

HOUSE OF ASSEMBLY

Tuesday, 3 July 2018

The SPEAKER (Hon. V.A. Tarzia) took the chair at 11:00 and read prayers.

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

Bills

STATUTES AMENDMENT (NATIONAL ENERGY LAWS) (RULES) BILL

Second Reading

Adjourned debate on second reading.

(Continued from 7 June 2018.)

Mr PATTERSON (Morphett) (11:02): I rise to speak on this bill, noting that our electricity grid was originally designed at a time when generation was centralised in a few large power stations with consumers spread out across distribution networks spanning thousands of kilometres.

The National Electricity Market (NEM) was established in 1998, when the economy was different from that of today. Electricity was unidirectional, flowing from the generators towards the consumers, and the electrical usage over the period of any 24-hour day was mostly predictable, rising and falling smoothly each day while, on an annual cycle, the consumer demand grew year on year.

Until about a decade ago, electricity generation was fundamentally consistent over the period of 100 years, with the primary energy sources being coal, gas, diesel and hydro. The electricity generation techniques and technologies improved, but principally they were the same, and each of these types operated as synchronous generators. Today's electricity market is quite different.

The COAG Energy Council was established on 8 June 2001, and it is the council of ministers with the primary carriage of energy matters at a national level. It comprises ministers representing the commonwealth, the states, the Australian Capital Territory and the Northern Territory. The COAG Energy Council's responsibilities include policy oversight and strategic direction, but do not extend to the day-to-day operations of the National Electricity Market. These responsibilities lie with the Australian Energy Market Commission (AEMC) as the rule maker, the Australian Energy Regulator (AER) as the market regulator and the Australian Energy Market Operator (AEMO) as the market operator and national transmission planner.

In September 2016, the electricity supply in South Australia blacked out, which was the first time an entire state had experienced a blackout since the NEM was established in 1998. In response, on 7 October 2016 the COAG energy ministers agreed to an independent review of the National Electricity Market. Dr Alan Finkel AO, the Australian government Chief Scientist, was appointed to lead the review, with the primary purpose of the review being to develop a national reform blueprint to maintain security and reliability in the National Electricity Market.

On 9 June 2017, Dr Finkel released the final report, which was entitled 'Independent review into the future security of the National Electricity Market', known as the Finkel review. This report focused on key outcomes for the National Electricity Market: increased security, future reliability and rewarding consumers for reductions in their demand. These outcomes are to be underpinned by the three pillars of an orderly transition, better system and network planning to support this transition, and stronger governance to achieve a more adaptable system that can better integrate emerging technology.

To achieve stronger governance, the Finkel review recommendations included that the COAG Energy Council should develop and maintain a strategic energy plan informed by the panel's blueprint to guide the operation and evolution of the National Electricity Market and that the COAG

Energy Council should immediately agree to establish an energy security board to have responsibility for the implementation of the blueprint and for providing whole-of-system oversight for energy security and reliability. The Energy Security Board should be comprised of an independent chair supported by an independent deputy chair, with the chief executive of the Australian Energy Market Operator and the chairs of the Australian Energy Regulator and the Australian Energy Market Commission as members.

In line with this recommendation, at the COAG Energy Council meeting of 14 July 2017 ministers agreed to establish the Energy Security Board as a non-statutory body to monitor and implement the Finkel review recommendations. The Energy Security Board operates by the delegated authority of the COAG Energy Council. The Energy Security Board's role will be reviewed in three years.

The Energy Security Board's terms of reference state that the board will support the transition of Australian energy markets and advance the long-term interests of consumers in the process. It will have responsibility for the implementation of recommendations from the 'Independent review into the future security of the National Electricity Market' and provide whole-of-system oversight to the COAG Energy Council on energy security, reliability and affordability in the National Electricity Market.

The board will facilitate better planning coordination and action between governments, the COAG Energy Council and market bodies. The board's work will support the National Electricity Objective and the National Gas Objective. The board will provide the COAG Energy Council with assessments of the performance of the National Electricity Market, any significant opportunities and risks in its operation and how they should be dealt with.

Dr Finkel also noted that the design and governance of our electricity market will need to be resilient to match the constantly evolving market and that this resilience is to be achieved by actively integrating new technologies to ensure that needs are met. The Marshall Liberal government took to the election an energy solution that is consistent with this national approach emphasised in the Finkel review and that will provide householders and businesses with electricity that is more affordable, reliable and secure.

It is a plan to get electricity prices down and, importantly, deliver an orderly transition to clean energy at the same time as making that transition in a way that will not punish South Australians with high prices and blackouts and that particularly does not punish the most vulnerable South Australians with these high prices and blackouts.

Around the world, jurisdictions that are successfully managing this transition to a low-carbon future have two features in common: they have sufficient base load generation providing system security and lowering costs and they have strong reliable interconnection between regions and different types of generation.

The Marshall Liberal government will implement a series of specific realistic actions not only to stop the continuing escalation in these electricity prices but also to improve the reliability of the supply for the long term. Instead of abandoning the National Electricity Market and adopting Labor's go it alone approach, this Liberal government will retake South Australia's former role as a leader within the National Electricity Market for the benefit of South Australian families and businesses.

In line with the Finkel review's recommendations to provide improved system planning, we will establish a renewable energy zone between South Australia and New South Wales, which will unlock the vast potential of the renewable resources that exist across the borders of these two states, providing the next wave of generation that will gradually replace the older electricity plants. This will allow us to take advantage of the geography of Australia as renewable zones work best between states with different weather patterns.

Victoria and South Australia have similar weather patterns, and so when South Australia has periods of high usage, usually so does Victoria. However, New South Wales and South Australia have quite different weather patterns. This increases the likelihood that demand and supply are decoupled between the two regions.

At present, South Australia has an interconnector with Victoria and we are at the end of the line. We need to better become part of the loop and so establish an interconnection fund with the delivery of an interconnector between South Australia and New South Wales as the first priority to give us more access to cheaper base load power. More options mean there will be more flexibility, but also allow South Australia to export their renewables.

