to 10,000 families having been assisted. The Emergency Relief Functional Service opened the Northern Adelaide Plains Flood Recovery Centre on Tuesday 11 October 2016 to support the recovery of the local community over the long term. The centre is located at the Virginia Horticulture Centre, Old Port Wakefield Road, Virginia.

Recovery services include information about available assistance through a range of agencies, including the Department of Primary Industries and Regions, the provision of emergency and clean-up grants, and connections to mental health and other supports. Given the predominance of Vietnamese and Cambodian market gardeners running horticultural enterprises in the Northern Adelaide Plains area, fact sheets have been translated into Vietnamese and Khmer.

Current Local Recovery Coordinator for the Pinery fire, Mr Alex Zimmerman, has been appointed interim Local Recovery Coordinator for the areas of the Northern Adelaide Plains affected by flooding. A local recovery committee has also been established. The Emergency Relief Functional Service has coordinated outreach services into affected communities, drawing on the assistance of the Australian Red Cross and pastoral ministries. Outreach visits to affected families have occurred in the Northern Adelaide Plains area and those areas most affected by the extreme weather, including Stockport, Clare and Blyth.

This has been a significant event with widespread impacts across the state. The government recognises that for many families and businesses, in the Northern Adelaide Plains area in particular, recovery may take some time. The government will ensure that support continues to be available over the medium to long term.

DISABILITY SA

The Hon. L.A. VLAHOS (Taylor—Minister for Disabilities, Minister for Mental Health and Substance Abuse) (14:25): I seek leave to make a ministerial statement.

Leave granted.

The Hon. L.A. VLAHOS: The Department for Communities and Social Inclusion has been conducting an ongoing investigation into the level and appropriateness of services provided to Disability SA clients via disability service provider, Caring Choice. I have been advised that this investigation has been looking into concerns about the billing practices of this organisation and other activities that may not have aligned with their agreement. I have therefore been advised that yesterday DCSI issued a notice of termination to the master agreement between the department and Caring Choice, which will take effect on Monday 24 October.

As a consequence of the termination, it is likely that Caring Choice will be unable to provide services through the National Disability Insurance Scheme at this time. I am further advised that there has been ongoing monitoring and review of the safety and wellbeing of Disability SA clients. As Minister for Disabilities, providing quality care to all South Australians with a disability is my number one concern, and I therefore have asked DCSI to investigate whether care has been compromised in this instance.

Over the past few months, DCSI has been transitioning all Disability SA clients to other providers, and I am advised that this process is now complete. DCSI also advises that they have appropriately disclosed to other relevant organisations that the master agreement with Caring Choice has been terminated. The decision by the department to transition clients has not been taken lightly. I am advised that some Caring Choice workers have also transitioned to other organisations to ensure continuity of care.

As a result of the investigations and comments made by the Auditor-General, I am advised that the new incident management unit at DCSI, headed by the Chief Executive, Tony Harrison, has put measures in place to strengthen internal audit controls in the department and has established a new critical investigation unit to investigate matters such as this. Upon advice, I am unable to make further comment about this ongoing investigation.

Parliamentary Committees

ECONOMIC AND FINANCE COMMITTEE

Mr ODENWALDER (Little Para) (14:27): I bring up the 93rd report of the committee, entitled the Inquiry into the Labour Hire Industry.

Report received and ordered to be published.

PARLIAMENTARY COMMITTEE ON OCCUPATIONAL SAFETY, REHABILITATION AND COMPENSATION

The Hon. S.W. KEY (Ashford) (14:28): I bring up the 10th report of the committee, entitled Annual Report 2015-16.

Report received and ordered to be published.

PUBLIC WORKS COMMITTEE

Ms DIGANCE (Elder) (14:29): I bring up the 553rd report of the committee, entitled New Adelaide Central Business District School.

Report received and ordered to be published.

Question Time

POWER OUTAGES

Mr MARSHALL (Dunstan—Leader of the Opposition) (14:30): My question is to the Minister for Mineral Resources and Energy. Has the government received advice that South Australia is at risk of blackouts over summer this year?

The Hon. A. KOUTSANTONIS (West Torrens—Treasurer, Minister for Finance, Minister for State Development, Minister for Mineral Resources and Energy) (14:30): We keep a running brief on every summer, given the extreme weather events that are becoming more prevalent with global warming, the risk of bushfires—obviously we have seen an unprecedented storm—and

extreme demand. If there was a bushfire, for example, in and around where the interconnector may be located, or perhaps another event, then, yes, there is always a risk of blackout and that's managed across the country.

The government is always acting on the advice it receives, whether it is from the Australian Energy Market Operator, the Australian Energy Regulator or the Australian Energy Market Commission. We do what we can to try to manage these risks. I also point out to members opposite that they are asking us about the management of a privately owned electricity network. They are asking us about the way that the private sector manages those risks. I also point out to members opposite that, while many of them weren't here when it occurred, they are the ones who put the management of these assets into the hands of the private sector.

We do what we can with regulations, but in the end we were given some pretty iron-clad promises. I have here the second reading speech of the privatisation of ETSA.

Members interjecting:

The Hon. A. KOUTSANTONIS: I know this is a truth you don't want to contemplate, but it's here. I understand.

Members interjecting:

The Hon. A. KOUTSANTONIS: I understand—if I was the Liberal opposition, I wouldn't want to know what we were promised with the sale of ETSA.

Mr Marshall interjecting:

The Hon. A. KOUTSANTONIS: Just apologise.

The Hon. P. Caica: You'll get thrown out again, Steven, nothing surer.

The SPEAKER: The member for Colton is the only person called to order out of that exchange. The leader.

POWER OUTAGES

Mr MARSHALL (Dunstan—Leader of the Opposition) (14:32): Thank you very much, sir. My question is to the Minister for Mineral Resources and Energy. Do we have sufficient capacity to meet peak summer demand if the interconnection again goes down?

The Hon. A. KOUTSANTONIS (West Torrens—Treasurer, Minister for Finance, Minister for State Development, Minister for Mineral Resources and Energy) (14:33): If the interconnector goes down? I am advised that we have—

Ms Sanderson: We should be self-sufficient, shouldn't we?

The SPEAKER: The member for Adelaide is called to order.

The Hon. A. KOUTSANTONIS: —roughly 3,000 megawatts of installed thermal capacity in South Australia. Depending on the conditions, it's very hard to answer a hypothetical like that. It is like saying to the New South Wales government, 'If a coal-fired power station suddenly disconnects from the market, will there be rolling blackouts?' These types of hypothetical questions go to a lack of understanding of how the Australian Energy Market Operator runs the system—

Mr van Holst Pellekaan: Rubbish!

The Hon. A. KOUTSANTONIS: Yelling out 'Rubbish!' is not a substitute for asking a question. It is important to note that this system is managed. The Leader of the Opposition asks these questions as if the onus and responsibility of the operation of a generator belongs to South Australia—it doesn't.

Mr Marshall interjecting:

The Hon. A. KOUTSANTONIS: Screaming is no substitute for an alternative. Screaming is not a substitute for a policy. It is not a substitute—

Mr Marshall: Where's yours? Where's your policy?

The Hon. A. KOUTSANTONIS: I am glad you asked. I'll go into our detailed policy.

Members interjecting:

The Hon. A. KOUTSANTONIS: I have to say that members opposite screaming interjections, again, is not a substitute for an alternative. We have seen an alternative by members opposite, and it is coal. The answer from the opposition is coal and screaming; that is the solution the Leader of the Opposition has. Rather than having a debate in this house about alternatives, rather than having a considered debate about renewable energy and base load generation and how to manage both, the Leader of the Opposition just screams and says he wants to dig more coal. That's it—that's the solution.

Mr GARDNER: Point of order, Mr Speaker. The Treasurer is entering debate.

The SPEAKER: Yes, I uphold the point of order. Is the minister finished?

The Hon. A. KOUTSANTONIS: Always, sir.

POWER OUTAGES

Mr MARSHALL (Dunstan—Leader of the Opposition) (14:35): My question is to the Minister for Mineral Resources and Energy. What is the estimated cost to the South Australian economy of the September blackout?

The Hon. A. KOUTSANTONIS (West Torrens—Treasurer, Minister for Finance, Minister for State Development, Minister for Mineral Resources and Energy) (14:35): Well, that's difficult to quantify. I have to say—

Mr Marshall interjecting:

The Hon. A. KOUTSANTONIS: Given the Leader of the Opposition is interested in the cost, once the inquiries are completed and we can assign blame, because I know the Leader of the Opposition wants to assign blame before the inquiries are finished, it will be very interesting to know who is to blame for the blackout. The Leader of the Opposition has jumped to judgement about who is to blame.

Mr Knoll interjecting:

The Hon. A. KOUTSANTONIS: I am getting to the cost, and once we know who is responsible for the cost—

Mr GARDNER: Point of order, Mr Speaker.

The SPEAKER: I will pre-empt the point of order. The Treasurer assures us he is going to get to the cost.

The Hon. A. KOUTSANTONIS: Yes, I am, sir. The important aspect of cost goes to the operation of the National Electricity Market. When these regulations and operations were put in place, the people who purchased distribution—

Mr Marshall interjecting:

The Hon. A. KOUTSANTONIS: Really? It is important to note that blame is assigned and compensation is assigned in terms of cost to who is responsible.

An honourable member interjecting:

The Hon. A. KOUTSANTONIS: Look in the mirror, the member says. Well, it is very important to note that people who operate and maintain our assets are operating those under (1) a contract that they signed with members opposite when they were last in government, and (2) the National Electricity Rules that have been voted upon in this house.

Ms CHAPMAN: Point of order, Mr Speaker: you indicated that the Treasurer was going to get to his answer on cost.

The SPEAKER: Yes, I was assured by the Treasurer that that was the case.

Ms CHAPMAN: We are still on the national market and the regulatory regime and who might pay for it, rather than how much it costs.

The SPEAKER: Could the Premier join up his remarks to the question?

Ms Chapman: The Treasurer.

The SPEAKER: The Treasurer, still the Treasurer.

Members interjecting:

The SPEAKER: I am sorry for this disorder, Treasurer.

The Hon. A. KOUTSANTONIS: The cost is hard to be measured. We know that Arrium, who are under administration, were able under their own steam to manage a certain level of electricity generation to manage their critical infrastructure. We know that Olympic Dam was out for a period of time, but they also have planned outages throughout the year where they stop work to do maintenance work, and I understand that Olympic Dam may have taken some opportunity to do some of that. We know that there was a cost to Nyrstar, but generally the cost of the blackout in metropolitan Adelaide over a four-hour period will be hard to quantify. We will find out once that is understood.

Once we find out who was to blame, whether it was the way the grid was managed on the day, whether it was an individual generator, whether it was a whole series of events that led to this cascading failure or whether it was simply an act of God, we will have to wait and see. But, of course. South Australia is a very resilient economy and, despite what members opposite say, our economy is growing, our businesses are hiring people. We have seen unemployment reduce over the last 12 months, so we know that—

Ms CHAPMAN: Point of order, Mr Speaker: again, the Treasurer is straying. He has indicated that he doesn't know and he is going to be looking into it, so I would ask you to rule that this is all irrelevant now.

The SPEAKER: I will listen carefully to the Treasurer's remarks.

The Hon. A. KOUTSANTONIS: Unfortunately, the operations of say, for example, SA Power Networks and their guaranteed service commitment—the Essential Services Commission, once we know exactly what occurred once the reports are all finalised—

Mr Marshall: You said it all worked exactly as it was meant to. That's what you said. That's what the Premier said.

The Hon. A. KOUTSANTONIS: Again, the Leader of the Opposition—

Members interjecting:

The Hon. A. KOUTSANTONIS: A little bit of knowledge is dangerous and, given the little knowledge he has or interest he has in this issue, until he tried to politicise it—as the system was hit by a storm, the reason we were able to get power up so quickly, as compared with other jurisdictions, was that the system did work as it was intended. The system did disconnect when it was meant to.

Members interjecting:

The Hon. A. KOUTSANTONIS: Again, yelling is not a substitute for an alternative.

Members interjecting:

The Hon. A. KOUTSANTONIS: Yelling is not a substitute for an alternative—

Members interjecting:

The Hon. A. KOUTSANTONIS: —and attempting to scream at me as I am attempting to provide information to the chamber is a greater reflection on the Leader of the Opposition and the vacuous policies he has than the government, because they are not debating ideas. He is just screaming. He is just yelling. He is not offering an alternative. All he is doing—

Members interjecting:

The Hon. A. KOUTSANTONIS: I have to say he jumps from one issue to another. It's incoherent.

The SPEAKER: The member for Unley.

Mr PISONI: Well, time is up, sir.

The SPEAKER: Thank you for bringing that to my attention. The leader.

NORTHERN POWER STATION

Mr MARSHALL (Dunstan—Leader of the Opposition) (14:41): My question is to the Minister for Mineral Resources and Energy. Has the government received any advice that Arrium, Nyrstar, OZ Minerals, BHP and other businesses in the north of the state could have avoided the blackout or that they could have had their full electricity supply restored sooner if the Northern Power Station was still operating?

The Hon. A. KOUTSANTONIS (West Torrens—Treasurer, Minister for Finance, Minister for State Development, Minister for Mineral Resources and Energy) (14:41): I don't think I have, but the question of whether a private operator who wasn't able to operate in the market commercially—

Mr Wingard: 'I don't know.'

The Hon. A. KOUTSANTONIS: Whether, if they had been operating—

The SPEAKER: The member for Mitchell is called to order.

The Hon. A. KOUTSANTONIS: —would power have been restored earlier? It's like—

Mr Whetstone: 'Nothing to do with us. It's not our problem.'

The SPEAKER: The member for Chaffey is called to order.

The Hon. A. KOUTSANTONIS: —saying, 'Can you buy a brand-new Holden after GMH closes?' I have to say—

Members interjecting:

The Hon. A. KOUTSANTONIS: The only people who have reached peak stupid are members opposite who are advocating a return to coal. Here it is again—here they are again worrying about how to get coal back on, rather than trying to integrate into a new grid, a 21st century grid.

Mr Marshall interjecting:

The Hon. A. KOUTSANTONIS: Just yelling at me is disruptive to the house, gives me no opportunity to give an answer and shows a lack of vision and understanding of the issue by the Leader of the Opposition.

Ms Chapman: 'Did you check?' 'I don't think I have.'

The SPEAKER: The deputy leader. The leader.

NORTHERN POWER STATION

Mr MARSHALL (Dunstan—Leader of the Opposition) (14:42): My question is to the Minister for Mineral Resources and Energy. Given the minister has said that he would not even consider doing a cost-benefit analysis on the restarting of the Northern Power Station, what evidence does he have to justify his statement that it would be too expensive to do so?

The Hon. A. KOUTSANTONIS (West Torrens—Treasurer, Minister for Finance, Minister for State Development, Minister for Mineral Resources and Energy) (14:42): A couple of reasons. If you look at the second reading speeches from the privatisation of ETSA, the thought process—

Members interjecting:

The Hon. A. KOUTSANTONIS: Yes, just—

The SPEAKER: Would the Treasurer be seated. I have given the leader every scope to be the locomotive of the opposition, but really I think the house has come to the point where it has had enough of the constant interjections, and I shall have to treat him henceforth as any other member.

The Hon. P. Caica: More like the little engine that roared.

The SPEAKER: The member for Colton is warned. Alas, that will ensure the interjection is inscribed on *Hansard*. The Treasurer.

The Hon. A. KOUTSANTONIS: The reason we were told that the Northern Power Station was sold, along with the associated coalmine, was the risk exposed to the taxpayer from being a part of the National Electricity Market. The private sector paid a price, purchased that plant and operated it. They were unsuccessful and the plant was closed—limited life of the mine, expensive to run and very few customers. Indeed, the capacity of the Northern Power Station was up to nearly 750 megawatts and they were only operating near the end at 250 megawatts over a summer period.

If the state government was to intervene into the National Electricity Market and pay to have Northern operate—

Members interjecting:

The Hon. A. KOUTSANTONIS: If I can just finish my answer.

The SPEAKER: The leader is called to order and so is the member for Stuart.

The Hon. A. KOUTSANTONIS: If we were to engage in the government using taxpayers' money to invest in one power station, at times of high demand, when the state was reaching its peak load, the very next day the phone calls that the government would receive would be from every other energy operator in the state saying, 'Well, you're paying one generator for energy security. Where's our payment?'

Then I would be negotiating with the Torrens Island power station, with Osborne, with Pelican Point, with every other gas-fired generator in the state to pay them a capacity payment as well to operate, and then we would have cascading blackouts across the system all the time. That is how short-sighted and peak stupid this idea is. If the private sector want to turn Northern on, if the Northern Power Station was to be turned on by the private sector, then they can. The government will not stand in their way, but to use taxpayers' money to do it would put—

Mr Marshall interjecting:

The SPEAKER: The leader is warned.

The Hon. A. KOUTSANTONIS: Those interjections, Mr Speaker, show he fundamentally misunderstands the nature of the National Electricity Market. Imagine we pay to have 250 megawatts on in peak supply and then we have 1,000 megawatts come out of Torrens Island because we want to pay them to operate as well; but they can't think a move ahead—they can't think a move ahead. That is why you don't intervene in a market that is privatised, because if you did, if you intervened in this market, then there would be rolling blackouts across the state. The opposition is addicted to coal. They are addicted to coal—

Mr Marshall interjecting:

The SPEAKER: The leader is warned for the second and final time.

The Hon. A. KOUTSANTONIS: And have you noticed, Mr Speaker—

Mr GARDNER: Point of order.

The SPEAKER: Is the Treasurer finished?

The Hon. A. KOUTSANTONIS: No, sir, I haven't.

The SPEAKER: Member for Morialta.

Mr GARDNER: Standing order 98 doesn't allow the Treasurer to debate in this way.

The SPEAKER: I will ensure that the Treasurer doesn't debate the matter. Treasurer.

The Hon. A. KOUTSANTONIS: The Northern Power Station is not the only base load power station in the state, but why is it that it's the only one they are calling to be repowered? Why? Because it's coal. They don't want efficient gas, which is low carbon emitting, they want coal. They are addicted to coal; they are dinosaurs. They are dinosaurs from a past era. I have to say that it is as ridiculous as hunting whales for blubber.

NATIONAL ELECTRICITY MARKET

Mr MARSHALL (Dunstan—Leader of the Opposition) (14:46): Supplementary, sir.

Mr Whetstone interjecting:

The SPEAKER: The member for Chaffey is warned.

Mr Knoll interjecting:

The SPEAKER: The member for Schubert is called to order.

Mr Knoll interjecting:

The SPEAKER: The member for Schubert is warned.

The Hon. A. Koutsantonis interjecting:

The SPEAKER: The Treasurer is called to order. Leader.