Currently, South Australia has approximately 770 megawatts of installed rooftop solar capacity and these solar systems generate their peak electricity during the middle of the afternoon; however, most household peak usage occurs in the late afternoon and early evening when people are getting home from work while, at the same time, businesses are still running. By installing battery systems, households can align their generated electricity to their usage.

The Marshall Liberal government has plans to invest \$100 million to support the take-up of storage for home-based solar systems, and this scheme will provide a means-tested grant, averaging \$2,500, to facilitate the installation of batteries in 40,000 homes. This household scheme does not only benefit those with rooftop solar systems. It will also help reduce the pressure on supply in peak periods and so lower generation costs overall and therefore all consumers will benefit.

We will also establish a \$50 million grid-scale storage fund to facilitate the development of new storage technologies capable of addressing the intermittency of South Australia's electricity system. This might be battery, pumped hydro, hydrogen or solar thermal. These reforms target the needs of people and are focused on practical outcomes, not politics, glitz or glamour. Dr Finkel himself stated that one of the common consultation points was that the National Electricity Market needs to evolve much more quickly than it has to date. This requires a mechanism to allow for the timely implementation of the Energy Security Board's recommendations.

At the same meeting on 14 July 2017 that the Energy Security Board was established, the COAG Energy Council ministers also agreed to further strengthen the role of the Energy Security Board so that, where council is unanimous in its support for Energy Security Board recommendations, they are implemented. As the lead legislator, South Australia is tasked by the COAG Energy Council with implementing the ministerial power to make rules where the rules are recommended by the Energy Security Board and approved by the COAG Energy Council, the latter requiring the unanimous support of ministers in accordance with the COAG Energy Council's meeting protocols.

The Statutes Amendment (National Energy Laws) (Rules) Amendment Bill 2018 establishes this rule-making mechanism by which a proposed rule recommended by the Energy Security Board, once it has unanimous support of the COAG Energy Council, can be made by the South Australian minister for minerals resources and energy under the National Electricity Law, the National Energy Retail Law or the National Gas Law, as appropriate.

Whilst the process contained in the bill is designed to be an efficient one and ensure timely implementation of recommendations made by the Energy Security Board, to the extent they are within the scope of the board's roles and responsibilities, the bill contains several statutory requirements that must be met before a rule can be made by the minister. This ensures that there are sufficient checks and balances in place to provide for a rule that has been sufficiently considered and scrutinised, both by the Energy Security Board through its respective members and the COAG Energy Council's approved consultation procedures.

I remind the house that the members of the Energy Security Board consist of an independent chair, supported by an independent deputy chair, with the heads of the Australian Energy Market Operator, the Australian Energy Regulator and the Australian Energy Market Commission as members. This board can draw on expertise and understanding of each of the market bodies when recommending a rule.

The development of the National Energy Guarantee by the Energy Security Board is an example of where a recommendation of the Energy Security Board is being developed and refined through an extensive public consultation process. This process is continuing. Even after a rule has met the various tests contained in the bill with respect to its scope and consultation, it must still receive the unanimous support of the COAG energy ministers through the COAG Energy Council.

Importantly, the same rule that is recommended by the Energy Security Board to the COAG Energy Council must then be submitted to the minister. Any variations require the process to be reinitiated. In addition, any rule created under this process once made becomes indistinguishable from all other rules made by the Australian Energy Market Commission. This includes the ability for a party to submit a rule change request through the usual process, should it feel this is warranted.

This rule-making power can be used by the minister only while the Energy Security Board exists. At present, this will be reviewed after three years, and if there is a decision to abolish the Energy Security Board the minister's power to make rules as part of this bill will also stop. The Finkel review also recommended implementing recommendations of the Review of Governance Arrangements for Australian Energy Markets, referred to as the Vertigan review, to expedite the current rule-making process.

This bill makes the necessary change, specifically allowing in the Australian Energy Market Commission's publication time line for a rule change that is considered non-controversial to be increased from six to eight weeks. It is anticipated this will result in these provisions being used more often by the Australian Energy Market Commission.

The government is confident the ministerial rule-making power, the change to the expedited rule change provisions, as well as the establishment of the Energy Security Board by the COAG Energy Council last year, will allow for a more responsive governance structure that better adapts to an ever-changing energy market, as identified by the Finkel review. Dr Finkel pointed out a statement of principle from Jack Welch, the former CEO of GE, which is the only company to have survived in the Dow Jones index since the index was formed 110 years ago, as follows:

If the rate of change on the outside exceeds the rate of change on the inside, the end is near.

To allow the NEM to provide a stable and affordable electricity system, we have to proactively respond to the inevitable change and change on the inside in order to remain effective.

This Statutes Amendment (National Energy Laws) (Rules) Amendment Bill 2018 assists in this regard by establishing a mechanism to allow for the timely implementation of the Energy Security Board's recommendations should they be unanimously agreed to by the COAG energy ministers. I commend the Minister for Energy and Mining for his commitment to restoring South Australia's leadership role at the COAG Energy Council in fixing the National Electricity Market, and this bill is one such example. I commend this bill to members.

Ms HILDYARD (Reynell) (11:19): I rise today to also speak on the Statutes Amendment (National Energy Laws) (Rules) Amendment Bill. Labor supports this bill and is very proud of what we achieved in the energy space when in government.

The electricity market has changed so very much over the years, a change that brings with it both enormous opportunities and challenges. We as legislators need to be able to change our focus with it so that we can ensure that South Australian businesses and individuals, and indeed Australian businesses and individuals, have access to reliable and affordable power that is sustainable for future generations.

As has been outlined, in June last year Dr Alan Finkel—who chaired an expert panel with members Karen Moses, Chloe Munro, Terry Effenev and Mary O'Kane AC—handed down a final report of an independent review of the National Electricity Market. The final report, the blueprint for the future security of the National Electricity Market, is an important plan designed to maintain security and reliability in the National Electricity Market during the significant transition that is underway. It is a transition that is driven by a number of factors, including technological changes as well as the problems associated with ageing coal-fired power stations.