Mr MARSHALL: Why is it okay for South Australia to consume energy from coal-fired generators located in Victoria and New South Wales but not in South Australia?

Mr Knoll: Hear, hear! Great question.

The Hon. A. KOUTSANTONIS (West Torrens—Treasurer, Minister for Finance, Minister for State Development, Minister for Mineral Resources and Energy) (14:47): It is a good question. The important thing to note is that coal generation in New South Wales is the only form of generation that they have. They also have something called a hydro scheme. You may have heard of it: the Snowy Hydro Scheme.

Mr Marshall: Get a briefing.

The Hon. A. KOUTSANTONIS: Get a briefing? Okay, so Snowy is not operating in New South Wales—doesn't exist. No, you only buy coal. You can choose the electrons. You can say, 'This electron is from coal and that electron is from Snowy. The coal one is cheaper than the Snowy one.' I have to say: how ridiculous. Let's talk about Victoria. Who else are they interconnected to?

Mr Picton: Tasmania.

The Hon. A. KOUTSANTONIS: Tasmanian hydro. I have to say: how ridiculous. It just shows the level of discourse we have from the opposition, when they do not understand their National Electricity Market, they do not understand how power is dispatched, they do not understand what levels of generation are in place in different states. It is just embarrassing for the Leader of the Opposition.

Mr VAN HOLST PELLEKAAN: Point of order: debate.

The SPEAKER: I don't uphold the point of order because the debate, insofar as the Treasurer was debating—and he probably was—was triggered by the torrent of interjections. My view is that people who take points of order should come to them with clean hands. The leader.

PORT AUGUSTA POWER STATIONS

Mr MARSHALL (Dunstan—Leader of the Opposition) (14:48): My question is to the Minister for Mineral Resources and Energy. Have representatives of government or the minister's office met with private companies to discuss potentially reopening Port Augusta?

The Hon. A. KOUTSANTONIS (West Torrens—Treasurer, Minister for Finance, Minister for State Development, Minister for Mineral Resources and Energy) (14:49): Yes, sir, we have. My message to them is the same as my message to the public: if the private sector want to reopen

the Northern Power Station, the government will not stand in their way, but we will not use tax dollars to fire up a coal-fired power station.

Ms Chapman: We didn't ask you to.

The Hon. A. KOUTSANTONIS: Really? Well, that is not what the shadow spokesman said.

Members interjecting:

The Hon. A. KOUTSANTONIS: No, that is not exactly what they said. We are more than happy to meet with anyone who wishes to invest in South Australia, but what we won't be doing is using taxpayers' money to intervene into the National Electricity Market, and—

Members interjecting:

The Hon. A. KOUTSANTONIS: Well, don't use taxpayers' money to conduct a business case.

Ms Chapman: Come on, Tom!

The Hon. A. KOUTSANTONIS: Notice the hypocrisy—notice the hypocrisy. One minute they're talking about nationalising it—and I pointed out to the house in a debate earlier today that members opposite were calling on us to nationalise the National Electricity Market. So, now the Leader of the Opposition is saying that we shouldn't use taxpayers' money, but his parliamentary secretary is saying we should nationalise it. Which one is it?

Ms Chapman: What a joke.

The Hon. A. KOUTSANTONIS: No, I have to say they are in disarray—they are in disarray. There is no coherent policy. There will be no taxpayers' money used to bring on generation in this state. What we will do, though, is go out to the market to procure our power to incentivise more competition. We believe in an energy intensity scheme to, of course, bring gas-fired generation, efficient gas-fired generation (the transitional fuel) to a renewable future back into the market, as it belongs, because there is a lack of national leadership in this space, and there needs to be national leadership because if there is not national leadership in this space, we will not have reform.

That's why the work that the Prime Minister has done to bring climate and energy policy together is to be commended but, unfortunately, within his party there are still dinosaurs. Dinosaurs still roam the earth next to the unicorns, and there they are longing for coal—

Mr GARDNER: Point of order, sir.

The SPEAKER: Point of order.

Mr GARDNER: I'm not familiar with whether 'unicorn' is unparliamentary language, but it's certainly debate.

The SPEAKER: Yes, I uphold the point of order. Deputy leader.

PORT AUGUSTA POWER STATIONS

Ms CHAPMAN (Bragg—Deputy Leader of the Opposition) (14:51): My question is also to the Minister for Mineral Resources and Energy. How much of taxpayers' money has the government budgeted to spend on the effort to contest the Ombudsman's ruling that the government should disclose what support Alinta requested of the government to keep the Port Augusta power station operating?

The Hon. A. KOUTSANTONIS (West Torrens—Treasurer, Minister for Finance, Minister for State Development, Minister for Mineral Resources and Energy) (14:51): I'm not sure what budget the Crown have. It's in the budget papers—it's publicly available—but I do point this out: I think this question would have more credibility if the opposition came out and said that, if they are elected in 2018, they will never, ever appeal an Ombudsman's decision.

Members interjecting:

The Hon. A. KOUTSANTONIS: Will they? Will you? Notice the silence? Notice the silence? They would have more credibility if they asked this question and said that if they are elected in 2018 they will never, ever use the Crown to appeal an Ombudsman's decision.

PORT AUGUSTA POWER STATIONS

Ms CHAPMAN (Bragg—Deputy Leader of the Opposition) (14:52): Supplementary: how much has the government already spent on defending compliance with the Ombudsman's ruling?

The Hon. A. KOUTSANTONIS (West Torrens—Treasurer, Minister for Finance, Minister for State Development, Minister for Mineral Resources and Energy) (14:52): First and foremost, we will appeal it, and we will defend the right of private companies to come to the government and to speak to us confidentially about their finances.

Mr Marshall interjecting:

The Hon. A. KOUTSANTONIS: Obviously, the government disagrees, and we will see what the court says.

Mr Marshall: What have you got to hide?

The Hon. A. KOUTSANTONIS: It's not about the government having anything to hide, but there's a principle of place here.

Members interjecting:

The Hon. A. KOUTSANTONIS: Again, fake laughter is a substitute for policy. How does a company come to the government and speak to it about its financials without those financials being made publicly available, if the government chooses not to intervene with that company?

Imagine this scenario: a company comes to the South Australian government and says, 'We are trading as X, we'd like the government to give us this assistance.' Then they say to us, 'Here are our financials.' We do a detailed examination and we have a discussion, and then we refuse. We say, 'We choose not to.' Then that company says, 'Okay, thank you very much', and they leave. Then, because of an opposition request, we have to make all of that public. No company would ever come to the government again to seek advice or financial assistance, and that is a very important principle that this government will defend.

However, the counterfactual is this: had we entered into an arrangement with Alinta to keep the operations of Northern operating then, absolutely, we would make that public—absolutely because we would be expending taxpayers' money.

The important thing here is about the ability of people to speak to the government under conditions. I have to say, the opposition is being reckless here. They are being reckless because they have no responsibility to the people who come to us.

Mr GARDNER: Point of order: standing order 98, debate.

The SPEAKER: No, I don't uphold the point of order.

The Hon. A. KOUTSANTONIS: There are important principles here because when people speak to politicians they have a right to maintain privilege, and when people come to the government and want to speak to us about their issues they have every right to expect that that will remain confidential unless the government enters into an arrangement with them.

As I said, the opposition would have more credibility on this point if they said that, if they are elected, they will never, ever appeal an Ombudsman's decision, but, of course, they won't say that because they will want to reserve their right to do so, and that is what a prudent, new government would want to do. But the Leader of the Opposition is dragging this opposition down a path from which they cannot return, because the logical extension of this is that they will not appeal an Ombudsman's decisions ever. Is that the case?

Mr Goldsworthy interjecting:

The SPEAKER: The member for Kavel is called to order for impugning the Chair's integrity.

NATIONAL ELECTRICITY MARKET

Ms CHAPMAN (Bragg—Deputy Leader of the Opposition) (14:55): Supplementary to the Minister for Energy: has Alinta requested you to appeal the Ombudsman's decision?

The Hon. A. KOUTSANTONIS (West Torrens—Treasurer, Minister for Finance, Minister for State Development, Minister for Mineral Resources and Energy) (14:55): First and foremost, I don't make those conversations public, but I have to say that I met with Mr Jeff Dimery, and I think it is fair to say that he was supportive of the government's response.

The SPEAKER: The deputy leader.

NATIONAL ELECTRICITY MARKET

Ms CHAPMAN (Bragg—Deputy Leader of the Opposition) (14:56): Thank you, Mr Speaker. My question, again, is to the Minister for Energy. Did Alinta warn the government that if the Northern Power Station ceased operations wholesale electricity prices would rise and electricity security would fall, and, if so, what was the government's response?

The Hon. A. KOUTSANTONIS (West Torrens—Treasurer, Minister for Finance, Minister for State Development, Minister for Mineral Resources and Energy) (14:56): Well, as you have seen, Mr Speaker, the government has asked the Australian Energy Market Commission to consider rule changes on the basis of there being greater instability in the South Australian grid. The question had two parts. The first part was: what did Alinta advise, and then what did the government do? So—

Mr Marshall: What was your response to Alinta's advice, was the second part.

The SPEAKER: The leader is on two warnings.

The Hon. A. KOUTSANTONIS: The government is doing lots to maintain energy reliability in the state and the safety security of our energy market, but, unfortunately, again, we don't own the assets that deliver these services. The best that we can do is hope that the national bodies that govern this, which were established by this government and which were voted on by members of the opposition on behalf of a national framework, can manage these market operators.

Members interjecting:

The Hon. A. KOUTSANTONIS: I notice members opposite ignorantly saying, 'Keep the lights on.' Well, I have to say—

Ms CHAPMAN: That's not the answer to the question I asked. My point of order is relevance.

The SPEAKER: So the point of order is?

Ms CHAPMAN: Relevance.

The SPEAKER: Relevance.

Ms CHAPMAN: Totally.

The SPEAKER: I will listen carefully to what the minister has to say.

The Hon. A. KOUTSANTONIS: Thank you very much, Mr Speaker. Whenever anyone approaches the government seeking assistance, no doubt they will argue their case as to how it will benefit government, but I have to say that the greater overriding principle here is what occurs if we do subsidise one power generator and not the others. And that was the overriding consideration government had, and that is something which we stand by today and which will keep the state in good stead.

Ms CHAPMAN: I am happy to read the question again.

The SPEAKER: Refresh our memories.

Ms CHAPMAN: Thank you, Mr Speaker. Did Alinta warn the government that if the Northern Power Station ceased operations wholesale electricity prices would rise and electricity security would fall, and, if they did, what was the response? That is specifically the question.

The Hon. A. KOUTSANTONIS: The question doesn't make sense because it presupposes that the exit of Northern would not bring on any other generation.

Mr Marshall: Did they warn you in their office? Yes or no?

The Hon. A. KOUTSANTONIS: So, the way the National Electricity Market operates in this state is that there is a great deal of thermal generation in the state, so to try to make an assumption about what occurs if one generator is taken out of the system and then everyone else stays exactly the same, what occurs? There are a number of scenarios here.

Again, there is not one bit of evidence at all that the opposition can point to to say that the state blackout was—

Mr Marshall interjecting:

The Hon. A. KOUTSANTONIS: —caused by Northern not—

Mr Marshall interjecting:

The SPEAKER: The leader has been warned twice. He continues to roar across the chamber. He will stop roaring across the chamber.

The Hon. A. KOUTSANTONIS: The idea that you can presuppose what occurs if one generator pulls out in comparison to the others is like saying what would be the impact of Torrens closing. Well, other generation comes on and the market responds. The real question that the people of this state need to ask about Northern is: why was it that Northern wasn't fully contracted? If it was so cheap and so reliable, why wasn't every industrial user in this state signed up to contracts with Northern? Again, there is silence.

The truth is that a majority of those users were not signed up to coal-fired generation in this state, they didn't have contracts with Northern. The reason Northern closed was that they could not make the plant work. If a plant can't work and it's not sustainable, what could we do to make it different, other than subsidising our power? If we subsidised our power and—

Mr Whetstone interjecting:

The SPEAKER: The member for Chaffey is warned for the second and final time.

The Hon. A. KOUTSANTONIS: If we subsidise that power, what does every other generator say to us? So, the question is nonsensical. It makes no sense. It is just completely ridiculous, and the interjections coming out about keeping the lights on are ridiculous.

The SPEAKER: Alas, the minister's time has expired. The member for Florey.

NATIONAL ELECTRICITY MARKET

Ms BEDFORD (Florey) (15:01): My question is to the Minister for Mineral Resources and Energy. Can the minister provide the house with details on the future of Australia's energy supply?

The Hon. A. KOUTSANTONIS (West Torrens—Treasurer, Minister for Finance, Minister for State Development, Minister for Mineral Resources and Energy) (15:01): Thank you for the question from the member for Florey and her keen interest and ongoing support for the role that renewable energy plays as part of a sensible response to climate change in this state. Based on the Australian Energy Market Operator's figures for the past five years, South Australia has the highest penetration of renewables of all the regions within the National Electricity Market. The total renewable generation in South Australia for 2015-16 was a whopping 5,260 gigawatt hours, or about 43 per cent of the state's overall power generation.

Analysis undertaken since Alinta closed its coal-fired power station in May to July, indicates the percentage of total renewable energy production in this state across those months has risen to above 50 per cent. That's a good thing for our state. The AEMO analysis also shows South Australia is comparatively reliant on gas-powered generation compared with other regions in the National Electricity Market. During the same May to July period, gas-fired generation accounted for about 48½ per cent of the total electricity generated within South Australia.

This government regards gas as an important transitional source. The SA grid currently consists of nearly 3,000 megawatts of traditional generation, which is predominantly gas. Lower carbon emission generation is the future for South Australia, the future for Australia and the future for 195 countries that took part in negotiations that culminated in the Paris agreement to combat global warming.

We have seen reports in Victoria that the Hazelwood power station will soon close, becoming the last in a growing list of coal-fired power stations to close across the country. Just as Northern's power station became uneconomic, the country will see more coal generation exiting the national electricity market as it becomes increasingly unviable in a carbon-constrained environment.

There are some people, at the behest of federal members of parliament, who last week called on the state government to intervene in the market and use taxpayers' money to reopen a coal-fired power station which, of course, was privatised by the last Liberal government. It is a typical and lazy response, which shows that those people calling for this are beholden to their federal masters and, most importantly, are beholden to coal interests around the country.

The idea of the government mining for coal again is akin to hunting whales to use their blubber to light street lamps. We won't be whale hunting to repower South Australia and we won't be returning to coal-fired generation. Rather—

An honourable member interjecting:

The Hon. A. KOUTSANTONIS: It's the Jack Nicholson response. Rather, we believe—I believe and all of us on this side of the house believe—that the future requires the modernisation of the electricity market, as proposed at the COAG meeting of energy ministers, so we can better integrate renewable energy and become a market for the 21st century, not a market for the 19th century, where members opposite belong.

NATIONAL ELECTRICITY MARKET

Mr WILLIAMS (MacKillop) (15:05): Supplementary: given the minister's answer to the Dorothy Dixier just now, can the minister advise the house if he is aware of the difference in the efficiency of the two major gas-fired generators in South Australia—namely, Torrens Island and Pelican Point—and can he assure the house that the most efficient of those generators is producing most of the electricity that's going into our network?

Ms Sanderson interjecting:

The SPEAKER: The member for Adelaide is warned.

The Hon. A. KOUTSANTONIS (West Torrens—Treasurer, Minister for Finance, Minister for State Development, Minister for Mineral Resources and Energy) (15:05): I will check today because I have my app here and I can check exactly what is going on at any one time, so let's have a look. The former shadow energy minister and the former deputy leader of the opposition, who voted for the privatisation of ETSA—I just put that on the record—

Mr PISONI: Point of order, sir: you have said time and time again that members are to be addressed by their electorates.

The Hon. A. KOUTSANTONIS: Well, MacKillop, sir, I apologise. Currently, Pelican Point is producing 172 megawatts. Torrens Island power station is producing about 150 to 200 megawatts. I have to say that seems pretty comparable. The reason AGL is producing more is very simple. It's because when the assets were privatised AGL was, of course, one of the retailers—

Ms Chapman: He doesn't understand the question.

The Hon. A. KOUTSANTONIS: I understand the question. What the former deputy leader is saying is: why is Torrens Island on more than Pelican? It's a very simple equation. It all goes back to the privatisation of ETSA. All roads lead to the privatisation of ETSA, and I thank the member for raising it again because we all go back to the very beginning when this began and the promises we were made that weren't kept and they all go back to that.

We were left in this state with predominantly a gas-fired generator that needs new investment, that needs new money poured into it, but of course privatisation hasn't allowed that to

occur and, rather than apologise for the privatisation of ETSA, they stand by it. They still think it's a good idea. They would do it again. You can hear them. They would do it again. They would do it again. Wait for SA Water—SA Water is next.

The SPEAKER: I think what the Treasurer is trying to say is that it's 'the long and winding road that leads to your door'.

AMBUS

The Hon. A. PICCOLO (Light) (15:08): My question is to the Minister for Health. How has the ambulance bus been used since it began operations?

Members interjecting:

The Hon. J.J. SNELLING (Playford—Minister for Health, Minister for the Arts, Minister for Health Industries) (15:08): It is wonderful to hear the laughter of members opposite, and I would like to thank the member for Light for this very important question. I'm always happy to talk about our hardworking paramedics and the equipment they use to provide care to their patients. Last week, while visiting our beautiful Yorke Peninsula, I got to hear firsthand how valuable the ambulance bus has been in our regional areas. As an aside, I would say that I had the great pleasure of opening the new Maitland dialysis unit, together with the member for Goyder.

Mr Duluk interjecting:

The Hon. J.J. SNELLING: Keep interjecting, member for Davenport. Keep them coming because I think in a moment you will be eating your words. At Yorketown Hospital, staff told me about how the ambus has made many visits transferring multiple patients back and forth. It attends multiple hospitals during its journey along Yorke Peninsula. Since it became operational in July, the ambus has been crewed four days a week.

Currently, the bus transfers between two and five patients per journey and will typically undertake one journey a day. Patients may be carried on both legs of the trip. Along with Yorke Peninsula, which I know the member for Goyder is interested in, the ambus has been operating in the Mid North, the Riverland and the Barossa regions. The important aspect of this is that for every multiple patient journey undertaken by the bus vital country ambulance resources are able to maintain emergency response cover in the regions instead of needing to undertake transfers to metropolitan hospitals.

As I move around regional South Australia and I talk to our hardworking volunteer ambulance officers, one of their biggest gripes, and one of the biggest reasons we have difficulty attracting volunteers to our regional ambulance services, is not because of call-outs to emergency responses but the time taken by our volunteers transferring and ferrying patients backwards and forwards from country hospitals into Adelaide. It takes many hours and it takes them off the road. It becomes a big difficulty in negotiating that sort of time off with employers.

We know that routine transfers place a significant demand on our ambulance volunteers, so the value of a resource that helps them to remain in their community cannot be understated. Beyond this, the ambus has the capacity to transport multiple patients in the case of a major incident such as extreme weather events like the recent flooding, bushfires, care facility evacuation, as well as during large-scale events. During the recent extreme weather, the ambus was on stand-by to go to Port Pirie to evacuate patients; thankfully, however, this did not have to happen.

On the weekend, the ambus was one of many of the star attractions at the SA Ambulance Service's open day at the brand-new Noarlunga Ambulance Station. Over 1,200 people braved the weather—

Mr Duluk interjecting:

The Hon. J.J. SNELLING: I just went through how the ambus was being used to ferry patients between metropolitan hospitals and between country hospitals, and how important that was in freeing up our volunteers so they weren't being diverted from looking after their local communities. I am surprised—I credited the member for Davenport with having a little bit of intelligence, but maybe I've overestimated him.

On the weekend, the ambus was one of the star attractions at the Ambulance Service's open day at the brand-new Noarlunga station. Over 1,200 people braved the weather to see how the Ambulance Service goes about its vital work caring for the community. Along with the ambus, there was the MedSTAR paediatric ambulance, motorbike response vehicles and the MAC rescue helicopter. These are all important resources.

AMBUS

Dr McFETRIDGE (Morphett) (15:12): Supplementary: given the minister's statements about the ambus, can he tell the house whether the ambus was actually on stand-by before the recent heavy weather event on the 28th? The information that the opposition has been given is that it was not on stand-by because SAAS could not have the required trained staff.

The Hon. J.J. SNELLING (Playford—Minister for Health, Minister for the Arts, Minister for Health Industries) (15:12): No, my advice is that if we had needed to evacuate the Port Pirie hospital, and that was something that we were preparing for because it was a possibility, then the ambus would have been available to transport patients from the Port Pirie hospital to other hospitals for relocation.

AMBUS

Dr McFETRIDGE (Morphett) (15:13): How many trained staff has SAAS got to drive the ambus? It requires a heavy rigid vehicle licence and different manual handling techniques.

The Hon. J.J. SNELLING (Playford—Minister for Health, Minister for the Arts, Minister for Health Industries) (15:13): I am more than happy to get a report back to the member for Morphett on that.

AMBUS

Dr McFETRIDGE (Morphett) (15:13): On the ambus again, how many times has the ambus been off the road with broken windscreens?

The Hon. J.J. SNELLING (Playford—Minister for Health, Minister for the Arts, Minister for Health Industries) (15:13): Frankly, I don't know. I'm happy to find out.

PORT AUGUSTA HOSPITAL

Mr VAN HOLST PELLEKAAN (Stuart) (15:13): My question is again for the Minister for Health. Why did Port Augusta Hospital lose power on the morning of 28 September, 4½ hours before the blackout?

The Hon. J.J. SNELLING (Playford—Minister for Health, Minister for the Arts, Minister for Health Industries) (15:13): We have commissioned an independent engineering review into the generation failures at both the Flinders Medical Centre and at the Port Augusta Hospital. The review into Port Augusta Hospital will encompass the reasons for the failure of the generator prior to the blackout, and I am more than happy to make that public when that review is completed.

UNEMPLOYMENT FIGURES

Mr VAN HOLST PELLEKAAN (Stuart) (15:14): My question is to the Minister for Mineral Resources and Energy. Does the minister accept that the closure of the Northern Power Station and the Leigh Creek coalmine has directly contributed to the recently released unemployment figure for the Upper Spencer Gulf cities of 10.6 per cent?

The Hon. A. KOUTSANTONIS (West Torrens—Treasurer, Minister for Finance, Minister for State Development, Minister for Mineral Resources and Energy) (15:14): I have seen no evidence that it's directly responsible for it. If the shadow minister has any evidence, I would like to see it. Obviously, there have been a number of people who have lost their jobs at the coalmine and at the power plant and I feel very sorry for them, but I don't think you can sheet the blame home directly to the Northern Power Station. I think it is a pretty harsh critique of the local federal member of parliament, Rowan Ramsey, and their policy since 2013 and the impacts the commonwealth government has made on Upper Spencer Gulf in terms of unemployment.

The Prime Minister seems to think that he only governs the rest of the country, excluding South Australia, and that our unemployment rate is none of his concern—it's just ours. Everywhere else, where it's doing a little bit better, that's all his good doing, but where it's doing poorly it's the state government. I have to say we all share a responsibility here. All of us collectively, as parliaments and as governments—federal, state and even local governments—share a responsibility when it comes to unemployment.

As I have said many times, our unemployment rate in this state is unacceptable. It is unacceptable and this government will not stand for it. What we will do is continue to work to lower that unemployment rate. For people in the Upper Spencer Gulf, we have cut taxes, dramatic taxes, taxes that impact directly on them. For example, families that want to restructure their finances—family businesses can now transfer ownership from one generation to the next and reorganise their business without paying conveyance duty on that transfer. That is a huge leap forward for family businesses, and we are the family business state. That indeed helps.

We have of course cut other taxes as well. We have included more payroll tax rebates, extending them for another four years, helping those businesses especially in the Upper Spencer Gulf region in need of assistance. In and around Whyalla, where Arrium is in administration, we have low-interest loans for the supply chain to try to keep them working until we can get Arrium out of administration. This government will not stop working to help those people who are trying to find work to get work and keep companies operating in South Australia. I have to say, to put it completely on the Northern Power Station, I think—

Mr van Holst Pellekaan interjecting:

The Hon. A. KOUTSANTONIS: No, that's not what—

Mr van Holst Pellekaan interjecting:

The Hon. A. KOUTSANTONIS: I said in my answer, 'Did it contribute? Yes, it has.' Is it solely responsible? No. There are other factors at cost here. For example, don't underestimate the decision by the commonwealth government not to continue to subsidise the car industry in this country and the impact that is having on component manufacturers all across South Australia. I know members opposite are trying to walk away from that at a million miles an hour, but I can tell you that in 2007, when Mitsubishi closed, members opposite were not short in blaming us and Kevin Rudd. They were not saying it was Mitsubishi's fault, they were blaming us, and now they are running for the hills.

We are going to see a number of people lose their jobs over the closure of Holden and the loss of the automotive industry. All those jobs could have been saved. It all could have been avoided. They could still be here now. Holden are making a good car. Members opposite and their like made a decision not to back car making in this country and now they are trying to blame us for the unemployment rate it has caused.

You want to know what is causing high unemployment in South Australia? The commonwealth government's decision not to invest in the automotive industry. There lies the blame. How about, rather than blaming us, you stand with us to try and get more of that restructuring money, to try and get more of that reinvestment into South Australia? We had to drag the opposition kicking and screaming to support us on the submarines because they were too busy backing Tony Abbott. They even backed slashing Torrens to Torrens at the last election. They are not interested in South Australia.

ALINTA ENERGY

Mr VAN HOLST PELLEKAAN (Stuart) (15:18): Given the minister's answer about the federal government and Holden, why didn't he accept Alinta's proposal to save the Northern Power Station?

The Hon. A. KOUTSANTONIS (West Torrens—Treasurer, Minister for Finance, Minister for State Development, Minister for Mineral Resources and Energy) (15:18): Again because if we subsidised one power station in times of higher peak demand, every power station would then of course ask for that same subsidy, to a point that the state would not be able to afford to do it. We

would have rolling blackouts daily over summer, and on top of that you would see South Australia as a place where of course industry could not grow.

Imagine the scenario the opposition are talking about. The scenario is this: we subsidise Northern, they come on, they use tax dollars to operate after members opposite privatise them, they operate, and then AGL, Origin or Simply come to us and say, 'Tomorrow is going to be 45° and it has been 45° for the last three days in a row. Unless you pay us these payments, we're not going to turn on.'

Mr Whetstone: That's hypothetical.

The Hon. A. KOUTSANTONIS: That's hypothetical—while bringing Northern back on, these are not hypothetical questions. They are completely—

Mr Pisoni interjecting:

The SPEAKER: The member for Unley is called to order.

The Hon. A. KOUTSANTONIS: —adrift and at sea on energy policy. It is incoherent. Let's not forget that turning Northern on was not a suggestion of the shadow minister or the Leader of the Opposition, it was the federal resources minister. They are singing his tune. They can't stand up to Canberra. They never can. They can't say no. It was a thought bubble that they vomited onto the front page of—

Mr GARDNER: Point of order, Mr Speaker: standing order 98. The Treasurer is straying.

The SPEAKER: Treasurer, I uphold the point of order.

POWER INFRASTRUCTURE

Mr WILLIAMS (MacKillop) (15:20): Supplementary: can the minister explain why he is dead against using taxpayers' money to subsidise one generator, namely the Northern Power Station, yet it has been this government's policy since 1 July 2008 to subsidise rooftop solar panels in South Australia, another generator?

The Hon. A. KOUTSANTONIS (West Torrens—Treasurer, Minister for Finance, Minister for State Development, Minister for Mineral Resources and Energy) (15:20): I am glad that goal in the back of the net unfortunately wasn't ours, it was theirs. The government wanted to have a feed-in tariff for solar panels to start generating the industry here in South Australia. From memory, the government has proposed a shorter period of time. I think it was either three or five years for the feed-in tariff scheme to operate at a higher rate. The opposition thought, 'No, if we are going to subsidise renewable energy, let's do it over 20 years,' so they sided with the Greens in the upper house and extended that feed-in tariff over 20 years. I understand that there are many members opposite who are the beneficiaries of this very generous feed-in tariff.

Mr WILLIAMS: Point of order, Mr Speaker: this has no relevance to the question. If you want to have a debate on that, I will have it, Tom. I will have a debate with you on that. The question was to try to get an understanding of the disparity of the two policies: one not to subsidise generation, and the other one to subsidise generation.

Mr Hughes interjecting:

The SPEAKER: The member for Giles is called to order.

The Hon. A. KOUTSANTONIS: Since we are talking about subsidies and renewables, the one inconvenient truth that the opposition do not want to talk about in their jihad against renewable energy is that the body that actually subsidises renewable energy is not the South Australian government, it is the commonwealth government. I will bring a detailed piece of work to the house to show exactly what level of subsidy has been paid by the commonwealth since 2013 to today. It would be a very interesting problem for the opposition to deal with because on one hand they want less renewables and more coal, but on the other hand their commonwealth colleagues are subsidising renewables.

An honourable member interjecting:

The Hon. A. KOUTSANTONIS: Yes, so it is my fault that the commonwealth government are paying Renewable Energy Certificates. Like good little capitalists, the reason people build renewable energy in South Australia is that the resource is good. We have lots of sun, as members opposite know who are advocating for a solar thermal plant in Port Augusta. Why? Because of the sun. Why do the wind farms want to come and locate in South Australia? Because previous to the wind event that took down our transmission backbone, we had a very good transmission spine from Port Augusta down to Adelaide with very good wind resources alongside it.

So, what they have done is that the private sector have built these wind farms, bringing hundreds of millions of dollars of investment into South Australia, creating jobs. The subsidy paid by the state government to two generating companies, to two wind farms, is \$300,000. I will compare that with what the Liberal Party have paid since 2013 to today. Let's compare that number. Before you look at the splinter in my eye, look at the log in your own.

WINE INDUSTRY GRANTS

The Hon. T.R. KENYON (Newland) (15:24): My question is to the Minister for Agriculture, Food and Fisheries.

Members interjecting:

The SPEAKER: Yes, they have been doing it all day, member for Newland.

The Hon. T.R. KENYON: Sir, they have. My question is to the Minister for Agriculture, Food and Fisheries. Minister, how is the state government assisting wineries to create vibrant cellar door experiences?

The Hon. L.W.K. BIGNELL (Mawson—Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Tourism, Minister for Recreation and Sport, Minister for Racing) (15:24): Thank you very much, Mr Speaker.

Mr Pengilly: Donald Trump.

The Hon. L.W.K. BIGNELL: I've got less hair. I thank the member for Newland for the question and acknowledge his attendance in the Riverland a few weeks ago at the Twenty Third Street Distillery opening. The member for Chaffey was also there. It was a wonderful occasion to see the old Renmano site coming back to life thanks to Angelo Kotses and his company, Bickford's, who have breathed new life into it.

Then on the way back we called in to St Hugo and saw the member for Schubert, the Premier and the Minister for Regional Development. In fact, you chipped in some money there so that their cellar door and restaurant could be opened. It was a fantastic day. But I am pleased to announce today a new funding scheme for the wine industry in South Australia of \$1.8 million. I wanted to update the house on—

Members interjecting:

The Hon. L.W.K. BIGNELL: The member for Schubert, who doesn't ask any questions about his electorate in here, about the wine industry, about the tourism industry, just comes up with the interjections—

An honourable member: Google boy.

The Hon. L.W.K. BIGNELL: —and the Google. He is the Google boy. What's that website he likes?

The Hon. J.J. Snelling: Ashley—

The Hon. L.W.K. BIGNELL: Ashley and Martin or something.

The Hon. J.M. Rankine interjecting:

The SPEAKER: Point of order. The member for Wright is called to order.

Mr GARDNER: The minister is undermining your authority by not complying with your instruction to use members' electorates.

The SPEAKER: No, I don't think so. The minister.

The Hon. L.W.K. BIGNELL: We asked the wine industry—we had some representatives from some of the bigger companies and some of the smaller companies from many of the different 18 wine regions that we have around the state—to come together—

Members interjecting:

The SPEAKER: The member for Wright is warned.

The Hon. L.W.K. BIGNELL: It's the member for Schubert I can't hear myself think over him, Mr Speaker, and it would be great to get some extra time on the clock. He just keeps interrupting.

Members interjecting:

The SPEAKER: The member for Davenport is called to order and the member for Schubert is warned for the second and final time.

The Hon. L.W.K. BIGNELL: Thank you, sir. I am not sure whether we can get some more time on the clock for all those interjections because it's pretty hard to talk with such a rude bunch of people opposite me, and I will put it on the record again the member for Schubert's rude behaviour in this place. I don't know what he tells the people in his electorate, but he comes in here and he is just rude.

The Hon. J.M. Rankine interjecting:

The SPEAKER: The member for Wright is warned for the second and final time.

Mr Knoll interjecting:

The Hon. L.W.K. BIGNELL: Why don't you come and ask a question? Ask a question in here. You have never asked a question in here. What we have is a cellar-door grants program worth a million dollars, which will assist wineries to upgrade and diversify their cellar-door experiences, adding economic benefit to the region. We have the regional Wine Industry Association grants program, which is worth \$600,000, and all 18 wine regions are able to apply for funding out of this program. The program will help to develop regional wine tourism and visitor experiences.

Grants of up to \$50,000 are available to regional wine and grape associations, and associations will need to match that with dollar for dollar funding. The feedback we have from the wine industry has been very, very positive and they are pleased with the work that the government—

Mr Knoll interjecting:

The Hon. L.W.K. BIGNELL: I really should get extra time. This industry is worth \$18.2 billion a year and all these guys want to do is interrupt.

The SPEAKER: Grievances time on can be granted. Unfortunately, the sessional orders don't contemplate time on, so the member for Schubert's obstruction of your answer has been successful.

The Hon. L.W.K. BIGNELL: Well, I will be writing to the members of his wine industry in the Barossa Valley and letting them know about this program and about—

The SPEAKER: Supplementary, the member for Newland.

WINE INDUSTRY GRANTS

The Hon. T.R. KENYON (Newland) (15:29): Does the minister have any further information that he might be able to provide in his answer?

The Hon. L.W.K. BIGNELL (Mawson—Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Tourism, Minister for Recreation and Sport, Minister for Racing) (15:29): I thank the member for Newland for that supplementary question. Yes, I do have some more information about it, member for Newland. The third element will support statewide marketing initiatives which showcase South Australia's premium wine locally and internationally and strengthen Adelaide's identity as the wine capital of Australia.

The \$1.8 million scheme will result in investment across the state's wine regions, as well as seeing our wineries and regions promoted on an international stage as part of the Great Wine Capitals Global Network. Of course, next month the meeting of the Great Wine Capitals will be held in Porto, and I wish the six contestants from South Australia, including four from the Barossa Valley, all the very best in the international competition.

Ministerial Statement

BUSHFIRE PREPAREDNESS

The Hon. S.E. CLOSE (Port Adelaide—Minister for Education and Child Development, Minister for Higher Education and Skills) (15:31): I table a copy of a ministerial statement made by the Minister for Sustainability, Environment and Conservation in the other place.

Grievance Debate

RENEWABLE ENERGY

Mr VAN HOLST PELLEKAAN (Stuart) (15:31): There is absolutely no discussion, no debate, no disagreement, between anybody on this side of the house that our state and in fact the world must transition away from fossil fuels and towards renewable energy. That is an absolute given, but where we disagree with the government is that it must be a sensible, well-planned, well-managed transition. The government's desire, purely for political purposes, to leap overnight from one to the other is harming South Australians very seriously.

At this point in time, renewable energy is still intermittent energy. Intermittent energy cannot be relied upon. Wind farms and solar farms, when it is not windy and not sunny, produce no or little electricity for us. Until renewable energy can be stored on a large scale, it remains intermittent energy. Until it can be stored on a large scale, we must have a significant amount of reliable, affordable, base load electricity in our state. The government has got this transition all wrong: the government is trying to leap from one to the other overnight.

Very unfortunately, the government is damaging the cause of renewable energy because it is turning people off renewable energy. By leaping too quickly from one to the other, the government has delivered South Australia the highest electricity prices in the nation, the least reliable electricity supply in the nation and, very unfortunately, the highest unemployment in mainland Australia. It is no coincidence that they go together.

High electricity prices affect everybody, from the smallest households all the way through to the largest employers. They put a very unfair burden on all South Australians, and for us to be paying the highest prices for electricity in the nation is completely unacceptable and damages the public's confidence in the transition towards renewable energy. If the government had taken half a second to think about this seriously and said, 'Yes, we will transition in a well-planned, well-managed way and do it just a little bit more slowly to ensure a much higher chance of success', all South Australians would be better off and the environment would be much better off as well.

Everybody in this place knows what a strong advocate I am for renewable energy, particularly for solar thermal production of energy in Port Augusta. I established a select committee in this place to look into exactly that, and I firmly believe that is where we need to go. If the government had allowed Alinta to continue operating the Port Augusta coal-fired power station for just a little bit longer, the move to renewables, the move to solar thermal in Port Augusta would have been far more successful.