This review took place after an agreement by COAG energy ministers in October 2016 that the security and reliability of the nation's electricity market needed to be thoroughly and rightly investigated. A key recommendation of this review was the establishment of the Energy Security Board. The board comprises the Australian Energy Market Commission, the Australian Energy Market Operator, and the Australian Energy Regulator, with an independent chair and deputy chair. The implementation of the blueprint produced by Dr Finkel is the responsibility of the board, as is the

provision, rightly, of whole-of-system oversight of the security and reliability of the National Electricity Market.

On 14 July last year, the COAG Energy Council agreed that such a mechanism was needed to allow for the Energy Security Board's recommendations to be efficiently implemented in a reasonable time frame. The bill established a mechanism by which recommendations of the Energy Security Board to make a rule can be made by the South Australian energy minister under the National Electricity Law, the National Gas Law or the National Energy Retail Law. A proposed rule must rightly be in connection with energy security and reliability or long-term planning on the National Electricity Market for this legislation to apply and for the minister to make the rule.

In closing, I want to use this opportunity to again mention Labor's commitment to reliable, affordable, clean, and secure energy. I was so privileged to be a part of the Labor government that made South Australia a leader in renewable energy, not just in Australia but across the world. I hope our state is able to continue to be a leader in this space under this government and is not pulled backwards. This is an important bill for the people of South Australia and for the energy future of our state. The bill enables us to adapt to the rapidly changing electricity market, and it also rightly brings necessary scrutiny. I commend the bill to the house.

Debate adjourned on motion of Mr Pederick.

INFRASTRUCTURE SA BILL

Second Reading

Adjourned debate on second reading.

(Continued from 20 June 2018.)

Dr HARVEY (Newland) (11:23): I rise today to support this bill to establish Infrastructure SA. This bill represents another very clear example of the Marshall Liberal government delivering on the commitments that we took to the people of South Australia at the last election and is also another key plank in this government's economic reform agenda that will create more jobs and opportunities for South Australians.

Quality infrastructure is critical to the economic and social vitality of a society. Properly planned infrastructure leads to greatly increased productivity and greater potential to export goods and services to markets interstate and overseas. Unfortunately, though, under the previous administration's infrastructure, planning had become more about politics and clinging onto power than the state's future economic needs. Projects were more about marginal seats and electoral cycles rather than the jobs and opportunities for South Australians. These were poorly planned and often rushed to meet electoral time lines, leading to cost blowouts and enormous delays in the delivery of projects.

A classic example of this, of course, is the North Terrace tram extension, which is well overdue. It was initially put forward to be completed by March, which suggested that it was perhaps more about cutting a ribbon before an election and creating photo and TV news opportunities. Unfortunately, prioritising this has led to severe blowouts in time, which ultimately cost more money and cause unsatisfactory delays for commuters who are trying to use the city.

The previous government also had a really destructive attitude, seeing every opportunity as a possible opportunity to pick fights with the federal government. Rather than working constructively to try to get the support from the federal government that the state would need to fund many projects, they were more about stamping their feet and throwing a tantrum just to try to gain a bit of attention.

On top of that, there was a real lack of any homework needed to help leverage the kind of funding we would need from the federal government to support our projects. Right now, we are working—and the Minister for Transport and Planning is working very diligently on making up this lost ground—to ensure that our homework is done so that we are well placed to receive the state's fair share of funding from the federal government.

When we went to the election, we were committed to delivering real change for South Australians and rejecting the destructive behaviour with which the previous Labor

administration conducted themselves. This bill will establish an independent body, charged with providing the South Australian government with independent, expert advice on the provision of infrastructure, including project selection, financing, delivery and project review.

Specifically, the body's responsibilities will include the development of a 20-year state government infrastructure strategy, to identify the substantive infrastructure needs of the state, as well as rolling capital intention statements to deliver upon that strategy. The objectives and functions of Infrastructure SA, as described in the bill, are as follows:

- (a) to promote such efficient, effective and timely coordination, planning, prioritisation, delivery and operation of infrastructure as is necessary for the economic, social or environmental benefit of the State; and
- (b) to promote the adoption and use of policies, practices, information and analysis to support sound decision-making in relation to infrastructure.

The functions of Infrastructure SA, provided for in this bill in order to meet these objectives, are as follows:

- (a) to provide the Minister with strategies, statements and plans...
- (b) to review and evaluate proposals for major infrastructure projects by public sector agencies;
- (c) to assess the risks involved in planning, funding, delivering and managing infrastructure, and the management of those risks;
- (d) to monitor the delivery of—
 - (i) major infrastructure projects and other infrastructure projects identified in strategies, statements, or plans adopted by the Minister; and
 - (ii) any other infrastructure project at the request of the Minister;
- (e) to carry out reviews of—
 - (i) completed major infrastructure projects; and
 - (ii) any other completed infrastructure project at the request of the Minister;
- (f) to provide advice to the Minister—
 - (i) in respect of infrastructure submissions that may be made by the State and its agencies to the Commonwealth Government and other bodies; and
 - (ii) on appropriate funding and financing models for infrastructure; and
 - (iii) on economic or regulatory impediments to—
 - (A) the efficient delivery of [specific] projects...
 - (B) the efficient use of infrastructure; and
 - (iv) on any other matter relating to infrastructure referred by the Minister;

Ultimately, what the establishment of this body will do is take the politics out of infrastructure planning by providing independent expert advice that is completely transparent. South Australians will be able to understand why particular projects are being taken on and pursued by the government.

As I described earlier, we will have a clear long-term vision for South Australia's infrastructure needs, which has been severely lacking in recent times. This lack of long-term vision is not just bad in terms of providing for the state's future prosperity and infrastructure needs but also in providing certainty, particularly for those industries that are involved in constructing this infrastructure. Instead, what our plan will do is allow for a pipeline of work that will really be focused on the longer term.

The body will also be quite important for enabling the state government to leverage as much support from the commonwealth as possible to ensure that we get our fair share and that our future infrastructure needs are met. This body will not replace the decision-making of the government but instead will provide greater transparency and independent advice on how to proceed with our future infrastructure priorities.

As a state, we do have limited financial resources, and as the custodians of that which is not ultimately ours, but which is collected from the people of South Australia through taxation, it is our

responsibility to get the best bang for their buck. As a government, our infrastructure priorities will not be about securing our jobs in this place but will be about improving the productivity and capacity to export in order to secure the jobs of the people of South Australia. I commend the bill to the house.