The government refuses to tell us what support Alinta requested, so that the government could continue operating. I am not saying that they had to give it to them; I am just saying they have to tell us what it was so that we can investigate whether it would have been sensible or not. We know that since the Port Augusta power station has closed, spot electricity prices in South Australia, on average, have risen 105 per cent, more than double since May. That is directly related to the removal of the Port Augusta power station from generation contribution in this state, and we need to know what government could have done, and what the government was asked to do to avoid that.

Let me make it really clear because this is what the Minister for Mineral Resources and Energy, and the Premier, and the government do not get: this is not about agreeing to contribute

financially or otherwise to Alinta so that they can stay operating forever and ever. This is about the potential to agree to support Alinta so that the government could choose the time that it would close, not so that it could stay open forever and ever. Of course, nobody wants coal-fired energy forever and ever.

The government had the opportunity as part of a well-managed and well-executed plan, away from fossil fuels towards renewables, to say to Alinta, 'Here's the deal: this is what you've asked for, this is what we can do. No, we're not going to give you everything that you want.' The government could have said, 'We think that if you close on this particular date in the near future that will give us the very best opportunity to transition from fossil fuels towards renewables.' The government did do that, and the government will not even tell us what opportunities they had to do that.

Parliamentary Procedure

SITTINGS AND BUSINESS

The SPEAKER: I have misled the house. Sessional order 8 reads:

During the periods for asking Questions without Notice an answer to a question must not exceed four minutes. The Speaker has discretion to extend the time for a Minister's answer if the answer is interrupted.

Which the Minister for Agriculture's answer certainly was. I apologise. The member for Kurna.

Grievance Debate

LAND SALE, PORT NOARLUNGA SOUTH

Mr PICTON (Kurna) (15:37): Today, I presented to parliament a petition on behalf of 8,017 South Australians who are opposed to the sale by the Housing Trust Board of a 42-hectare paddock, situated on Commercial Road between Seaford Meadows, Port Noarlunga South and the Onkaparinga recreation park. This land has been owned by the Housing Trust since the 1970s and has been zoned for housing since the 1980s as part of the Seaford district development plans. It is now the last remaining section of land to be zoned in the Seaford district.

The Housing Trust Board has now offered this paddock for sale and would use the proceeds to reinvest in renewing other ageing public housing stock. While this is a very worthwhile public process, local residents have significant concerns with how the board and Renewal SA are going about this sale. There are three particular concerns that residents have: concern for the kangaroos that live there, concern for the nearby environment and concern about further development and housing in the area.

The presence of a mob of kangaroos is perhaps the most iconic element of this land. Up to 50 kangaroos live on this paddock, having migrated some years ago from the nearby recreation park. The paddock also includes a famous goat, nicknamed Gary, who lives with the kangaroo mob and, from all reports, thinks he or she is a kangaroo. Locals, visitors and tourists all enjoy seeing the kangaroos as they drive down Commercial Road. Amazingly, these kangaroos stay on the paddock, and I am aware of no known collisions with nearby motorists.

The concern for the environment includes the fact that this land is located next to the Onkaparinga River Recreation Park and a sanctuary zone of the Encounter Marine Park. Residents are concerned about what development of this land might mean, particularly in regard to the stormwater in the Onkaparinga River estuary and the potential impact upon fish species and biodiversity in the area.

The concerns for development are similar to many greenfields developments across the state, particularly those areas in outer suburbs, such as my electorate. Residents are concerned about the impact upon the local road network, local schools, policing and health services. Even though this land is private property and not accessible to the public, residents are very concerned about the removal of this open space in the region.

Local residents, including me, know that the south is a fantastic place to live, so it is no surprise that more and more people want to move there to take advantage of the great lifestyle, although these residents have concerns about further development and they need to be properly considered. As well as the parliament and the Housing Trust Board, concern is also being expressed

to the City of Onkaparinga tonight by residents about this development. Council was consulted about this land before it was released for sale, and council has this section of land in its Onkaparinga Development Plan zoned for housing and has not indicated that it wishes to seek to amend that housing.

Residents have already had one win, with Renewal SA and the Housing Trust Board agreeing to undertake a study into the population of the kangaroos, including the population size, movements and ability for the recreation park to house the mob, and for the board to consider this report prior to deciding upon the sale of the land. Residents have also succeeded in having Renewal SA committing to at least a five-hectare buffer zone between the recreation park and houses.

These points were made to a meeting between residents and Renewal SA last night. However, residents continue to campaign that the land not be sold by the Housing Trust Board as evidenced by today's petition. There has been a strong community campaign led by the Port Noarlunga South residents group, many of whom are here today. Residents have given hundreds of hours of their time to work on this issue and to collect signatures for today's petition. It is always great to see such passion being displayed for our community.

As the local member, I have been happy to support them and to raise their concerns with Renewal SA, ministers and the parliament, particularly as a first step, to extend the environmental study of the kangaroo population and to also consider the impact on the Onkaparinga River, and, secondly, to properly consult with the local community, including answering the many questions that residents have.

I will be writing, again, to Renewal SA and to the members of the Housing Trust Board to draw their attention to this petition, the speech, the ongoing concerns of residents and, again, the lack of consultation and environmental study concerns. I hope they listen and act in regard to these concerns about this land.

DAIRY CONCESSIONAL LOANS

Mr BELL (Mount Gambier) (15:42): I rise today to talk about dairy and drought loans. Unfortunately for South Australia, we have missed out again. I note a media release by the Hon. Barnaby Joyce of 12 October allocating an additional \$20 million to the Victorian dairy recovery concessional loans, and the reason for this is that their loan scheme is basically fully subscribed.

Farmers are doing it tough, particularly in the dairy industry. The Victorian government—and I hate to say this, as it is a Labor government over there—has actually worked with farmers to assist them in applying for this federal government loan. How does this compare to South Australia? As people know, Mount Gambier is very close to the border, and I have a number of dairy farmers in the same situation.

The reports that I am getting back indicate that only two funding applications have been approved, with one under consideration, so either something is going on in South Australia that is very, very good, because these farmers do not need to apply for these dairy concessional loans, or there is something at work that is going horribly wrong. Upon further investigation, I am shocked to find that the major difference is that Victoria allows farmers to count water as an asset, yet in South Australia that does not apply.

This is federal money with federal guidelines, yet we have a South Australian government making it as difficult as possible for farmers to access the equity or assets they own so that they can get their debt to equity ratios right. Many farmers I have spoken to have simply said that it is too bureaucratic. They have been knocked back because they cannot satisfy the equity ratios.

This is absolutely disgraceful. I have now called on the federal government to direct fund these loans. In any future loans, the South Australian government obviously cannot be trusted to be supporting farmers, particularly dairy farmers, and the federal government could do us a big favour by cutting them out of the loop and direct funding. In fact, many farmers I have spoken to say the easiest solution is to work with the federal government to a bank and have an interest rate subsidy.

One farmer, whose wife is quite numerate and articulate and does all the bookwork, has taken three weeks solid to apply for one of these loans. Unfortunately, a lot of farmers have lost faith in this government and lost faith in the system and are not applying for the loans, which are, of course, federally funded.

Some people say, 'We have actually had one of the wettest winters in history. How can we still be looking for a drought assistance package?' The reality is very different from what people think. With no rain, there have been low crop yields and people are having to buy in silage or feed because the ground is now too wet. So, although things will turn around, there are a lot of farmers who are on their knees because the crops they have sown simply have not come out of the ground yet because it is so boggy and wet underfoot.

Farmers are struggling to meet the terms and conditions of the loans that they currently have and I know of a few who in the very near future are going to either be bankrupt or forced off their land. It is a crying shame that there is assistance available at a federal government level—we are not asking the state government for anything except for some decent management, or fair and equitable management—and they cannot even access loans which are not of the state government's making. I just shake my head in disappointment and anger that people are going to go under because of poor bureaucratic management, and it is not good enough.

SURF LIFESAVING

The Hon. P. CAICA (Colton) (15:47): I am extremely fortunate to have kilometres of the metropolitan coastline along Adelaide as part of the western border in what is my beautiful electorate. While it has been battered as a result of our recent storms and the colour of the water is not as it should be, it is a valuable part of Adelaide that is enjoyed not only by my constituents but also the many thousands of South Australians who travel to enjoy our beaches.

I know that not just my constituents but many South Australians who visit our beaches are thankful for the role played by our magnificent surf lifesaving volunteers in protecting lives and making our beaches safer than they otherwise would be. I know that I also speak on behalf of all members of this chamber when I say how proud I am of our surf lifesavers and how grateful I am for the service that they provide.

I am fortunate to have two surf lifesaving clubs in my electorate—the Henley Surf Life Saving Club and the Grange Surf Life Saving Club. Not too far out of my electorate (and one where many of my constituents are members) is the West Beach Surf Life Saving Club. Henley has been a recipient of the facilities funding, as has Grange. Grange's new premises are now under construction, and we hope that, in the passage of time (not too long a time), West Beach will be a recipient of the facilities funding.

You may not be aware, Deputy Speaker, that I was an active member of the Henley Surf Life Saving Club for many years and, in fact, started with the club as a nipper in the very first year that nippers became part of the surf lifesaving movement. I was also an active member of the West Beach Surf Life Saving Club from the early to mid 1980s, when I was the club's running coach. In fact, I coached the member for Reynell's brother, Luke, who was a magnificent runner; and, indeed, coached the member for Reynell when I was a running coach. I have been privileged to have coached very many good athletes at both the Henley and West Beach surf life saving clubs.

It goes, then, that I fully understand and appreciate the amount of training and the level of fitness required by our surf lifesavers to discharge their duties to the high standards that they do. I am also acutely aware of the sacrifice made by our surf lifesaving volunteers in maintaining their proficiency and the many, many hours they give to patrolling our beaches.

One of the changes in surf lifesaving since my time when I first joined, in South Australia and, indeed, across Australia, has been the massive increase in female participation and membership in surf lifesaving. This has occurred in what is in reality a short period of time. I remember not that long ago when women could not be active serving members and were relegated and isolated to being a part of the social or fundraising auxiliary committees. We can see that today female surf lifesavers are not only equal in numbers to their male colleagues, but are a most vital ingredient in ensuring that our beaches are protected and our beachgoers are safe.

Female surf lifesavers have also had, and continue to have, a positive impact on the club's administration. For example, at Henley Surf Life Saving Club, eight of its 13 committee members are women. At Grange, six of the 12 committee members are women, and I do not expect that it is any different at the West Beach Surf Life Saving Club as well.

Henley has recently elected Rae Lawson as its President. I think she is the first female president of the Henley Surf Life Saving Club, replacing Phil Hogan, who did a great job during his tenure. I am sure that Rae, with the support of her committee and club members, will do an equally good job. Grange also has a magnificent committee, headed up by Robert Thompson, a club legend. But it is not isolated to committee positions. Women surf lifesavers have joined their male counterparts by putting their hands up to assume leadership positions in patrolling, competition, instructing and nipper surf lifesaving, and these clubs are better for their involvement.

I want to finish off by saying that, as summer approaches—and we know that we do not really get four seasons in Adelaide as we have had winter and rain and probably next week we will go into summer without there being a spring—this is the time when many thousands of South Australians will go to our beaches to enjoy the amenity, to enjoy the water and to enjoy everything that you can about our beaches in metropolitan Adelaide and throughout South Australia.

To that extent, I want to thank and pay tribute to our surf lifesavers, who without fear or favour will be patrolling our beaches to make sure that they are safer than otherwise would be the case and that our beachgoers are adequately and properly protected. Again, I want to thank, on behalf of everyone in this chamber, surf lifesavers for the magnificent role they play in South Australia and, indeed, across Australia. It is a magnificent job that they do.

BUSINESS SA EXPORT AWARDS

Mr WHETSTONE (Chaffey) (15:52): I would like to rise today to acknowledge and congratulate the Business SA 2016 export awards winners and finalists. I was privileged to be able to attend the awards ceremony just a week or so ago and it was a pleasure to see all of the budding new businesses, the businesses that have been in this space for some time and the exporters that are our shining light in South Australia and, again, driving our ailing economy, because these exporters, many of which are small to medium-size businesses, are vital to our economic future in South Australia.

I understand there was a record number of entries at the awards. As a state, I have no doubt that we can do more to assist our exporters and open up the doors across the world and in turn grow the economy and create jobs. These businesses are a key part of that vision, and I note that a number of the winners in 2016 have been recognised in these export awards in the past. I was very proud to be there and to watch the Exporter of the Year and the Regional Exporter of the Year go to Almondco Australia, a great Riverland business. Renmark-based Almondco has gone from strength to strength, growing its exports with more than half of its almond kernels currently shipped to the Middle East, South-East Asia and Western Europe.

Almondco is a world leader in the industry, supplying almond products since 1944, with the cooperative sourcing almonds from about 85 per cent of Australia's growers with well-established export markets in over 40 countries. I would like to congratulate the Almondco team, management, workforce and particularly its growers on a world-class product. Rising Sun Pictures won the Statewide Excellence Award. Rising Sun Pictures has been creating inspirational visual effects for international blockbuster films from its base in Adelaide's CBD for 20 years and was recognised for sustained success in overseas markets.

The Agribusiness Award went to Thomas Foods International, a great South Australian family company. Thomas Foods International began operation in 1988 and today has grown so much that its annual revenue is well in excess of \$1 billion and it is Australia's largest 100 per cent family-owned meat processing company. The company exports meat right across the world, and recently signed an MOU with Thailand's CP Group to build an advanced food processing centre to produce ready-made meals for export. They export to over 80 countries around the world. It is a testament to their 3,500 employees.

The Creative Industries Award went to FCT Flames. FCT Flames specialises in the design, manufacture and operation of spectacular flame effects. They were the company that produced man-made flames for the Sydney Olympics, the Athens Olympics in 2004 and, most recently, the Rio Olympics. FCT International employs about 25 people here in Adelaide, and it is great to see them recognised. The Education and Training Award went to Flight Training Adelaide. Established in 1982, Flight Training Adelaide is a flying college that has set the benchmark for delivering flight training to airline pilots worldwide. It has approximately 45 aircraft, eight simulators, and theory classrooms to train its students. It is a world-class business.

The Environmental Solutions Award went to Sentek Technologies, another great company here in Adelaide pioneered by two great Peters, Peter Buss and Peter Weir, in the Riverland. Past Exporter of the Year winner Sentek provides sensors and solutions for precision management of soil water and salinity dynamics. The company's products have gained international credibility and are sold right around the world. The Health and Biotechnology Award went to Vaxine, another fantastic Adelaide-based company. Vaxine was incorporated in 2002 as an Australian biotechnology company focusing on the development of innovative vaccine technologies.

The Digital Technologies Award went to BAE Systems. Another impressive South Australian business, BAE Systems is Australia's most versatile defence and security company. The Manufacturing Award went to RJE Global, based at Morphettville. They provide multidiscipline engineering services and they do an outstanding job. The Minerals, Energy and Related Services Award went to Wilco Technologies, based in country South Australia at Kimba. Wilco Technologies provide innovative solutions for the mining sector.

The E-Commerce Award went to the Bikini Body Training Company. The Bikini Body Training Company, based in Adelaide, is a fast-paced, highly innovative tech-based health and fitness company. The Small Business Award went to Hallprint, a great company down at Victor Harbor. Richard Hall, well done. Seventy-five to 80 per cent of their annual sales are for export, and they export to over 100 countries. Congratulations to all of the winners at the Export Awards, and well done to the team at Business SA for hosting those great awards.

SIT DOWN, SHUTUP AND WATCH! FILM & NEW MEDIA FESTIVAL

The Hon. A. PICCOLO (Light) (15:57): This afternoon I would like to speak about the Sit Down, Shutup and Watch! Film and New Media Festival. The festival is a creature, or a sister, of the Tutti Arts group. It is Australia's premier film festival for films made by people with a learning disability. Everyone on the steering committee identifies as having a learning disability and a passion for films and filmmaking. The Sit Down, Shutup and Watch! Film Festival 2016 will be held at the Angaston Town Hall in the beautiful Barossa Valley this Friday 21 October from 10.30am.

Like its sister film festival, the Oska Bright Film Festival in the UK, Sit Down, Shutup and Watch! is raising awareness of a growing international learning disability led screen culture that seeks to promote cultural change, social inclusion and acceptance of high quality original work by filmmakers with a learning disability. This Friday night, following the screening of the films, there will be a red carpet award presentation from 7pm. Audiences can book for both events online.

The film festival is unique in that it is the first learning disability led film festival in the Southern Hemisphere. Its purpose is to nurture the passion, creativity and careers of those with learning disabilities, and I have seen in previous years that the quality is outstanding. Films at the festival are screened under the following themes: films that make us think, animation, films about relationships, films that make us dance and sing, films that make us smile, and a spooky film.

The festival will showcase some locally made films that were made at the 2016 SDSW film workshops. These workshops were presented in the regional areas of Renmark, Mount Gambier and Port Augusta. They will also showcase international films made in Ireland by AbleVision, a media production and training company for people with intellectual disabilities. AbleVision production crews are empowered to speak up for themselves and to challenge expectations about what they can achieve by making their work visible and valued by the wider community.

Learning disabilities seem to touch so many people and families, so this film festival is designed to make sure that the film culture is accessible to all, and to also inspire people to be involved in film culture. As I said, the festival is a Tutti Arts initiative and the aim is to raise awareness

of a growing international learning disability-led screen culture. The vision of the festival is to live in a world where learning disabled people achieve their creative dreams and screen their work in Times Square or on iPhones and every other screen in between.

The aims of the festival are to form a community of like-minded learning disabled film makers and new media artists who can teach others; to have their voices heard and to be taken seriously; to get other learning disabled people to express themselves creatively through digital arts and technology; encourage other learning disabled people in the wider Australian and global community to connect, making physical location far less significant for their social relationships; and to become a force for social change.

Some of the films will be screened at the first official festival opening at 10.30am. Under 'Films that make us think', there are *I Am Runner*, *Sara's Film*, *Music and Me*, *Enlighten*, *Now I Play Soccer*, *Bastion* and *Aptitude With Attitude*. In the 'Animation' category, there are *Football Frenzy*, *The Chosen One* and *Pinning Down on Luck*. In the 'Films about relationships' category, there are *I Really Want to Get to Know You*, *A World for All* and *Sam's Daydream*. In the area of 'Films that make us dance and sing', there are *Hard Core on Tour*, *Love and Peace*, *Coco Butter*, *Lorcan's Rap* and *Creatures of the Revolution*. There are a number of other films to be screened.

Most of the films are by their very nature short films, but either the actors or the people who are involved in the production have learning disabilities. I am hoping that a lot of people will descend on Angaston Town Hall this Friday to view these films and to support the people with learning disabilities to showcase their films.

Parliamentary Committees

PUBLIC WORKS COMMITTEE

The Hon. A. KOUTSANTONIS (West Torrens—Treasurer, Minister for Finance, Minister for State Development, Minister for Mineral Resources and Energy) (16:03): I move:

That Mr Pisoni be appointed to the committee in place of Mr Whetstone (resigned).

Motion carried.

LEGISLATIVE REVIEW COMMITTEE

The Hon. A. KOUTSANTONIS (West Torrens—Treasurer, Minister for Finance, Minister for State Development, Minister for Mineral Resources and Energy) (16:03): I move:

That Mr Duluk be appointed to the committee in place of Ms Redmond (resigned).

Motion carried.

Bills

NATIONAL ELECTRICITY (SOUTH AUSTRALIA) (AUSTRALIAN ENERGY REGULATOR - WHOLESALE MARKET MONITORING) AMENDMENT BILL

Second Reading

Adjourned debate on second reading (resumed on motion).

Mr BELL (Mount Gambier) (16:03): According to a Deloitte Access Economics study, South Australian solar and wind generation capacity per head of population is already more than three times that of any other state and territory. I am a supporter of renewable energy; however, you also have to acknowledge the reality that you need base load power. People want electricity when the wind is not blowing or the sun might not be shining. That is one of the problems with solar and wind generation—it is intermittent. Covering this intermittence is expensive in terms of idling stand-by plants, and that is one of the problems.

Another problem we are going to face, which nobody has really started thinking about or looking at, is the lifespan of wind turbines. A report that I saw indicates that a lifespan of these wind turbines could be 25 to 30 years. The issue is being raised that in America, where they are starting to hit their lifespan, nobody has thought about how you decommission them—what you do with the

parts, what parts can be modified or re-used—and I think that is an area we will need to start thinking about as wind turbines hit their life expectancy and the issues related to that.

The other issue is that of people disconnecting from the grid. If we start going headlong into battery storage or storage capacity, what is going to happen to the market as more people disconnect from the grid? What is going to happen to the people of lower socioeconomic means who do not have solar on their roof or who are not able to access other renewable sources? People are storing more of the electricity they generate at their place of generation for reuse.

I am really worried that the costs of poles and wires is going to be borne by fewer of the population and, therefore, if you passed year 8 economics, you should derive from that that the cost is going to go up. Again, the most vulnerable in our community, the old person down the end of the street who is the only one still connected to the grid, will probably be paying higher rates for his or her electricity.

A couple of other points that I want to make are about how there seems to be this delusion that not having coal-fired electricity from South Australia is somehow a great thing, but I ask the Treasurer where do the Victorians generate their electricity from? Lo and behold, in part it is from coal which we then bring in through an interconnector at Heywood. Of course, there is a 15 per cent loss on that electricity that gets brought across the distance from where it is generated in Victoria to South Australia. If you really think about it, they are burning 15 per cent more to generate the electricity that we use in South Australia.

I support this bill and the aim of the bill in providing additional powers to the Australian Energy Regulator to collect and publish data necessary to benchmark the performance of electricity and gas network service providers, to clarify the AER's functions and powers in respect of compulsory powers to collect information, performance, reporting function, including annual benchmarking reports and the publication of information, and of course enabling to obtain that data solely for benchmarking reports which is currently restricted under legislation, and also impose an up-front obligation on service providers to make an express claim of confidentiality when submitting the information and to provide justification at the time without which otherwise information can be made public. With those final comments, I commend the bill to the house.

Mr PENGILLY (Finniss) (16:09): I will make a small contribution to this debate. As has been indicated by our side of the house, we will be supporting both pieces of legislation. It is important to recognise that the information, benchmarking and whatnot are all part and parcel of the great Australian electricity experiment which seems to be in something of a conundrum at the moment. I might add that I have in my electorate, at Starfish Hill, the first wind power turbines in the state, which were opened by former premier Mike Rann of blessed memory, who has suddenly become an instant expert on renewable energy again.

The member for Mount Gambier raised the issue of the expiry date of these turbines. From memory, they went in in about the early 2000s (I cannot remember the exact date), but they were supposed to have a 20 to 25-year lifespan. The house may or may not be aware that when these things do go—and we have already lost one through a fire, after which it doubled up and fell over—they have 20 tonnes of concrete on the bottom of them, so there is going to be a huge requirement to remediate should the towers go out of commission, become outdated or if new towers need a firmer foundation.

I am not quite sure what will happen, but we take some pride in having that wind farm down there. We are good proponents of renewable energy in my electorate. Indeed, we have some innovative people. Mike Davidson from Victor Harbor came up with wind turbines for homes some years ago and there is a large investment in solar: solar power and solar cells. We ourselves have solar hot water, for example. I would like to go to all solar to get off the grid, but storage is the problem at the moment.

Storage is the problem that the state has; it is the base load power production that is being talked about, as opposed to the storage capacity of renewable energy. You just cannot store either solar or wind energy to the needs required. I think there is a future in wave attenuators; in fact, I am jolly sure of it. Some years ago, in another capacity as mayor, I got Professor Brian Kirk from Flinders

University, who was around at that time, to come and speak about wave attenuators, and I think they have developed quite a bit further from then.

My view is that a place like Backstairs Passage has enormous tidal movements, as do the top of the gulfs. I think there is a capacity to use wave attenuators, which of course run 24 hours a day as the tide ebbs and flows a couple of times a day. I think that is the way of the future for South Australia. Personally, I would stick in a nuclear reactor. I am a nuclear power advocate, along with a number of others in here, and I think in the future that is the way to go. This is very much a personal view: I would like to see a nuclear reactor and our selling power to the Eastern States rather than getting power from the Eastern States.

The recent blackout was a real wake-up call to South Australia. Although there has been a lot of if-ing and but-ing and toing and froing, the people who actually need more information on this and want to know where we are going are the poor old consumers of electricity in South Australia, whether they be businesses, households or whatever. They are all over the place and I am sure other members in this place get constant streams of complaints about the price of electricity, how they can afford to pay their power bill, whether they own the place, rent the place or whatever.

I will not, but I could give you names of people who are disconnected from the power because they simply cannot pay the bill. People in my electorate are surviving on candles because they do not have electricity, so it is something of an interesting exercise. I spoke recently in the house about the issue that I had in my electorate office on Kangaroo Island when the power went out, only to find it had been disconnected because the bill had not been paid for 6½ years, which was extraordinary. It was not the fault of the government or the electorate office. That is by the by, but the good people of South Australia want to know how on earth they can pay these power bills that are going through the roof.

Interestingly enough, when we did have the major blackout in South Australia a couple of weeks ago, I know of only a couple of places that had power, apart from the new Royal Adelaide Hospital, which was a *Yes Minister* triumph in that you had a brand new hospital with no-one in it fully lit up by its own generator. God knows what that cost to run with the generators.

The places that did not go out were the APY lands, where the power is generated near Umuwa, which had power right through, and my electorate of Kangaroo Island, which lost power only briefly. I pay full tribute to SA Power Networks over there, who had a fair idea of what was coming and organised themselves. They had generators put in some years ago, and they kept the show running, which was great. Former minister Pat Conlon and I had discussions some years ago about the national electricity regulator, when he would not put in another cable. The old cable is still going—

The Hon. A. Koutsantonis: We've got a new cable coming.

Mr PENGILLY: Yes, I know that, minister, I am fully aware of that. I will take credit for it; you put it in. Minister Conlon and I were at that stage quite adamant that the cable needed to be replaced. He said that we needed to get rid of the national electricity regulator and, sure enough, that happened. It is interesting that the only lights that kept the show going were on the APY, which has 2½ thousand-odd people, and KI, which has about 4½ thousand people, plus a few road houses around the place and the odd business that had its own generator. It is really a conundrum for South Australia. People are particularly cranky, and after what happened a couple of weeks ago they are even more cranky.

I am not sure that these bills are going to help, but it needs to be said that, if these changes bring more things to fruition and we somehow get an answer to this electricity problem, South Australia will be a whole lot better off. The disasters that were perpetrated on Port Pirie and Port Augusta in particular were really bad news for South Australia and sent out all the wrong messages. I do not think we need to go back over what was in the newspapers, the cartoons, and whatnot. If it helps, the opposition in this state is more than happy to assist the government in getting this legislation through.

I will finish by talking about the power blackout on the Fleurieu. The dairy farming industry was hit particularly hard by this. There is a dairy farmer who has their own cheese factory and retail

outlet. They could not milk their cows for 22 hours, and they had to throw out the entire contents of their fridge.

Everything went out, so they had nothing whatsoever for their retail outlet. There is nothing to aid them with that. It may sound a bit agricultural, but once you stop milking cows for 22 hours you tend to get into a hell of a mess because the cows dry themselves off. Fortunately, the power came back on.

The vast majority of the dairy industry cannot afford to put in the generators required to provide power during an outage. It is hideously expensive, and it has caused major problems. The very fact that animals are also put under stress by this is not good. Minister, I cannot really blame you for the power blackout, as much as I would like to, but you must have had a part in it, I am sure.

Mr Treloar interjecting:

Mr PENGILLY: Well, we will blame him. With those words, I endorse the legislation and look forward to its speedy passage.

Mr WINGARD (Mitchell) (16:18): I also rise today to speak on the National Electricity (South Australia) (Australian Energy Regulator—Wholesale Market Monitoring) Amendment Bill. Like the member for Stuart, who before me spoke very eloquently (I will speak only for a few minutes), I have some issues that I think need to be addressed. A lot of people in my electorate have contacted me as well.

In the wake of the blackout on 28 September, which shut down the entire state—a blackout of the entire state—I have bumped into a number of people who have come across to South Australia from Sydney, Queensland and Victoria. They were staggered that our state blacked out. It is the first thing they mentioned to us. The damage done to our reputation and our industry should not be overlooked; it is highly alarming.

The Treasurer—who is, of course, the energy minister as well—will be known as the blackout minister. That is what he has presided over, and that is what we have here in South Australia: a state that was blacked out. I spoke to one businessperson, a very powerful businessperson from Belgium—

Members interjecting:

Mr WINGARD: Yes, a very big player in the market. The problem was—

Members interjecting:

The DEPUTY SPEAKER: Order!

Mr WINGARD: —there was no power in South Australia because the Treasurer failed to deliver.

The DEPUTY SPEAKER: Order! Stop the clock. When everyone can be quiet, we will start again.

Mr WINGARD: This person I was speaking to—

The DEPUTY SPEAKER: Hang on, I do not know if everyone is going to be quiet. Start the clock.

Mr WINGARD: Thank you, Deputy Speaker. The person I was speaking of, who runs quite extensive businesses in the Northern Hemisphere and in South Australia as well, was very upset that he was being attacked, pretty much, by people criticising the fact that he was doing business in South Australia because we had become the blackout state. Questions were being asked along the lines of whether we were like India, or why South Australia—or Australia, in fact—would have a state that would black out, and it really is damaging. It might have been cute and nice for people to have candlelit dinners—

Members interjecting:

The DEPUTY SPEAKER: Stop the clock. The member for Elder has to be called to order, and I would not want to do anything to the Treasurer, but I might have to later. Start again.

Mr WINGARD: Thank you, Deputy Speaker. It is interesting that the Treasurer heckles from that side, perhaps he does not take this seriously.

The DEPUTY SPEAKER: No need, no, back on task.

Mr WINGARD: Perhaps he does not take the matter seriously, but I know that on our side of the chamber we certainly do. You cannot afford to have a state blacked out; it really is a big setback.

I mentioned that people may have enjoyed having a candlelit dinner on the night, and it might have been quite cute to play some games with the kids without television on. I know people appreciated that. This has done damage right throughout Australia and internationally. Businesses that are looking to move here are looking at our state and saying, 'We know South Australia. It's on the map for being the blackout state.' We have to look at why this happened.

We have talked about analogies in the house, when your toaster or your kettle goes a bit dodgy: you plug it in, and it shorts out the power point that it is plugged into. The entire room might black out but not, generally, the whole house. You can go out and flick the switch, and the safety switch will get the house lights and power back on again.

What does not happen when you plug in a dodgy appliance is that it does not shut down the whole house. It does not shut down the whole street, or the whole suburb, and it does not shut down the whole city, but that is what happened in our case on 28 September. When we look at why that happened, and we look at our electricity supply, we know there is an issue with base load power supply in South Australia. We know there was a storm. No-one is denying that. We know that electricity towers went over, and we can have a debate about what was right or wrong with that.

With that going down, we have to ask: why did the whole state shut down? Unfortunately, the system that the Treasurer has presided over that we have in South Australia gives us no base load power to get the system going, or keep the system up and running. So, we turned to wind power, and being an intermittent source of electricity, when that was shut down, either because it was blowing too hard or not blowing enough—probably in this case blowing too hard—we lost that wind power and had to go to the Heywood interconnector.

That was a major concern because the drawing of electricity out of the Heywood interconnector, of course, shut down the whole system. The draw was too great, the interconnector could not provide the electricity needed and, as a result, South Australia went into blackout. We know the jobs that will be lost as a result of this, and we know the damage that it has done to South Australia's reputation, internationally and also nationally. Now businesses are saying, 'Are we going to have this problem again in the future? How can we guarantee that it is not going to happen?'

Interestingly, questions were asked again of the Treasurer today in question time about what other options there were, whether he has had a look at the Port Augusta power station because we know that since that went offline power prices have skyrocketed in South Australia. We know that amongst businesses. He refused to outline whether or not keeping that Port Augusta power station open a little bit longer could have helped alleviate this problem with base load power, given that the Port Augusta power station can provide reliable base load power.

It is not a matter of debating about whether or not this is a renewables or non-renewables issue. I am very happy to support renewable energy, but it is about the consistency that the Treasurer, the energy minister, knows we need here in South Australia to provide consistent supply of electricity. Security of electricity in South Australia is also vitally important for businesses to survive.

We know, of course, that thousands of jobs will be lost in the Upper Spencer Gulf and the outback as a result of power being suspended for two weeks—and over on the West Coast, too, it was quite disturbing to see how long the power was off over there. I know that big losses were experienced over there not only by the local supermarket but also by industry and the like. Again, the Treasurer was asked today to put a figure on that, and I think he is still working on that. He is going to get back to the house with an answer, which will be appreciated.

Again, the problem, and the concern for me, is the damage that was done with us being known as the 'blackout state'. The Treasurer has presided over this. He was the one who was at the wheel when this happened, and it is to do with the mix of energy that we have here in South Australia.

Alarming as well is the fact that there were warnings put forward. I mentioned the rise in price on the market as soon as it was announced that the Port Augusta power station was closing. The prices pretty much doubled overnight. That was a warning. Then groups like Deloitte Access Economics, the Australian Energy Market Operator (AEMO) and Frontier Economics also put forward concerns to the government to say, 'This is going to have an impact on base load power supply and also potentially on the price of electricity.'

We must note at this point that South Australia pays not only the highest price for electricity in South Australia but also it has the most unreliable energy supply. You do not need to be big in business or big in industry to know that to have that situation is not beneficial for growing industry in South Australia, so it is a very big concern.

I mentioned those groups that said to the government, 'We've got worries, we've got concerns about what is going on here. Maybe we could do a different phase-out, a different model, a different role in how we close down the Port Augusta power station and move across to renewable energies', which, of course, we know we cannot store and it has that intermittency in its supply. But the government did not listen and as a result we had that major blackout because we did not have that base load power supply.

We know that was also a key factor in switching back on the power. Once South Australia had been blacked out we needed that base load power to re-fire the generators, and that made it quite difficult for South Australia. They are some of the concerns that have been raised to me. I have had a number of people contact my office and talk about the issue, too, and they have grave concerns as well.

I should run through a few of them because this is what people are saying in my electorate, in my area, about how disappointed they are with the state, how disappointed they are to be known as the 'blackout state' and the concerns around not being able to access petrol through bowsers because there was no electricity. This is right across the metropolitan city of Adelaide and pretty much the entire State of South Australia—no communication warnings to say that mobile phone networks will go down, loss of production in retail businesses and farming, no traffic lights, no banking access to cash and the list goes on.

Life support equipment in hospitals was also affected. Sadly, in my electorate, one of my constituents had some embryos at the Flinders Medical Centre and, of course, with the power going out there they lost those embryos, which is incredibly sad in terms of the human side of what has gone on here. Those sorts of things really do hit home. One of my constituents talked about the fact that there were storms. They admit that there were storms. No-one is hiding from that fact, and our electricity towers did get hit by lightning. We understand all that, but, as they point out, this is 2016 and not the 1950s. For a tower to go down and the whole state to be blacked out really is unacceptable.

Again, I have made a couple of points, but they are made again by people who have contacted my office about the unreliability of our power supply and the fact that we have such high prices here in South Australia. We know that it is potentially only going to get worse because the power supply and the history of what has happened has made it harder. I have spoken to a number of businesses about the fact that we had that blackout.

The Treasurer often talks about businesses negotiating a new deal with their supply company, and I have spoken to a number of businesses that say they have been in the throes of negotiating a supply deal for power, and since the blackout those deals have been taken off the table. I know of a number of companies that have had their prices rise exorbitantly in recent times. They have got operations here and they have got operations in Queensland. I think they said that the price for electricity here in South Australia has risen by 70 per cent and in Queensland it has gone up by 14 per cent; so, a massive hit to their business.

When they are looking at expanding their businesses and potentially growing their businesses and they have an operation here and an operation interstate, those prices are forcing

them to say, 'Hey, let's have a look at the interstate operation. Let's invest in the interstate operation, not the South Australian operation.' That is alarming. We need to be growing jobs for our young people and we need to be growing jobs for the next generation. This situation that has been created by the Treasurer is a real setback for South Australia and really is very disappointing. We need to get that better base load supply to ensure businesses can continue to operate.

I talked about businesses having two operations, one here and one interstate. Western Australia and South Australia was another comparison that was done. A business I visited recently said that they do 20 per cent more production in WA than they do here in South Australia, yet their energy bill here is 20 per cent higher. Again, the Treasurer says to go out and negotiate a new contract. These people have gone to power suppliers and asked, 'What contract can I have? What can you offer?' They have also spoken to a number of brokers, who put forward offers to them and, lo and behold, after the statewide blackout they went back and asked, 'Can we do these deals?' and they were told, 'No, those deals are off the table.' They are having trouble getting brokers to get companies to give them a contract, so that is causing great concern as well.

These are very serious issues that I think need to be addressed and if, in any way, this bill can go towards addressing them, I support it. I have my concerns, as do a lot of people in my electorate and a lot of businesses across South Australia. Power supply is incredibly important to grow industries here in South Australia, and the security and the price must be addressed to help businesses in this state.

After 14 years of this Labor government, I know that people are left scratching their heads wondering how and when South Australia is going to get off the bottom of the table when it comes to jobs and economic prosperity. This state really has a lot of work to do, and I look forward to doing my part to help get South Australia off the bottom of the table, but being known as the blackout state really does not help.