Mr CREGAN (Kavel) (11:31): I rise to support the second reading of the Infrastructure SA Bill. Infrastructure SA is an example of the way in which this government can introduce real reform. We want to be a reforming government. As every great reforming government knows, in order to achieve higher standards of living we all need to be focused on infrastructure that supports productivity.

It is no accident that this government is focused on productivity and initiatives that will improve productivity. Productivity is the elixir that is sometimes looked to as the overall answer to improving standards of living not just in South Australia but, of course, elsewhere. It is the gritty and overwhelmingly necessary task of this new government to address 16 years of anaemic economic growth and low productivity in this state.

I mentioned that productivity is the elixir, but this bill, of course, at a very practical level, is directed at ensuring that provisions are put in place for the appropriate management of infrastructure for the benefit of all South Australians. I have been listening carefully to earlier remarks in this place in respect of the need to ensure that infrastructure planning in South Australia is not a political exercise but an exercise directed at ensuring that we have the future infrastructure to ensure productivity growth, to ensure that we have the transport corridors necessary to support exports, to ensure that we are allowing South Australians to move between the great towns and cities in this state with ease and to ensure that they have the infrastructure they reasonably expect as citizens in a strong and growing economy.

The Premier has earlier remarked that the quality of a society's infrastructure is critical to its economic and social vitality. As I outlined to the house, sound investment in infrastructure can boost the productive potential of the economy and the growth of exports. Of course, this government also wants to ensure that South Australia boosts its export growth. Our export performance over the last 16 years has been nothing short of a painful disgrace and we all wear the consequences of that.

I say to the house that we are very focused on investment based around not political considerations but, instead, what is necessary. We want to replace a decision-making process in terms of infrastructure that was based around political considerations with one that is based on economic imperatives and need where that need arises. There are political risks to such an approach. It is not easy to take that path, but it is the path that we are taking.

For those members who represent substantial growth corridors, a new model for infrastructure planning is welcome, and it is particularly welcome in Kavel. Mount Barker is at the heart of the Hills and Fleurieu growth corridor. It is expanding rapidly. The need for infrastructure and infrastructure planning over the next 20 years is acute. There is no doubt that the previous government, after rezoning large portions of agricultural land for large-scale housing development, effectively abandoned my community and did not have the political will to plan for that growth.

That is something I am particularly focused on. I know that members of this government are equally focused on it. I stand in the house today beside the member for Heysen, who faces similar challenges brought about by a failure to properly address long-term planning issues for, as I say, the Hills and Fleurieu growth corridor. No more, Mr Speaker—no more. We are focused on appropriate infrastructure planning in this state, and I commend the bill to the house.

Mr DULUK (Waite) (11:36): I also rise to make a contribution on the Infrastructure SA Bill 2018. It rolls on from a long list of new initiatives that this government is bringing in. We have now tipped over the first 100 days of government; nevertheless, our desire is to continue to reform, to bring sensible legislation to the house and to change the trajectory of government policy that has come in off the back of 16 years of failed Labor policy in so many areas. Today, with the debate on the Infrastructure SA Bill, this Marshall Liberal government is once again showing the right leadership in essentially bringing South Australia to where the rest of the nation is.

Infrastructure Australia does a very important job in looking at the funding of infrastructure projects at a national level across the federation. There is Infrastructure Victoria, Infrastructure NSW

and finally, hopefully with the passage of this bill through the parliament, we will have Infrastructure South Australia. Infrastructure SA will be established as an independent body to develop a 20-year infrastructure strategy for South Australia. I think it is so important that government, public policy setters, departments and especially private investors and those who generate and provide private capital to fund projects know the funnel and the pipeline of infrastructure being proposed by government, industry and various sectors, as it is across the board.

A really good question is: why are we doing this? The reason we are doing it is to get funding certainty and to get project certainty as well. I am reminded of the debate we have had over the last 12 to 18 months about the on-and-off funding of the electrification of the Gawler line, a very important line. I recall sitting on the other side of the house last year when the then Labor government was whingeing and complaining that no money was being allocated by the federal government to the electrification of the Gawler line only to find out that no business case in regard to that project was put to Infrastructure Australia by the then minister and the Labor government.

We all know that the model the federal government works on for the funding of large infrastructure projects is by and large through Infrastructure Australia. There is an expectation that government does a body of work to put a proposal forward. Obviously, that is then allocated on a needs basis. Infrastructure Australia, an independent body, then makes recommendations on the way projects are funded.

That is the sensible way to do it because it does not lead to pork-barrelling. One only wonders, if we had had Infrastructure SA last year, the year before or the year before that, whether the \$160 million investment in the O-Bahn would have passed that feasibility study back then. I do not know if it would have or would not have, but it would have been interesting to see.

Infrastructure SA will promote the provision and management of infrastructure for the benefit of the South Australian community and economy, and that is why we are establishing this body. Infrastructure SA will look at the funding of road, rail, port, airport, water augmentation and electricity augmentation. Future infrastructure for the state needs to be justified and sustain long-term economic growth.

The bill proposes to appoint an independent Infrastructure SA board to oversee the development and implementation of the state's infrastructure strategy. The body will have the ability to maintain its independence and ensure that the politics is taken out of infrastructure planning and development. As I said, that is so important in terms of the needs of the investment community and finance authorities to ensure that there is not that politicisation of these important decisions.

I think it also focuses us, importantly, on the need to spend taxpayers' money wisely. Quite easily, on big infrastructure projects, every now and then they do get carried away while delivering those projects. Having that rigorous assessment proposal ensures—or plays a part in ensuring—that taxpayer funds are used in a wise and conservative manner. Essentially, we want to take the politics out of infrastructure investment decisions.

As I have constantly said in this place, jobs are the most important things that a government can oversee, especially jobs creation. I think that the delivery of an infrastructure plan will deliver more investment, more jobs and greater prosperity in the long run for South Australians. Our infrastructure plan will be renewed every five years and will set the long-term vision for South Australia's infrastructure, providing policy advice relating to infrastructure planning, delivery and use. This will also include advice on appropriate funding and financing models.