Mr WHETSTONE (Chaffey) (16:31): I, too, make a brief contribution on the National Electricity (South Australia) (Australian Energy Regulator—Wholesale Market Monitoring) Amendment Bill. Much has been said about power prices in this place and much has been said about the blackout South Australia endured a few weeks ago, but what really concerns me, and what really concerns the businesses of South Australia, is that we have this continual blame game: 'It's not our fault. It's not my fault. It was the Liberals' fault back when the sale of ETSA happened.'

Let's be really clear about this: the sale of ETSA happened 17 years ago. The current state government has been watching with bated breath how we are going to move into this new renewable energy phase. Yes, I think the world is looking to be in a healthier place by using renewable energy, but this is about the transition that this state has not prepared itself for. It is almost premature, Treasurer. What has happened is that you got in front of yourself before you could actually deal with the real issues here at hand—that is, that we are going to strive for more renewables and a cleaner energy source. But we cannot do it overnight or over one year.

I am sure that the Treasurer (Minister for Energy) knew that, without some support for the Port Augusta power station, we were going to see a huge spike in stand-by power and a huge spike in power prices, particularly when the wind did not blow and the sun was not shining. Every business in South Australia is paying the price. Investors who look to come to South Australia are shaking their head and walking away. Large businesses particularly in my electorate, and many large businesses in South Australia, are looking at ways that they can transition away from making capital expenditure in South Australia and doing it in other states. I know that two very large businesses in South Australia are doing exactly that as we speak.

Broadacre horticulture is looking to transition into New South Wales, and meat processors have large power bills. They do not want large power bills and so they have gone down the road and found efficiencies in their business models, but they still cannot compete because they can directly collate the evidence, the power usage here in South Australia. They have the same type of business model in New South Wales and Victoria and, again, they are making a direct comparison between operating here and operating there and it is chalk and cheese. It is a real issue.

We heard from the Premier that we had this storm event, that we had lightning hits and that we had wind. We have had a lot of storms, we have had a lot of lightning hits, we have had a lot of

wind and we have had a lot of tornadoes. It was not the tornadoes that ripped the towers out of the ground: it was the harmonics of the lines. In my previous life auditing towers, powerlines and all sorts of telecommunication lines, we saw cable sway in wind, and that pulls towers over. When we hear that the tornado ripped the towers out of the ground, where are the qualifications to say that that actually happened? Where are the qualifications to say that we have had an audit on those towers? When was the last audit done on those towers?

When was the last cable change done on those towers? When that last cable change was done, was that line upgraded? Is it a heavier gauge line? Were the towers upgraded? Have the towers been audited to say that they needed to be upgraded, that they needed to have more gussets and that they needed to have more steelwork to make them more compliant with today's regulations, whether dealing with bigger and worse storms? Those are the questions that should have been answered. I have been on work crews that have done upgrades on those towers.

They have come out with all the excuses under the sun. Was any homework done on towers and cables to help negate that power spine falling over? When one tower falls, it creates an effect on the next tower, on the next tower and on the next tower, and they just pull one another over. There is no question about that, but again it was clear that the harmonic effect, the cable sway, pulled one tower and then moved on and pulled over a number of other cables. I can say that with some authority because I have been in the industry and I have been a part of the audit process when it comes to the remediation of those towers, but that is something that is privately owned and something that they will have had to have dealt with; whether they have dealt with it, that evidence remains to be brought out into the open.

Many parts of South Australia had power outages, and Adelaide was brought back on line in some areas some six hours later, but what about the reputation of the businesses that took almost two weeks to have power fully installed back to their regions and centres? The member for Finniss stated that Kangaroo Island was able to get through reasonably unscathed from the power outage. Last week, I visited the APY lands and they were able to get through without power outages because they have their own power generation.

Food-producing areas are highly reliant on power, particularly lifting water and pumping water into highly pressurised pipes and putting it into micro-irrigation. A lot of transition has happened in the last five or maybe 10 years, and we have seen that, through water efficiency gains brought on by droughts, those businesses that have invested many hundreds of thousands of dollars, and in some cases millions of dollars, to make their properties more efficient are using more power because to be more water efficient you have to be more power hungry, putting more pressure into pipes.

Nowadays, we are looking at a lot of crops that you do not water just on the weekends and do not water just at night: you water when the plant needs it, and that is normally when we have peak power demand. A lot of those businesses are paying peak power because they have to: they are not paying peak power because they want to. Particularly in the Riverland region, the Central Irrigation Trust and their customers have been hit with a forecast increase of \$1.3 million in their power bill over the next 12 months, let alone that what they encountered over the last 12 months was somewhere in the vicinity of \$1 million.

They are going to be paying 30 per cent more for their electricity in the 2016-17 year than they did in the previous year. Every year, there seems to be a 30 per cent increase in power prices in South Australia. Why are we seeing large horticulture and large investment schemes going elsewhere? Why are we seeing those jobs going elsewhere? Why are we seeing investment going elsewhere? It really is sad to see. The increase will see CIT operating at a loss of about half a million dollars in the 2016-17 financial year instead of with an expected budget surplus of about \$120,000. If power costs remain at the current level in 2017-18, the trust would have to increase its water consumption prices for irrigators by about 15 to 30 per cent.

Again, it is another cost being passed on to consumers, passed on to employers, passed on to businesses, passed on to exporters and taken away from the state's bottom line. CIT and the Riverland irrigators using electricity is not something new: they pump water. Those high electricity prices are really negating all their efficiency gains when better utilising water and doing more with less. In essence, what we have seen is a lack of planning for a transition phase going away from fossil fuels into our renewables sector.

Port Augusta could have been given some form of recognition that they are playing an important part while we develop the R&D needed for battery storage or for power storage, whether we look at how solar thermal will be of benefit. It is very expensive, yes, but businesses, companies and the world are looking to find better ways to utilise green power. They are looking at ways in which they can transition away from fossil fuel, but we are not seeing kneejerk reactions right around the world. What we are seeing is a kneejerk reaction in South Australia.

Recently, I went to some of my outlying South Australian horticultural properties that have businesses both here and in Victoria. As a matter of fact, when you look at what they are paying here, you can throw a rock across the border and they are paying half. At peak demand, they are paying half the cost of power in Victoria. That is something people talk about when they want to invest. They are looking to invest elsewhere, and that really is quite a sad indictment on South Australia.

Through that storm and through the increased power prices, South Australia was made a laughing-stock. Other governments in this country, state and federal government, looked at the situation South Australia found itself in and they laughed. They laughed to see that we have a Third World state in this country. South Australia has no lights, it has no power, it has no impetus to put in a mechanism to try to entice businesses to come to make it a better state because it has a government that did not plan. It did not plan for a transition from fossil fuel to green energy.

Our largest employers in South Australia are also our highest electricity consumers, and they have been particularly hard-hit, and this has been pretty widely documented and reported. BHP, Nyrstar, OZ Minerals, Thomas Foods International—what a great family business we have here—some great employers are looking at ways in which they can improve their efficiencies elsewhere because they can see the writing on the wall in South Australia that the price of power is just so expensive.

Members of the Central Irrigation Trust (CIT), which is one of the largest water pumpers in this state, are also scratching their heads and wondering exactly what they are going to do. Almond processors in South Australia are now investing tens of millions of dollars in New South Wales because of the cost of power. They are large power consumers, using power for processing, cracking and packaging. These businesses are very power hungry and they are now looking at moving interstate. These skyrocketing electricity prices are hurting South Australian businesses and, as I said, they are also driving away investment. Manufacturing Australia Chairman, Mark Chellew, said:

The lack of stability and high power prices in South Australia are threatening both existing and future manufacturing investment in a state already reeling from automotive closures...

The more expensive and unstable our energy system, the more difficult it is to make the economic case for building new manufacturing plants, or making necessary re-investment in existing plants [in South Australia].

Previously, Bank SA's Trends economic bulletin also raised concerns about the cost and reliability of our electricity system. They state:

...South Australia runs some of the risks around electricity supplies and prices that have recently been evident in Tasmania.

In effect, the state's energy security may prove to be at risk of vulnerability as greater variable renewable energy, combined with mothballing of traditional generation capacity, place strain on the state's electricity infrastructure.

I really hope this bill could assist with any power-related issues in South Australia. Continuing the blame game of a previous Liberal government for the privatisation of South Australia's power is wearing a bit thin. You can only bash a dead carpet for so long and get so much dirt out of it. The Treasurer continues to go down that line, and it is wearing thin with people because they know that this tired government is creating an economic disaster in South Australia. They have been in government for 15 years. You cannot look back 15 years and continue to blame something that happened then for the sake of blaming someone else.

Today, the Treasurer blamed the federal government. We see the federal government getting blamed at every corner. What I would like to say is that, if this amendment bill does have some impact and creates some stimulus towards helping South Australia's high power prices, helping

us with our power security and helping us gain a reputation that we can be great economic driver in the national scene, I support it.

Mr TRELOAR (Flinders) (16:48): I, too, rise to contribute to the National Electricity (South Australia) (Australia Energy Regulator—Wholesale Market Monitoring) Amendment Bill. It is quite a mouthful and quite a bill. It is a very important bill. South Australia is the lead parliament for national energy legislation. The proposed bill was developed by the COAG Energy Council's Energy Working Group in response to issues raised by the Australian Energy Market Commission, which is the national governing body for our energy markets.

This bill has been packaged together along with the next bill as part of a national electricity law and national gas law amendment package. In 2013, the AEMC identified vulnerabilities in the national electricity market, resulting in potential barriers to entry into the wholesale electricity market for generators and structural factors that may be limiting competition. As a result, the COAG Energy Council agreed to introduce an explicit wholesale marketing monitoring function for the AER to identify these issues and propose possible solutions. That is why we are pleased to support this bill; in fact, it is very timely. There have been many contributions to this bill, many from this side of the house.

The Hon. A. Koutsantonis interjecting:

Mr TRELOAR: I haven't finished yet, Treasurer.

The DEPUTY SPEAKER: He hasn't finished yet.

Mr TRELOAR: On the back of the blackout two weeks ago, I think everybody is taking the opportunity to highlight some of the issues, around not just price but also reliability, within the state's power network. As a result of the blackout two weeks ago, which really brought these issues to a head, more so than this well thought out bill has, it has become patently obvious that our current system is failing to deliver reliable power at a reasonable price. This bill essentially is around monitoring of price and allowing prices to be competitively set.

We have high prices in South Australia, and I am going to relate a few examples in a moment that I have heard about firsthand, and they have been attributed to a number of things, including the high proportion of renewables within our system. We are looking at about 41 per cent renewable electricity into our grid, and that is much higher than any other state. It has certainly been suggested that that has been part of it, although it is not entirely responsible. We are getting our base load power from Victoria which is a long way away. I note the member for MacKillop talked about the losses that occur when power is transmitted over a long distance, and those losses add to the cost.

The Treasurer is very keen to talk about the privatisation that occurred almost 20 years ago now, and we would have to say in response to that that Victoria, too, is a privatised system and was privatised at about the same time, yet they do not seem to be suffering the same high prices or lack of reliability as we are. I have spent a lot of time in the last two weeks fielding calls about the blackout that occurred right around the state, but particularly on Eyre Peninsula, and people are wondering why and how it occurred to the extent it did.

It was patently obvious that Eyre Peninsula was on the end of the line, particularly at Port Lincoln, where it took four days for power to be restored. It was disappointing to me, and many others and probably the Treasurer as well, that a company by the name of Synergen has a contract with ElectraNet to provide power through generation to Port Lincoln should they be required, and they were not able to do that. There are some very serious questions to be asked about that. I think if they had been able to fulfil their contract, the extent of the losses and the community angst would not be anywhere near as much as what it is.

However, on the back of that, I was talking to some local businesses about the losses that were incurred over that period of two to five days, particularly with regard to communications. I want to talk to you about a fish processor who operates a factory in Port Lincoln. They highlighted to me some weeks ago, not just since the power blackout but some weeks ago, their concerns about the price of power in this state. It is a fish processor, not a big operation; they process some pilchards, sardines and salmon and so forth, the things that come—

The Hon. A. Koutsantonis: Important work.

Mr TRELOAR: Important work—into the largest fishing port in the Southern Hemisphere, which just happens to be in the beautiful city of Port Lincoln in the electorate of Flinders. Their total power bill costs them \$128,000 a year. Of that, the breakdown is \$50,000 worth of electricity; \$70,000 apparently goes to SA Power Networks, and another \$8,000 goes in renewable fees which are put onto the account. So, it costs this relatively medium-size business \$128,000.

I was also talking to a cafe owner in Port Lincoln who is paying 7¢ a kilowatt at the moment. For a cafe, his annual power bill is \$42,000. He is selling coffee and a few meals. He cannot get a contract for next year yet but he has been told that when he does it will be 15¢. His power bill will double. These are concerns that people are bringing to me, and every other member in this place, I am sure. These are the things we are hoping this legislation will address.

It is very important that we do address this issue because members on this side in particular talk about the lack of competitiveness that exists in South Australia. The member for Hammond was scoffed at by the other side for suggesting that, if he was looking at setting up a new business, he may well look to Victoria. The reality is that the cost of power is much, much less in Victoria, so it is a more attractive business proposition.

The blackout from the other week highlighted that we are totally reliant on electricity for everything. It has been suggested that we live in 2016, not 1960, and it is important that we have our power supply. In fact, our power supply is more critical now than it ever was in 1960. When the power went off on Eyre Peninsula for a period of days, everything went out: not just the household appliances but all the businesses, all the coolrooms, all the fridges, all the mobile phone towers, all the landlines, all the internet and all the EFTPOS. Eyre Peninsula ground to a halt and it highlighted how critical security of supply is to the way we live our modern lives and the way we run our businesses.

I would like to talk about communications on Eyre Peninsula and on Lower Eyre Peninsula in particular where the outage lasted longer. When communications failed completely, it was really difficult to source good and reliable information in regard to the blackout and when the power supply might come back on. In speaking to some of the local media, both ABC regional and the local commercial radio station that were trying to sit in on some of the strategy meetings around the blackout, they were actually escorted out of those meetings. I find that disappointing because they were there as part of their community service obligations, and both those radio stations take those community service obligations very seriously. They were not able to pass on in a timely fashion good and reliable information.

The government quickly set up recovery centres in both Port Lincoln and Ceduna. People were able to go there to get basic supplies, such as tea and coffee, etc., but to also make an application for hardship and need reimbursements or claims. I understand there were about 6,000 claims made in the Port Lincoln district and almost 1,000 claims made in Ceduna. This is all well and good, but once again the rules seem to be changing day by day. It was a bit of a moving feast and, once again, the people who were manning those recovery centres did not always have good, reliable and timely information to pass on to the people they were dealing with.

The difficulty with having recovery centres at Ceduna and Port Lincoln is that there is 400 kilometres in between and that there are a lot of people in between who were not able to physically arrive at those destinations and lodge their claims, but those issues are being worked through. I am not quite sure how claims are assessed or judged on need and hardship, but that is being taken care of.

It has long been recognised on Eyre Peninsula that we are at absolute capacity with regard to incoming transmission. The ElectraNet system extends from Whyalla to Yadnarie, then across to Wudinna, and there is another spur line down to Port Lincoln. The draw on that line is at absolute capacity. I know that for some years now ElectraNet has been talking about upgrading that line and increasing the capacity of the power transmission into Port Lincoln. Unless that upgrade occurs, we will not have the new industries that we are looking at and hoping for.

The Treasurer would be well aware of the proposition at Warrambo, the mine proposal that has been put up by Iron Road. There are a few hurdles that they have to jump yet, including finance, but one thing that could be a show stopper—and I have this on reasonable authority—is the lack of

power into Eyre Peninsula. There will need to be a resolution of that, and a significant amount of power will be required not just for that project but for any similar sort of project to get up and running, but they cannot do it at the moment.

I am a supporter of renewable energy. I think there is nothing more majestic than a wind farm. We have two wind farms on Eyre Peninsula. The first wind farm is on the south-west coast at Cathedral Rocks west of Port Lincoln; it is within sight of Port Lincoln. The other one is in the Cleve hills. We only have two wind farms, but I would love to have more.

To all these precious peri-urbans who complain about wind farms I say: send them over to the West Coast because we would welcome them. Once again, we have a very good wind resource, but we do not have the ability or capacity to transmit that out of the regions and into the national grid. Once again, it is the capacity of the transmission line that comes into question. I know that there is a concept plan going around, and many people are talking about how we better incorporate this state into the national grid, and how we better incorporate even Eyre Peninsula into the national grid, and be a net contributor, rather than drawing on the national grid.

There are options for that with regard to wind power as storage improves and renewables are better able to provide base load over time, but it is not going to happen tomorrow. In the meantime, we are wrestling with this inability to provide enough base load power reliably enough and priced affordably enough to be of benefit to businesses and households in South Australia. People have been taking things into their own hands. Those who have the resources put in place their own generation capacity. Lots of small farms, houses and small businesses had their own generators running while we were blacked out. I understand that not one generator could be bought from any of the retail outlets in Port Lincoln within a day or two of the power going off.

It is not unusual: it is the second time that the power has been off in six weeks, and for much of Eyre Peninsula it is the third, fourth and fifth time in a year, so questions about reliability and price remain constant. I look forward to the passage of the bill, and I look forward to this legislation assisting South Australia to become competitive in the way our electricity is supplied and priced.

The Hon. A. KOUTSANTONIS (West Torrens—Treasurer, Minister for Finance, Minister for State Development, Minister for Mineral Resources and Energy) (17:02): I thank the member for Flinders on what I think was an articulate, well-reasoned, sensible argument about what occurred in his electorate, the impacts of the storm on his electorate, his knowledge of the bill and the research he has done. He prepared himself when he came to the parliament, he read the bill, he knew what it was about and he spoke on it. I have to say that I should not have been surprised because I know him, but what a pleasant surprise, as opposed to the ill-informed rants by the speakers prior to him. Let us start with Mr Harmonics—

Mr Whetstone interjecting:

The DEPUTY SPEAKER: Order!

The Hon. A. KOUTSANTONIS: The Australian Energy Market Operator is full of technical experts, and these technical experts speak to the people on the ground who run the assets, the assets of course that are owned by the private sector. The private sector owns these assets. They are regulated by many laws that are governed by this house. This house is, thankfully, the lead legislator for the nation. Every piece of electricity law that passes here affects the entire country. It is done by cooperation through the COAG Energy Council and its operator. The shadow trade minister said that he knows without looking what occurred. Do not worry about the engineers reports: he used to audit these very towers. These very towers he audited personally.

Mr Whetstone: No, read the *Hansard*.

The DEPUTY SPEAKER: The member for Chaffey is on his second warning and unfortunately—

The Hon. A. KOUTSANTONIS: Well, if that is not what he said, I apologise.

The DEPUTY SPEAKER: Order! Just a minute, I am on my feet. You are on two warnings. I will have to send you out of the chamber if you open your mouth again. The Treasurer is entitled to be heard in silence.

The Hon. A. KOUTSANTONIS: Apparently, what brought our system network down was a harmonic event through the swaying of the lines and the towers. There is an issue about maintenance, there is an issue there about the quality of the lines, how often they are upgraded, how often they are monitored. He implied that this was somehow the government's responsibility, not the private operators who the—

Mr Whetstone: Read the *Hansard*.

The DEPUTY SPEAKER: Member for Chaffey, leave the chamber. You are on your second warning—30 minutes.

Mr Whetstone: I don't have to listen to the misquote the whole time I am out.

The DEPUTY SPEAKER: You will listen to it, I am sure.

Mr Whetstone: No, I will not.

The DEPUTY SPEAKER: Order, member for Chaffey!

The honourable member for Chaffey having withdrawn from the chamber:

The Hon. A. KOUTSANTONIS: The misinformation that the member for Chaffey was giving to the chamber was that it was harmonics. I went out on site and saw one of these towers—not the ones that had collapsed over but one that had been concertinaed down. I spoke to one of the engineers, and I posted his description of what had occurred. He claimed that in his 20 or 30 years' experience he had never seen that occur before. He had seen towers topple over through this domino effect people had spoken of, but what he claims occurred at that site was that he thought that was where the tornado had actually touched down and concertinaed down the tower.

I suppose what occurs with these events when people see images is that a little bit of knowledge is dangerous. There are some people who think they can tell us exactly what occurred by simply looking at a photograph or hearing anecdotal evidence. It is one thing for it to be in the front bar of a pub, but it is another thing for it to be at a sub-branch meeting, or when you are speaking to people in the street, or at a street corner meeting or in a shopping centre.

When you are in the Parliament of South Australia, and you stand up using parliamentary privilege and then expound to the house, the parliament, the country and the state what it is that caused these issues, and you say a ridiculous thing like the member for Chaffey said, it makes you really wonder how well serviced the people of Chaffey are with that type of intemperate, ignorant and illogical rant to the parliament. I have to say that the member for Flinders put his colleague to shame. That is not what his intention was. He was not trying to embarrass his colleague—I am sure they are good friends, and he does not want to embarrass him.

Compare the contributions of the two; one was about the social impact on his electorate of the generators failing—absolutely the government shares his concerns. Quite frankly, there were a lot of questions to answer of ElectraNet, and this parliament, and the regulator about why they were not able to operate when they were required. They pay considerable amounts of money to be available when they are there, and they make some very nice tidy profits when they do operate in times of higher cost. When the state needed them they were not there, and I think you will find that they will put their hands up pretty quickly and say that they were at risk.

The deputy leader came in and made some comments, reading from board papers, saying that the AER has not called for these changes to the act and that these changes are simply because of my boasting outside of a COAG energy meeting. I have here the submission that the Australian Energy Regulator made to the Australian Energy Market Commission's report, which was its final determination of potential generator market power. They released this, of course, on 26 April 2013. Within this report is the genesis, of course, of the legislation we are considering today.

I have the AER submission, which the Deputy Leader of the Opposition, after her extensive research into the bill, did not find. This is the extent of the research by the Deputy Leader of the Opposition who, might I add, has no shadow portfolio responsibilities, none whatsoever, yet you will note that the shadow minister did not raise the AER support or otherwise of this.

The shadow minister did not get up and start reading out board pronouncements on the operation of the AER, but the Deputy Leader of the Opposition intimated to the house and to the parliament that the AER has not called for these extra powers, so why would they bother? I refer to a submission dated 18 March 2016 by Paula Conboy, the AER chair. It states:

Dear Energy Working Group members,

AER submission on National Electricity Law and National Gas Law Amendment Package.

It is publicly available, and members can get it. She goes through what the bill proposes, and members can find it. On the second page, in the fourth paragraph down Ms Conboy states, 'We support these principles and a number of the proposed drafting changes.'

The Deputy Leader of the Opposition's entire contribution, and her extensive research into the bill, was that the AER was not particularly interested in any of these changes. Therefore, they were not particularly interested, and it was just me attempting to sugar coat what was a crisis in the electricity market by bringing about these changes, rather than what the member for Flinders said—that is, that this was part of a COAG process after an inquiry by the Australian Energy Market Commission, that a working group was established, that we established principles and the COAG agreed on this legislation. It was reasoned and articulate as to why this occurred, rather than, quite frankly, an ill-prepared speech simply attempting to try to embarrass the government. What has actually occurred is that I think the Deputy Leader of the Opposition has humiliated herself by making remarks that, quite frankly, are not accurate.

Then we go to the contribution of the member for Mitchell which, quite frankly, was an incoherent rant making absolutely no sense, trying to link the blackout to intermittent energy, trying to link the storm event with South Australia's energy mix. I have said repeatedly that it is a fair debate for the opposition to say to the government, 'We are concerned about the penetration of renewable energy into the South Australian grid. We would like to know how the government is managing that integration. Intermittent energy has particular qualities that can cause instability. How do you manage that?' But it is quite separate from the storm event. Let's be clear about this.

The Australian Energy Market Operator's report found that wind generation separated—perhaps when it should not have—not because of its intermittent nature but because it did not ride through a voltage event. I am advised that that could be because of software, it could be because of a safety mechanism within those generators. It is not unique to all wind generation because some wind generators did ride through those voltage events and were able to power on through.

Then what occurred was that, because of the drop-off of that generation, the system went into shutdown and, rather than overload the interconnector—which the member for Mitchell quite eloquently described in his very best sporting analogy as 'trying to drag it across'—the interconnector shut down. The reason it shut down was to protect the system so that we could have restart relatively quickly.

I remind members opposite, as I said the day after the system blacked, that the East Coast of the United States went out for nearly 38 hours—the financial centre of the world. New York was out. There was rioting in the streets, there was looting, and law and order was not maintained by city officials, yet in South Australia, because of the mechanisms we have in place, we were able to be back on again from a system black within about four hours. If only the East Coast of the United States could have had the same record.

Then we were told by the genius member for Mitchell that this has done substantial reputational damage to South Australia, that we are now the 'blackout state'. Well, I would like to make a comparison between the South Australian economy, or any other economy perhaps the member for Mitchell would like to quote, where there has been a system black. He likes to compare it to India. How about I compare it to the financial centre of the world, New York State and New York City, and how they compared and how they got their power on. Find me anyone else in the world who would make the outlandish comparison between a Third World nation and New York City. There is no-one, because members, like the member for Mitchell and the member for Chaffey, are not here to make a considered contribution to the debate. What they are here to do is to try to assign blame.

Why do they want to assign blame? For fear that the public will finally realise that the reason that we do not control our assets, the reason that we are not investing as much as we would have had we owned these assets into the National Electricity Market to have more base load generation in the market, is that members opposite sold it to the private sector, and the private sector does what the private sector does best: they return capital to their shareholders and they work generation that they have and the assets that they have harder than the government would.

If the government owned these assets, there would be a continual program of reinvestment, as you are seeing in SA Water, as you are seeing in other state-owned facilities—a continuing investment to maintain reliability. But of course we do not have that because we are at the mercy of the markets and all that we have now is regulatory power, which is what this bill is about. This bill is about trying to unpick that market power.

Why do these generators have market power, why do they exert market power, why do we suspect that they do it? Because they were given a monopoly through the privatisation. All roads lead back to Rome. So, you cannot just ignore it and say that it was 17 years ago or 20 years ago. Why is it that generators can exercise monopoly power in the Australian energy market? Why is it?

Mr van Holst Pellekaan interjecting:

The Hon. A. KOUTSANTONIS: We will get to Victoria in a moment, but why is it that in South Australia they can exercise monopoly power? Have a look at the MOU torn up by the former Olsen government into the interconnection into New South Wales. Why did they tear up that interconnection MOU? It was for a very simple reason: they tore it up because they wanted to create more market power in South Australia, to make our generators more profitable, so that when they sold them they would get a bigger return. It is pure and simple.

Mr van Holst Pellekaan interjecting:

The DEPUTY SPEAKER: Order! The member for Stuart actually only has a call to order.

The Hon. A. KOUTSANTONIS: No, he has been quite reasonable. He asked a very good question: how many generators are in this monopoly? Monopolies can be markets, and markets are governed by rules, and rules are set by governments, and governments that own their assets and attempt to privatise these assets make damn sure that the rules that are set in place by the government maintain that monopoly power.

If you want to make changes to the National Electricity Law and you want to make changes to the national electricity system, you need the unanimous consent of all the states. I point out to the shadow minister that the New South Wales government is currently privatising their assets, so of course they going to agree to laws that demonopolise their generation that will give them a lower return on their asset sales. Of course they will not—their treasuries will not allow them, the same way that the Treasury in this state, when the Olsen government was privatising its assets, would not allow any national rules to interfere with the sale of these assets and maximising their sale price.

What did they do? They constructed a national electricity market that benefited them, the people who were selling the assets. We were told there was immense risk and, 'We have to sell these assets.' The immense risk and the monopoly power we were trying to flee through privatisation in fact was cemented by privatisation. While the shadow minister throws his arms up in the air, perhaps he should read the debate of the many members who came here and never spoke to the bill once. Rather than getting frustrated, he can sit quietly and listen. What he can listen to is the tale of tragedy a former government has imposed on this state with a contract that will last over a hundred years.

Ms Digance: Shame on them! Shame!

The DEPUTY SPEAKER: Order!

The Hon. A. KOUTSANTONIS: You can see, Deputy Speaker, the Hon. Tom Playford looking down on the parliament, looking at his paternal party and thinking, 'What have they done?' Tom Playford nationalised the electricity system because it was not delivering for the people of South Australia. It was not giving us effective, cheap base load energy. It was not giving us energy that was

reliable and it was not allowing industry to grow, so he bought it and he invested in it. There is a reason they called the Playford power station Playford—because he wanted it built.

They went out and found coal and mined for coal, then they went out to the Cooper Basin and found gas, and they built a pipeline to Adelaide and we had Torrens Island. We had gas-fired generation and we had coal-fired generation. Then, the heirs and successors of Tom Playford decided, 'This electricity caper is all too much for us. We are going to sell it.'

They did not do what Geoff Kennett did when he sold his assets, that is, ensure that he retired debt with the proceeds, which is what the former government did not do—in fact, they increased debt after they sold ETSA. Then, rather than make sure that they left South Australians in a competitive energy market with interconnection to New South Wales and Victoria and our own in situ generation, what did they do? They consigned us to one interconnector and they tore up an MOU for another.

Do you know why Victoria has cheaper power? They have access to Snowy Hydro and they have access to Tassie hydro. They are interconnected into three jurisdictions plus their own source power as well. If only South Australia had that type of interconnection, if only we had that type of competition. But members opposite—not the ones who are here now—who voted for the privatisation of ETSA consigned us to monopoly generation and now they dare complain about the outcomes of their decisions to create a monopoly market.

Here we are today, attempting to get every jurisdiction to agree to break up that monopoly and that market power, and the only way we are able to do it is because we have a Labor government in Queensland and because the New South Wales government is selling its assets and its generation. They do not want to leave their constituents behind. They do not want to break up the market because the contracts are done. So, here we are. That is why we are here today.

But of course the members opposite who argue that it was something completely the opposite would never admit to the South Australian public that that privatisation was a mistake. I say to the people in the Liberal Party who are here today that they owe nothing to the Olsen government. They owe absolutely nothing. It is in the same way that I owe nothing to John Bannon and I owe nothing to the people who subjected this state to the State Bank disaster—not a thing. I condemn them.

I joined the Labor Party and swore to myself that I would never let that occur again. I am the Treasurer of this state and I will make sure that we never allow a financial institution to do that kind of damage to the people in this state. The very least the opposition could do today is disavow themselves of what the Olsen government did. They should disavow themselves of the decisions of the past, but they cannot. They just cannot do it, so instead they come in here and make up excuses and, quite frankly, almost mislead the parliament.

The member for Mitchell said that a business in my electorate had contract offers torn up after the blackout. I am going to check that because he told the parliament in this debate that energy companies were offering contracts, through a broker no less, who, the moment the blackout occurred, said those offers no longer stood. That is something we can check and we will see if the member for Mitchell is accurate in his description of what occurred because he held a press conference at that business and I know where that business is. Let's wait and see whether or not he was actually telling us the facts or whether it is really that all of these people are rushing up to the member for Mitchell and telling him their concerns just randomly. I want to thank the opposition as well on the other hand because—

Mr van Holst Pellekaan interjecting:

The Hon. A. KOUTSANTONIS: Exactly. You could not tell from the contributions.

Mr van Holst Pellekaan: You could tell from mine.

The Hon. A. KOUTSANTONIS: I could tell from yours and that of the member for Flinders, who, again, I think made an excellent contribution and is a credit to his community.

This is an important piece of work and this is an important piece of legislation and it is the nation's business, not just South Australia's, because this will allow us to actually delve behind the

deals and give the Australian Energy Regulator the teeth it needs to find out what is going on. In my experience in politics, the best disinfectant is sunshine. The more you know about what is going on, the better the outcomes. I have very severe suspicions about market power and I will give you an example.

We are being told by a number of energy retailers that prices had to go up by 12 per cent for residents and we are told by the spot market that electricity has to be more expensive across the forward curve, but, of course, if you look at the spot market today, you get a very different outcome. The spot market today has actually been very low and people right now are paying \$43 a megawatt hour and previously it was minus \$45.

But these companies will have the South Australian public believe that the cost of operating their plants from last year has gone up by 30, 40 or 50 per cent and that the offers that they have to make into the market have to be more expensive. We know what the price of gas is. We have seen their enterprise agreements. We know their running costs. What has changed? Members opposite would say, 'Northern.' I would say, 'Market power.'

Market power needs to be smashed into a thousand pieces because I believe in a competitive National Electricity Market. I believe that we are seeing market power being exercised right now. The great thing about what is occurring today in the parliament, for those of us who were actually paying attention to the bill, is that this bill will give us the opportunity to find out what is going on, and when we find out what is going on, and if we find out that companies are exercising unfair market power in the National Electricity Market, there will be consequences.

The consequences are not in this bill. The consequences are those to come because imagine the indignation of the Australian public if they find out that certain generators are mothballing in an attempt to increase power prices, or that some people are deliberately not offering contracts when they can supply to try to affect power prices, or that people are doing one bilateral trade publicly to set a gas price, but secretly purchasing it at something else or, even worse, contracting with a company, trading the gas deliberately and then buying it back more expensively to try to charge more for electricity. All of these things will be found out, and once we know what they are, we can act, but I suspect it is going on.

I suspect that there is market power and I suspect that there is not a person in this chamber who does not want to see it stamped out. That is why I want to thank Josh Frydenberg, Liberal minister Anthony Roberts and minister Groom from Tasmania, all from Liberal governments, who unanimously agreed with this approach to smash up market power and find out what the root cause is. Unfortunately, we have had to wait a bit of time to get there, but we are here now. I commend the bill to the house.

Bill read a second time.

Committee Stage

In committee.

Clause 1 passed.

Clause 2.

Mr VAN HOLST PELLEKAAN: Just for the record, I would like to make it clear to the house that the deputy leader, while not the shadow minister for energy, is the shadow minister for state development and so is certainly entitled to ask any questions, do any research or contribute in any way that she would like to. I have a very straightforward question on commencement. The act will come into operation on a date fixed by proclamation. Treasurer, do you have an intention for when you would like this to come into force?

The Hon. A. KOUTSANTONIS: It is a very good question. I would like it to start immediately, but there are some inconsistencies between the commonwealth statute and the COAG-agreed legislation. An inconsistency has been identified between the wholesale marketing monitoring amendment bill and the Competition and Consumer Act 2010, which is commonwealth legislation. The wholesale marketing monitoring bill prohibits the Australian Energy Regulator from disclosing

confidential supply information, while section 44AAF of the CCA allows the Australian Energy Regulator to use and disclose information in performing its functions.

Changes will need to be made to the CCA. These provisions provide the AER with the power to obtain confidential information from generators, also referred to as wholesale electricity suppliers. Section 44AAF of the CCA, which is the commonwealth act, requires amendment to ensure it is consistent with the COAG Energy Council's policy to maintain the confidentiality of information and maintain investor confidence in the regulatory framework.

I understand that the commonwealth government is acting to rectify this matter and that it is just a matter of procedure. I also understand that the Labor states will be lobbying the Labor opposition to support these amendments, and if the Labor opposition and the LNP support the bill, there should be a speedy passage through the parliament. I cannot speak for the Australian parliament.

Clause passed.

Clauses 3 to 5 passed.

Clause 6.

Mr VAN HOLST PELLEKAAN: Minister, this really goes to the heart of it; this is about competition. Have you done, or has your department done, any modelling at all to indicate what sort of savings you expect? I do not mean to the cent, because I understand that this is all about trying to understand whether there is room for improved competition, but do you have any modelling at all, or any understanding of the scale of the savings that could be made in the generation market which would then flow through to consumers?

The Hon. A. KOUTSANTONIS: The bill does not provide for more competition: this bill provides powers for monitoring. The reason we want to monitor is that if we do find aspects of market power that are being exercised either unfairly or in breach of any statute about fair competition, then we can act. The long, slow and laborious process of COAG energy reform is one step at a time. First, let's find out what is actually going on. Once we find out what is going on, then we can act. If we find out through the monitoring that market power is occurring, then we can start looking at a solution.

Mr VAN HOLST PELLEKAAN: I understand that, but your speech made it very clear that you believe there is going to be room for significantly improved competition once this monitoring is done. Has there been any modelling at all done in the department to even estimate what the savings to consumers might be?

The Hon. A. KOUTSANTONIS: I do not think we have that capability in-house. I have heard the opposition say, 'Our \$30 million energy group,' many times. Most of that money is spent on the RAES program, which is for making sure regional and remote areas have energy, so we do not have the capability of that detailed modelling. This is a COAG energy reform. There is fact sheet by the Australian Energy Market Commission, which is publicly available, to which I refer the member. It states:

The Commission considers that, taking account of all the evidence, it is not clear as to whether substantial market power has existed in the South Australian region to date. However, the Commission's analysis has demonstrated that South Australia may have some characteristics that may make it different from other NEM regions and potentially more prone to inhibiting efficient investment and promoting the likelihood of substantial market power.

The commission, through its work, has found some evidence but like any modelling, until we actually take a look under the hood, we will not know. That is why it is important. This is basically stage 1. The long answer is the one I just gave you, and the short answer is: no, we have not done any modelling.

Mr VAN HOLST PELLEKAAN: This extra responsibility that is going to the AER will obviously include some extra work. Has the extra cost of that work—the labour and the effort that will go into doing this monitoring and reporting—been identified? How will that flow through to South Australians?