As part of this obvious assurance role, Infrastructure SA will be able to provide advice to government on unsolicited infrastructure proposals as well. There are quite a few powers within the bill to allow for this. In the establishment of Infrastructure SA and in the drafting of the legislation before us, the new government has sought advice from Sir Rod Eddington, who was the first chairman of Infrastructure Australia, and former Victorian Liberal minister the Hon. Mark Birrell.

Mr Picton: Oh, but there's no politics in it.

Mr DULUK: No, actually. The member for Kurna interjects. Though it is very unparliamentary to respond to interjections—

The SPEAKER: Order! As it is to respond to interjections, member for Waite.

Mr DULUK: Extremely unparliamentary to respond to interjections, but if I could just elaborate on the need for this body not to be politicised. That is exactly the reason why we are getting these two very well-respected people. In fact, I believe that Sir Rod Eddington—

Mr Picton: A Liberal minister!

The SPEAKER: Order!

Members interjecting:

The SPEAKER: Order!

Mr DULUK: —when former prime minister Kevin Rudd set up Infrastructure Australia, headed up that body. Sir Rod Eddington is a very well-respected person on both sides, as is the Hon. Mark Birrell, who I believe actually plays a role in Infrastructure Victoria as well, within the socialist Labor government that we have in Victoria—the one that the member for Kaurana loves to support.

It is bipartisan, and it is important that governments actually get the best advice. It really does not matter where that advice comes from, as long as it is good advice. I have no doubt that there are some members opposite and across the nation who at some point may have a positive contribution to make to public debate. When that is there, I think any wise government would take it. But, as I said, Sir Rod Eddington and former Victorian minister Mark Birrell, who were longstanding and well-respected chairmen of Infrastructure Australia, have been providing their guidance and advice on the establishment of this body here.

So the question is: why? Why do we need this, and what are we looking to get out of it? As I said, economic growth and job creation are important, and I believe we need to have modern, efficient and reliable infrastructure if we are to grow this state, if we are to grow our reputation within the federation and if we are to see growth levels that we are seeing on the eastern seaboard, whether that is infrastructure growth or population growth as well. Investment in infrastructure improves our ability to trade as well and provides especially our farmers and people in the regions the ability to export.

The member for Flinders knows how important export is for his community; providing that ability to expand markets is absolutely critical. In the lead-up to the election, we listed a number of projects that we would be referring to Infrastructure SA as a bit of a priority. They include the completion of the north-south road corridor through metropolitan Adelaide and a grain/minerals port on Eyre Peninsula to ensure the optimum location for this facility.

Of course, there is also our proposal to get rail freight out of the Mitcham Hills and the Adelaide Hills and, in the long term, to get heavy trucks off Cross Road and the South Eastern Freeway. It is a big policy. It is going to be a big outlay of capital, but if we do not get a plan for our long-term infrastructure right in terms of exports, with respect to road and rail freight, we are going to be behind the rest of the nation.

Other projects include the completion of the Gawler rail electrification, and we are going to look at the extension of the O-Bahn between Tea Tree Plaza Interchange and Golden Grove, which I would have liked to see as the first step of the upgrade of the O-Bahn because it is actually the step that increases the most amount of patronage, which is vitally important.

Another project is grade separations at major metropolitan area intersections to enable removal of level crossings. Grade separations is a big issue in my electorate and my community, obviously with the ones at Cross Road, Hawthorn and up through Blackwood and Glenalta as well. There is also infrastructure development on Lefevre Peninsula, including light rail, commercial, retail, residential and recreational development, to accommodate the needs of the naval shipbuilding program at Osborne; the sealing of the Strzelecki Track; an underground rail link in the CBD between the northern and southern train lines; as well as a long list of non-transport infrastructure projects in terms of affordable housing, increased capacity of South Australia's prisons, and looking at new technologies and the like and how they can be incorporated into infrastructure flow.

More capital means more infrastructure investment for the future, and we cannot expand our ports, our roads and our rail infrastructure if we do not have capital. Access to capital and to markets

is so important, and Infrastructure SA will play its role in ensuring that there is a pipeline of work for people to invest in and for long-term funding projects. As we are looking at new financing and new projects, I think this is a good way of looking at what the role of the superannuation industry is in funding long-term assets, and the return there, and the investment of public funds in infrastructure through superannuation financing of low-risk government-backed projects as a way of accessing what is now a \$1 trillion superannuation industry, which the retirement savings of Australians and South Australians have been locked up in. We are looking at that benefit and accessing that flow of capital.

As I mentioned earlier, the federal government obviously has Infrastructure Australia, and the federal Coalition, through that body, has been investing in our state. We have seen recent announcements around federal government funding for the Pym Street to Regency Road section of the north-south corridor, \$220 million for the completion of the Gawler line electrification, \$160 million for the Joy Baluch Bridge and another \$1.2 billion for further sections of the north-south corridor. These are all issues that have come through Infrastructure Australia and that process as well.

So what happens across the federation in other jurisdictions? Well, in Victoria, they have Infrastructure Victoria, which is an independent authority that provides expert advice on Victorian infrastructure needs and the like. The Victorian model looks at nine key sectors. Within that body, they look at energy; water, including wastewater; transport, including public transport, freight, ports, airports, cycling and walking and roads; education and training; human and health services; justice services, including courts, police, corrections and emergency services; cultural, civic, sporting, recreational and tourism services; science; agriculture; and ICT. So it is a very broad body with a 30-year infrastructure plan for Victoria.

Queensland also has a state infrastructure plan that outlines the Queensland government's position. New South Wales established an infrastructure body in 2011 to develop their 20-year state infrastructure strategy and five-year infrastructure plans. We are not reinventing the wheel here in South Australia; all we are doing is recognising what is best practice. We are saying that projects over \$50 million in value will go to Infrastructure SA. I am not sure what this does for the member for Kavel's Public Works Committee, but in reviewing that I know that there is a statutory function as well. The importance of public works and working together will be so important.

As I said, the composition of this board is as an independent board appointed by the government and responsible to the Premier and his team. I am really looking forward to being able to promote Infrastructure SA: going to the market, to industry, to the big corporations and construction firms and to those who employ and build and sitting down and saying, 'Come work with government. What is your 30-year plan for South Australia? What is your vision going forward? How can we work on this together? How can we get these projects funded? What are our priorities?'

With this bill and our productivity bill, which we discussed in the last sitting of parliament, I am very excited that these two key pieces of legislation are being brought through the parliament, and I know that they will have a long-term economic benefit for this state.

Mr PEDERICK (Hammond) (11:52): I rise to speak to the introduction of the Infrastructure SA Bill 2018. I think this is something that has been sorely needed for so long in this state. Infrastructure planning has gone out of the window in past times, with priorities being made on political levels with political one-upmanship on whether a project should happen just because a particular government thinks it will be popular.

This will put a 20-year strategy in place that is reviewed every five years, but it also has the potential for Infrastructure SA to add additional projects along the way so that they are not locked into the initial 20-year plan. Obviously, things change, and with those five-year reviews things will change as well. There will be far better input into planning for bigger projects, and when I think of big projects I think that the Adelaide Oval has turned out pretty well but that the new Royal Adelaide Hospital has not.

It is no reflection on the staff there, but there seem to have been some oversights because of the rush to get the hospital planned and built. I think the planning was done as they were building it because of political expediency. This is the problem: you get poor outcomes where major infrastructure is built without the appropriate planning in place. So we will have the legacy issue of

\$1 million a day for 30 years for whichever party will be in power. There will be several changes of government over that time, which will be a shame, but it will happen.

What has happened is a real pity, and it is reflective of what has happened with the planning around the whole so-called Transforming Health and what has happened with health outcomes across the state. I understand that we found a \$250 million plus hole in health since we came into power, and that is on top of the \$470 million to \$500 million hole with the failed electronic patient record-keeping so-called service called EPAS. It was a disaster when it was purchased and it was a disaster in Canada, yet it had as much money buried in it as an Adelaide Oval, if you take away some of the debt from the South Australian Cricket Association.

Especially in light of the decisions that were made in regard to the \$2.4 billion build was the simple fact that, because of the political tie the former Labor government had with this electronic record-keeping service, they did not make the floors strong enough in the hospital so that you could have paper records. That is just outrageous. You have to wonder for a start why they purchased a system that did not work where it started. I do not believe that anyone else has taken it up, and we have now paused it because it has been such a monumental flop being rolled out. I have witnessed it firsthand and talked to nursing staff about it. That is just one part of the health infrastructure scenario.

Getting back to the build of the hospital, there was poor planning where switches were not in place, where some of the emergency services were put into walls and had to be pulled out and replaced and even with regard to where light switches were put—it is just terrible. Now we find out that ambulances have had to keep ramping, which we on this side of the house are working through to fix up 16 years of Labor's mess in the health portfolio. The Hon. Stephen Wade from the other place is doing a great job.

Another thing we are addressing from this side is the backlog in health facilities across the regions, which are near and dear to my heart. There is a number touted of a \$150 million backlog of funding in just general maintenance in country hospital. I think you could gobble that up very quickly and it would disappear in the blink of an eye just about. But we are getting on with it, and we are doing better with facilities with our promises in Strathalbyn around Kalimna, and we will deliver for all of South Australia instead of just concentrating on the suburban areas. That is something that Infrastructure SA will do: it will be a body that looks after the whole state in a productive capacity manner to get the right infrastructure in place.

This bill enables the establishment of Infrastructure SA as the statutory authority, reporting through the Premier as the responsible minister. Infrastructure SA will be charged with developing a 20-year state infrastructure strategy to identify the substantive infrastructure needs of the state, whether public or private, as well as providing rolling five-year capital intention statements to deliver upon that strategy.

Because this was an election commitment, this bill enables the establishment of Infrastructure SA as an independent body charged with providing the South Australian government with independent expert advice on the provision of infrastructure, including project selection, financing, delivery and project review. The objectives and functions of Infrastructure SA as described in the bill are:

1. To promote such efficient, effective and timely coordination, planning, prioritisation (which is really important), delivery and operation of infrastructure as is necessary for the economic, social or environmental benefit of the state; and
2. To promote the adoption and use of policies, practices, information and analysis to support sound decision-making in relation to infrastructure.

The bill provides for Infrastructure SA having the following functions to further its objects:

1. To provide the minister with strategy statements and plans.
2. To review and evaluate proposals for major infrastructure projects by public sector agencies.

3. To assess the risks involved in planning, funding, delivering and managing infrastructure, and the management of those risks.

4. To monitor the delivery of (a) major infrastructure projects and other infrastructure projects identified in strategies, statements or plans adopted by the minister; and (b) any other infrastructure project at the request of the minister.

5. To carry out reviews of (a) completed major infrastructure projects; and (b) any other completed infrastructure project at the request of the minister.

6. The body is to provide advice to the minister (a) in respect of infrastructure submissions that may be made by the state and its agencies to the commonwealth government and other bodies; (b) on appropriate funding and financing models for infrastructure; (c) on economic or regulatory impediments to (i) the efficient delivery of particular infrastructure projects or infrastructure projects of a particular class or (ii) the efficient use of infrastructure; and (d) on any other matter relating to infrastructure referred by the minister.

7. To administer the act.

8. To perform any other function conferred on Infrastructure SA under the act, or others.

9. To do anything incidental to any of the preceding functions.

So the powers of the bill are quite broad.

The bill sets out the establishment of the board, its executive leadership and general operating parameters, including the development of the 20-year state infrastructure strategy and five-year capital intention statements, which are there to deliver upon the strategy. Cabinet has obviously approved the introduction of the bill. It is a bill that will deliver on a commitment contained within the 100-day plan of the Marshall Liberal team.

You get some interesting comments on policy proposals, as we did during the election campaign in regard to GlobeLink. That was obviously an announcement preceding the setting up of Infrastructure SA, which I and all members on this side think is a visionary project. It is a project that will take time and a lot of money (it will be in the billions), but it will do a lot to ease bottlenecks in freight coming into Adelaide and will also provide the opportunity for freight to bypass Adelaide that does not need to go through the city.