The Hon. A. KOUTSANTONIS: It will be funded by commonwealth Treasury.

Mr VAN HOLST PELLEKAAN: So there is no flow-through at all to South Australians?

The Hon. A. KOUTSANTONIS: I would like the AER to be a separate body like ESCOSA and to charge the people that they regulate a fee, and remain completely independent. The commonwealth and the states are in negotiation about that. My understanding is that currently the AER is an arm of the ACCC, which is an arm of The Treasury. They submit budgets like every other agency and they are funded through commonwealth Treasury. I am not aware of any provision in any of the bills to recover any of the costs of this extra function. To be clear, I would like the AER to be completely independent of government and charge the industry for its regulation, the same way ESCOSA does, but that has not yet occurred.

Clause passed.

Clause 7.

Mr VAN HOLST PELLEKAAN: My question is about the transitional provisions related to the AER and the reporting time. Under section 7(1), it says the first report prepared under this section must relate to the period of two years and the second report to four years, so that it can grow and get up to that five-year period. When will these reports be published after the close of those periods? When the AER provide them to COAG and the states, and when will they be made public?

The Hon. A. KOUTSANTONIS: I have been advised it is a matter for the AER when they want to report, but what we are setting is the data range for them to collect the information. The data range will be a two-year period, but as they are collecting information, the AER are free to make interim reports as often as they like. It is a matter for them. The bill is not prescriptive about when they should. I am advised that the minimum period is two years. If you read the bill, it provides:

- (1) Despite section 18C(3)—
- (a) the first report prepared under section 18C(2)(a) must relate to the period of 2 years after the relevant day

That is the period of time that they are assessing, so they can do it for a month of that two-year period and report immediately. It is a matter for them, and we want to give the AER as much scope as possible. The minimum is every two years, but I suspect that, given how I know the AER, if they uncover something, they will be reporting much more frequently.

Mr VAN HOLST PELLEKAAN: How soon after those reports are provided to COAG will the public get access to them?

The Hon. A. KOUTSANTONIS: When any report is made by the AER, it must publish it on its website, in reference to this market power.

Mr VAN HOLST PELLEKAAN: So, it doesn't go to the government first?

The Hon. A. KOUTSANTONIS: No, it must publish it on the website.

Clause passed.

Title passed.

Bill reported without amendment.

Third Reading

The Hon. A. KOUTSANTONIS (West Torrens—Treasurer, Minister for Finance, Minister for State Development, Minister for Mineral Resources and Energy) (17:36): I move:

That this bill be now read a third time.

Bill read a third time and passed.

STATUTES AMENDMENT (NATIONAL ELECTRICITY AND GAS LAWS - INFORMATION COLLECTION AND PUBLICATION) BILL

Second Reading

Adjourned debate on second reading.

(Continued from 28 September 2016.)

Mr VAN HOLST PELLEKAAN (Stuart) (17:37): I rise to speak to the Statutes Amendment (National Electricity and Gas Laws—Information Collection and Publication) Bill. For anybody who is following this information closely, primarily industry people but also perhaps consumers, I would like to refer them to contributions in this house that they will find in *Hansard* for the bill that we just debated, the National Electricity (South Australia) (Australian Energy Regulator—Wholesale Market Monitoring) Amendment Bill 2016. Many of the topics covered and many of the contributions that members made would have been relevant to both of these bills in their minds, and I do not see there is any need to go over all of that again.

I think it is worth highlighting that a lot of the issues that members would have wanted to contribute on behalf of their electorates are common to both bills. A lot of the reasons that the government, in conjunction with COAG, has for putting this bill forward are exactly the same as for the last bill. Deputy Speaker, I advise you that I am the lead speaker for the opposition on this bill but I do not think we will be taking too long in this at all. I have not checked with the whip but I am not sure there will be any others contributors from the opposition on this bill.

Suffice to say that we have covered fully today already the reasons why the government is bringing forward this bill, and the opposition fully supports it. The opposition has reservations about whether it will achieve the results that the government seeks to achieve, but nonetheless the opposition fully supports the government in that effort because we want, as I am sure all members of this parliament do, the very best for our economy, particularly for our consumers.

We need businesses to be successful and make a dollar so they are incentivised to continue to provide useful and ongoing services. Businesses need to make a certain amount of profit to be able to do that so that consumers can benefit from what those businesses have to offer. However, first and foremost, I think all of us in this house are thinking about consumers.

Broadly speaking, this bill essentially amends the national energy legislation to ensure that the Australian Energy Regulator has sufficient and clear powers to collect and publish data in its role as the economic regulator of network service providers, so that is the key distinction. In the last bill, we were talking about the wholesale electricity market and in this bill essentially we are talking about benchmarking between different network service providers. Those providers include private organisations both in South Australia and many other states, as well as public organisations in some places, that essentially provide the distribution service for both electricity and gas, and both are very important.

We currently have a situation where the AER may prepare electricity and gas network service provider performance reports, but this bill essentially says that the AER must prepare those performance reports. The existing National Electricity Rules require the Australian Energy Regulator to prepare and publish annual performance reports. What will happen is that they will actually be required to do those annual performance reports.

It has been clarified in this bill that performance reports published by the Australian Energy Regulator may deal with financial and operational matters. What that means is that the Australian Energy Regulator will be looking at not just the operational performance but also the financial performance, which is a key distinction. As the minister said in his closing remarks on the previous bill—it is an often used expression, but it does make sense—the best disinfectant is sunlight. A number of people have used that phrase in this parliament over the past several months and it certainly does make sense.

I do not think anybody could be concerned about that sort of benchmarking. The opposition has been informed that COAG sought consultation far and wide and, while there was certainly some feedback that said, 'This may not make any difference,' there was no feedback provided to COAG of any significant concerns or objections.

In the same vein as has been thoroughly explored in the bill that we just finished debating, the opposition supports the government and supports COAG in their efforts to more thoroughly interrogate, disclose and report on the relative performance of network service providers across the nation. The reason we are doing that is so that we can know in South Australia that we are getting the best deal possible, given the constraints that we work under, and so that we have the best

opportunity to improve the situation in South Australia when that is appropriate and where that is possible.

The Hon. A. KOUTSANTONIS (West Torrens—Treasurer, Minister for Finance, Minister for State Development, Minister for Mineral Resources and Energy) (17:43): I want to thank the opposition for the speedy passage of the second tranche of the government's COAG reforms. I thank the member for Stuart for not wasting parliament's time and for his very concise effort, so a job well done for everyone.

Bill read a second time.

Committee Stage

In committee.

Clause 1 passed.

Clause 2.

Mr VAN HOLST PELLEKAAN: I assume that the answer will be the same as you provided in the last bill. I am just seeking to find out when you anticipate this bill will be brought into place.

The Hon. A. KOUTSANTONIS: As soon as it passes both houses of parliament and His Excellency deems it fit to sign. As soon as His Excellency deems it fit to assent to it—as soon as it passes the parliament, immediately.

Mr VAN HOLST PELLEKAAN: It has nothing to do with the federal competition policy connected that would slow this down?

The Hon. A. KOUTSANTONIS: No.

Clause passed.

Clauses 3 and 4 passed.

Clause 5.

Mr VAN HOLST PELLEKAAN: Going to the issue of confidentiality, I know what is in the bill about organisations providing information and being able to make a claim for confidentiality and for the AER, if it feels it is appropriate, to be able to essentially hide some of their information in aggregated information so that it is not possible to identify exactly where it came from. What if there remains a disagreement between the company or the organisation providing the information and the AER? So, they seek confidentiality, and the AER says that it is not necessary or, as it was referred to in the test, the AER might decide that the public benefit outweighs the company benefit in providing information.

The AER might even say, 'We will provide this information in aggregated form, and I don't think anybody will be able to know exactly your personal details.' What if, after those discussions, the organisation is still dissatisfied and still thinks that they will be harmed by providing that information and having it made public? What sort of dispute process will there be? How will that be dealt with?

The Hon. A. KOUTSANTONIS: The bill does not specifically provide for any safeguard mechanism for someone who wishes to have their information held in aggregate if the AER chooses not to, but there is a series of tests built into the system. There may be some other pieces of legislation within the NEM that I am not aware of at this time that might give them the ability. My instincts are that the AER would seek to do what it could to protect people.

Without trying to get into the member's mind, I assume he is talking about someone who is in a commercial relationship with a generator or a network who does not want to be named in terms of benchmarking because they might lose that contract or something else. The AER is not silly. I do not think that they would do anything to compromise their commerciality or their viability as a company. Between the houses, if you can give us some time to go away and have a look at that, I will get you a detailed answer and even check with the AER itself.

Mr VAN HOLST PELLEKAAN: This will be exactly the same, although technically we are looking at a different bill. With regard to extra workload and extra costs to the AER for fulfilling these extra responsibilities, is it still the case as it was in the previous bill that none of that will flow through to South Australian suppliers or consumers?

The Hon. A. KOUTSANTONIS: I am advised that they conduct this function now. This is just about strengthening their ability to obtain information.

Clause passed.

Clause 6.

Mr VAN HOLST PELLEKAAN: With regard to the annual reports, is there a due date for them to be published? Will it work on a financial year? When can we expect this information to be available to the public?

The Hon. A. KOUTSANTONIS: As I said earlier, this work is already being done by the AER, so there is already a publishing regime in place. We do not expect that to change, but we will check between the houses. As I said earlier, this bill simply gives the AER the ability to find out more information. It already conducts the function—it already reports on that function—we are just giving them a broader scope to get more information. So the reporting function should not change, but we will check between the houses to make sure we are not giving you any false information.

Mr VAN HOLST PELLEKAAN: Just for clarity, it will not be an additional report: it will be a report with more information in it?

The Hon. A. KOUTSANTONIS: I will find out between the houses.

Mr VAN HOLST PELLEKAAN: Can you advise whether the costs associated with repairs from the distribution network disruption that are currently being incurred are, as they probably will be, ongoing for quite a long time given that the bill says that, essentially, anything that was going on before this comes into place will be part of the old regime, and anything that happens after the bill comes into place will be part of the new regime?

What happens with the costs associated with the repairs that are happening at the moment? I understand that this legislation was prepared in advance of the storm, so it is a bit of a coincidence that the storm and the disruption and the costs will come together. How will those costs be dealt with, because it could have a very significant impact on the benchmarking process?

The Hon. A. KOUTSANTONIS: I am advised the AER still collected information, but could only release it in an aggregated form. The new powers that we are giving it now allow it to be more specific about the benchmarking.

I do not think the concern that you are raising about the new towers being put up now—and are we being benchmarked against best practice everywhere else, and are we paying more or less than we should be for what we are getting—that is not, I am advised, what is changing. What is changing is the ability to report that information, either in an aggregated form or in a specific form. So I think your concerns are covered.

Mr VAN HOLST PELLEKAAN: I understand that, but if I try to put myself in the shoes of a network operator—and given that repairs will be done over a period of time, bills will be paid over a period of time—it might be to the network operator's advantage to try to pay a bit more a bit sooner, or pay a bit more a bit later so that it might appear more or less favourably in different periods in the benchmarking report.

As an aside to that, I think it is very likely that, with regard to network operators going through the normal process with the AER and highlighting the costs that they have incurred and so the charges that it will get down the track, there is plenty of scope there if they want to pick carefully when they want the costs to actually be applied. I just want to know how this process would deal with that.

The Hon. A. KOUTSANTONIS: They are already benchmarked now, so that work is already done. So they know what it costs to put a tower up here and a tower up somewhere else. What this is about is how they release the information. So, your concerns are covered within the existing

framework. This is just about reporting. I think what you are talking about is: what if they delay in paying some bills or spread this out? It will not matter if they already do this work. They already know particular costs of benchmarking between one set of work compared to somewhere else. This is about how they release that information.

Mr VAN HOLST PELLEKAAN: The implementation date won't make any difference then, in terms of when it starts?

The Hon. A. KOUTSANTONIS: No.

Clause passed.

Remaining clauses (7 to 19) and title passed.

Bill reported without amendment.

Third Reading

The Hon. A. KOUTSANTONIS (West Torrens—Treasurer, Minister for Finance, Minister for State Development, Minister for Mineral Resources and Energy) (17:55): I move:

That this bill be now read a third time.

Bill read a third time and passed.

At 17:56 the house adjourned until Wednesday 19 October 2016 at 11:00.

*Answers to Questions***ALCOHOL AND OTHER DRUG STRATEGY**

In reply to **Mr DULUK (Davenport)** (23 February 2016).

The Hon. L.A. VLAHOS (Taylor—Minister for Disabilities, Minister for Mental Health and Substance Abuse): I have been advised:

The 2015 Progress Report on the South Australian Alcohol and Other Drug Strategy 2011-16 has been provided to my office. The government is considering the Progress Report and it will be released in due course.

EDUCATION AND CHILD DEVELOPMENT

In reply to **Mr GARDNER (Morialta)** (25 May 2016).

The Hon. S.E. CLOSE (Port Adelaide—Minister for Education and Child Development, Minister for Higher Education and Skills): I have been advised:

As of May 2016, there are currently 2,886 students that receive support from Behaviour Support Coaches across South Australia.

All Behaviour Support Coaches are qualified teachers and some have additional qualifications such as social work and nursing.

There are 30 Behaviour Support Coaches that provide support to students, teachers and schools across South Australia. While they provide input to individual students, they also provide support to teachers and schools to enable them to effectively engage students in positive behaviours that will support their learning.

This support includes:

- Functional assessments of behavioural issues, underlying causes and co-morbidity factors
- Individual, family, group, whole school level, and direct support to sites
- Provision of advice and case management/coordination
- Capacity building of staff and families through training, modelling and provision of information, resources and strategies

NATIONAL DISABILITY INSURANCE SCHEME

In reply to **Dr McFETRIDGE (Morphett)** (26 May 2016).

The Hon. L.A. VLAHOS (Taylor—Minister for Disabilities, Minister for Mental Health and Substance Abuse): The state government has committed funding during trial and for transition to full scheme rollout of the National Disability Insurance Scheme (NDIS) in South Australia. I am advised by the Department for Communities and Social Inclusion, the state is providing an agreed, fixed per client contribution that amounts to 59.4% of individually funded support package costs, with the commonwealth government funding the remaining 40.6% of support package costs and 100% of operational and administrative costs associated with the scheme.

This means that every dollar contributed by the state government to the NDIS is being directed to support individual packages for NDIS participants.

PRISONER SUPPORT AND TREATMENT

In reply to **Ms CHAPMAN (Bragg—Deputy Leader of the Opposition)** (6 July 2016).

The Hon. L.A. VLAHOS (Taylor—Minister for Disabilities, Minister for Mental Health and Substance Abuse): I have been advised:

As of 8 July 2016, there are 16 forensic consumers in prison. However, this number changes on a daily basis.

The state government has responded to an increase in demand for forensic services through the recent expansion of forensic bed based services, increasing the net forensic bed capacity from 40 to 60.

TAFE SA RIVERLAND

In reply to **Mr WHETSTONE (Chaffey)** (27 July 2016).

The Hon. S.E. CLOSE (Port Adelaide—Minister for Education and Child Development, Minister for Higher Education and Skills): I have been advised:

Berri campus is one of three campuses operated by TAFE SA in the Riverland, the other two being Renmark and Waikerie. TAFE SA's operations at Berri are part of a coordinated, regional approach to meet local demand for training.

TAFE SA has advised me that broad consultation was undertaken with industry, business, schools and the community in the Riverland late last year as part of its statewide Improving Access to Education initiative.

In the Riverland, as in regions across the state, TAFE SA found broad support for its strategy of tailoring courses to local needs, being innovative in how it delivers those courses and strengthening its ties with communities and industry.

As part of efforts to refine its training and delivery in the region based on the feedback, TAFE SA has joined with Renmark High School, Renmark Paringa Council, Regional Development Australia Murraylands and Riverland, and the Chaffey Learning Exchange, in the development of the Riverland SmartHub, a new enterprise and innovation precinct planned for the Riverland.

The precinct is designed to provide local people with the business skills they need to revitalise and grow the Riverland's economy. TAFE SA's Renmark campus will be the centre of the precinct as it is developed over the next two years, making TAFE SA ideally placed to align its training with current and emerging needs of the local community and industry.

In the meantime, TAFE SA will continue to deliver training in Renmark and its surrounds using the precinct as well as local business and community sites.

A new qualification—a Certificate III in Micro Business—will be offered from semester 2, 2016 to support Renmark High School's new status as a specialist 'business and enterprise' school.

In early 2016, TAFE SA undertook a review of its Mining, Engineering and Transport, Building and Construction program at Berri campus. One FTE was made excess due to low student enrolment numbers. However, there are no plans to relocate or cease delivering this program at Berri campus.

As part of TAFE SA's regional approach to the Riverland, Berri campus will be upgraded to accommodate staff and programs relocated from the Renmark campus. The transition will occur gradually with timeframes determined in consultation with affected staff and students. Upgrades to the Berri campus will include remodelling the front reception area to improve efficiency and make the campus more welcoming, consolidating staff work stations, and creating a 'skills lab' for Community Services training.

TAFE SA has recently introduced several new programs at the Berri campus, including Children's Services, Leadership and Management, Building and Construction Management, Animal Studies, Media, and Hairdressing. Additionally, training associated with Individual Care is being introduced to the campus, in anticipation of the rollout of the National Disability Insurance Scheme (NDIS).

TAFE SA will contact any students affected by these pending changes and provide support to ensure they can complete their qualifications with minimal disruption.

The focus on developing skills, building a flexible industry-focused workforce, and driving economic growth in the Riverland aligns with TAFE SA's commitment to engage with industry and deliver training that meets the demands of local industries and communities now and in the future.

TAFE SA's consultation also provided crucial information about what students, industry and the community need in the way of education and training in Waikerie and the surrounding area. TAFE SA currently delivers a range of training, such as Automotive, Electrotechnology, Air-Conditioning and Refrigeration, Hairdressing, Accounting and Financial Services through community sites and workplaces.

TAFE SA has also recently expanded its short course program and will again offer its highly popular Visual Merchandising workshop in semester 2, 2016.

TAFE SA continues to work with key stakeholders to refine its training and delivery in and around Waikerie to meet local needs.

TAFE SA has recently appointed a Regional Business Development Officer to support the existing Regional Manager in strengthening its ties with Riverland and Murraylands communities and businesses, working closely with schools, business owners and community leaders to ensure TAFE SA's training aligns with current and emerging needs. Beyond this staffing decision, TAFE SA constantly reviews its staffing needs in accordance with training demand and its broader fiscal requirements.

I am advised that there has been a net loss of 1.55 FTE across the three campuses from 30 June 2015 to 30 June 2016.