There will also be the opportunity for a freight-only airport at Monarto. I think that Monarto, in the heart of Hammond, is the right spot for that. Freight options around the state include having to travel all the way to Mount Gambier for horticulture and other crops and produce or to places like Port Augusta, where there are other major projects in the field of horticulture. It would be about a 4½ hour journey from each end to a 24-hour airport at Monarto. The airport would have to be put in the right place, and that can be done to make sure it does not upset the zoo, which is world class. There is lots of work happening there into the future, with private investment as well as some government investment.

As far as GlobeLink is concerned, to bring two dual-lane highways around the back of the Hills and come in somewhere around Two Wells way—and there are infrastructure corridors that could be utilised, including the old Apamurra railway corridor, but that is all up to projects that are ongoing at the moment with our policy of \$20 million to investigate the progression of the GlobeLink policy, which will bring a whole host of freight around Adelaide. Yes, it might be a bit further, but a lot of the freight yards are to the north and north-west of Adelaide itself and it saves those loads coming down the freeway to the Glen Osmond Road corner, where, sadly, we have seen some terrible accidents and some deaths. The more freight we can keep off there the better.

With regard to rail, a lot of freight from the east is destined for Perth, and that could go right around Adelaide and keep going on its merry way to Perth and save coming down a railway line that was built many, many years ago and is not really up to speed, especially in light of issues around double stacking. We have been through the farce of having different gauges across this country, which upset things like even troop movements during World War II, just to get troops ferried north for embarkation to the war. The rail bypass will be a real boon.

It was interesting to note that the South Australian Freight Council came out with a whole lot of negative noise about these outcomes and this policy. Guess what? Adelaide Airport is a major member of the South Australian Freight Council, so that is why they did not want to hear about someone else who might have 24-hour freight options, which obviously Adelaide Airport cannot deliver because of where it is located. It is a good central airport with good access, but it has curfews.

So, when people are analysing those making issues of infrastructure, just check out the vested interests—that is what you need to check out. I am happy to talk to the South Australian Freight Council any day of the week, but they certainly have a vested interest in not progressing this policy.

With regard to infrastructure and issues around water delivery, there is never enough water to go around. In my electorate, in some of what was going to be the satellite city of Monarto all those years ago under premier Dunstan, former member for Norwood, there are some pipeline systems that could be well and truly looked at. They were brought to my attention again in the lead-up to the election—a lot of private infrastructure systems with multiple people hooked into one meter, and you get arguments about how they split the account and this kind of thing, and the delivery of water. Some of that could be addressed into the future.

An Eyre Peninsula port—a grain and minerals port on Eyre Peninsula—is absolutely vital for this state. A lot of work is being done on various sites on Eyre Peninsula, but we need to open it up so that not only can we export the valuable grain grown on the West Coast but also any mineral operations that do get going. Yes, they do take time, but that would be the most viable way to do it on Eyre Peninsula, with a port that handles both grain and minerals.

Just a few other things with regard to ports: Thevenard, as the member for Flinders knows only too well, needs a lot of work on it to get sizeable ships in there. He will be able to correct me on this when he makes his contribution, but it is probably one of the busiest ports in the state, with the amount of different loads of product that go out of there over one belt. It is a multi-use belt with grain and minerals. Obviously, Thevenard would need dredging to get larger ships in, and that certainly needs to be looked at.

Just before the election, I went to the Mount Barker council chambers to discuss the fast train project from Adelaide to Mount Barker. People can say that it is too visionary and too pie in the sky. It would cost a lot of money for a project to get a train from Adelaide to Mount Barker in 22 minutes. That is not bad, as it would take a bit longer than that now. I do not know how much time it takes to Mount Barker, but I know the time it takes a train from Adelaide to Murray Bridge is two hours and 17 minutes.

It used to take the Bluebird three hours to get to Coomandook when that ran every weekday from Adelaide. It left Adelaide at 8 o'clock in the morning and got there at 11 o'clock on its way through to Melbourne. The Mount Barker fast train concept would certainly open up a whole heap of travel options for people heading towards Murray Bridge or Tailem Bend, where The Bend Motorsport Park is gearing up for the first V8 race in August, and plenty of action on the weekends. It would also link in to connecting lines through to the south coast, down to the member for Finnis's end of the world.

An honourable member interjecting:

Mr PEDERICK: It is not 'the' end of the world. It is a very nice place down there. I looked after Goolwa and Currency Creek for eight years and it is very beautiful country, but it is in good hands now.

All these things need proper analysis. You do not want things rushed on a political whim. As I see the clock count down, sealing the Strzelecki Track would do so much to connect our oil and gas industry to Adelaide, just like the Cooper Basin is connected to Queensland through that bitumen road. It is only 24 kilometres from Innamincka, and you can go all the way to Brisbane on bitumen. That is what we need to do to get the economy moving in this state. This bill will institute the Infrastructure SA board, which is the right thing for the state.

Mr TRELOAR (Flinders) (12:12): I am pleased to rise to contribute to the Infrastructure SA Bill 2018 because it does, after all, initiate a key economic reform that the Marshall Liberal

government took to the election. As you can tell from the contributions that have been made on this side, it is a particularly important bill and an area in which we see much improvement can be made, particularly the way in which sound investment in infrastructure can boost the productive potential of the economy and the growth of exports. Whether it is growing our economy, building our schools, hospitals or roads, protecting our environment or enhancing our cultural and sporting facilities, we must plan and provide for the long term.

We have seen only too well what can happen when plans are short-sighted, ill-conceived, badly implemented and driven by short-term political motives, rather than by what is best for all of us now and into the future. Those of us who represent regional communities have seen, almost with disbelief, the amount of funding that has gone into infrastructure in the metropolitan area and in marginal seats—blatant pork-barrelling, particularly in the lead-up to the last election.

We have seen such projects as the O-Bahn extension, which was done in an attempt to secure seats in the north-east for the Labor Party. The list goes on. The infrastructure spend has been quite extraordinary over the last 16 years. I do not want to name them all. Some have been relatively good and worthwhile projects, but the one that really stands out to me as an extraordinary white elephant is the desal plant at Port Stanvac. The Liberal opposition at the time flagged its intention to build a 50-gigalitres desal plant and take away the reliance of metropolitan Adelaide on climate-dependent water supplies. That was our intention and our plan.

Of course, while that discussion was going on we were in the grips of what is now known as the Millennium Drought. As a primary producer at the time, I saw firsthand the impact of those dry years over an extended period of time. The headwaters of the Darling and the Murray are in the Eastern States and they were even more severely impacted by those years of drought than we were here in South Australia. The rain-fed systems that supply our rivers and reservoirs were impacted so, in essence, we were running short of water here in Adelaide. So it was not a bad idea to build a desal plant, and I will talk about the opportunities for a desal plant on Eyre Peninsula in a little while.

However, the Labor Party decided in its wisdom, or lack of it I should say, to enlarge the build of the desal plant to a 100-gigalitres capacity—twice as big, twice as good you would expect, but of course it was way beyond the capacity required and meant that the cost of the build was about four times the original cost, which was quite an extraordinary amount of money. I think by the time the North-South Interconnector was included, the project ran into excess of \$2 billion. Even though some federal funds went into it, ultimately, it was funded by the taxpayer in South Australia and eventually we began to see the cost of that build come through in higher water prices.

There is no way you can ever justify that sort of expense in this sort of situation. That is one of reasons that I highlighted this particular project, because I think it was misconceived and taxpayers' money was not well spent, particularly when you consider that for most of the time that the desal plant has been operating it has been running at about 10 per cent capacity. It was just an extraordinary waste of money. Had something like Infrastructure SA been in place, it would have been reviewed properly and appropriately. It would have been assessed and money would have been made available on a project which stacked up.

The Infrastructure SA Bill will establish an independent body called Infrastructure SA, which will develop a long-term state infrastructure strategy and ongoing infrastructure plans that prioritise major projects. As a party, we short-listed major projects in the lead-up to the election. I was very pleased to see that, on that short list of about 10, there was a deep sea multicommodity port on Eyre Peninsula. It was not too specific about the site and there was much speculation as to where it might be built, and there are still a number of options as to where a suitable site might be for a multi-user commodity port on Eyre Peninsula.

I think the frontrunner at this stage is probably Cape Hardy, but there have been other propositions along the way. The member for Giles, no doubt, is going to have his two-bobs' worth for the Port of Whyalla. My issue with that, member for Giles, is the distance to deep water. We can talk about that at a later stage.

Certainly there has been a history of port proposals in the last decade when Centrex first came on the scene. They were going to mine iron ore at Lock and ship it out over the wharf at Port Lincoln. Centrex came and went. They were reincarnated in a way and became known as Eyre Iron.

They also had a magnetite project north of Port Lincoln and were looking at a new port development at Port Spencer, Lipson Cove, just north of Tumby Bay. That was a frontrunner for a time, but Eyre Iron ultimately could not make its project stack up, so Port Spencer really dropped off the radar.

Cape Hardy certainly is top of mind at the moment. The Eyre Iron project potentially is a huge magnetite project in central Eyre Peninsula. There is not a skerrick of infrastructure in place at this point in time. There is a significant capital-raising exercise underway. I am not sure whether that will be successful or not, but certainly it is a major deposit. Should the mine and processing go ahead, obviously there will need to be a way to get product to market—a pathway to market. That is what exporting commodities is all about: getting a pathway to market.

Iron Road have also been in discussions, I know, with various farming groups about the possibility of a multi-user wharf facility to put grain, potentially, out over a new wharf facility at Cape Hardy. Cape Hardy is just south of Port Neill on the Spencer Gulf side of Eyre Peninsula. It is certainly a good site. There is within I think 600 metres of the coast water deep enough to allow a Cape-class vessel to berth and load fully, and I think that is the key. It is relatively protected from the strong south-westerly winds. That project continues to be worked on.

The other one that is certainly on the go at the moment is the development of a barging facility out of Lucky Bay. It was in the electorate of Flinders up until the last election; it is now in the electorate of Giles. I will be speaking with the member for Giles as we watch this progress. The developers at Lucky Bay are anticipating that they will be able to put grain out following this upcoming harvest. Whether or not that happens remains to be seen. It is certainly an optimistic ambition, and a lot of work needs to happen between now and then. The idea is to use a barge to transfer grain from Lucky Bay just north of Cowell out into the gulf and load it onto a grain vessel. Often, they are Panamax-size vessels, so up to around 70,000 tonnes.

Just as an aside, seasonal conditions are not all that great on Eyre Peninsula at the moment, so the expectation of even an average harvest is probably diminishing, particularly in what you would identify as the catchment for Lucky Bay. There is a front coming through later this week, so we certainly hope that it is more than just showers this time around because, of course, these projects will rely on committed tonnage to work.

There are also ideas being floated for the West Coast of Eyre Peninsula. The member for Hammond mentioned the port of Thevenard, which was closed for a time late last year due to the unsafe condition of the wharf. Sadly, we have been watching it deteriorate over some years now. It is the second busiest port in the state. It is the farthest west, but it is the second busiest. It ships out vast quantities of gypsum generally for a coastal trade that goes into the building industry on the east coast and New Zealand. It also ships out salt and mineral sands from the mine at Iluka, which head west and are processed in Western Australia. This again involves coastal shipping.

Thevenard also exports a quantity of grain over the belt. All these products go over the same belt. That adds to the cost of trans-shipment because, obviously, particularly after mineral sands and prior to grain going out, the belt needs to be fully washed so there is no risk of contamination. I was sad to see the Thevenard wharf close, even for that short period of time. Without casting any blame, I think it was obvious to even the casual observer that the infrastructure around the wharf was deteriorating. It is privately owned.

Flinders Ports have ownership and authority over it, so that will need to feature in their maintenance projects. I understand there is a plan due to be completed in June this year, so it would be finalised by now, for the ongoing maintenance of the Thevenard wharf. We talked from time to time about dredging the channel into Thevenard. That would certainly allow larger grain ships in, but it would be at significant cost. It would be one of the things, certainly, that could be put to Infrastructure SA.

There are other serious questions around freight transportation on Eyre Peninsula. We are talking about grain essentially as a commodity. The railway line has now been terminated at Wudinna and Kimba. The rail scheme has contracted significantly from what it was some 15 years ago. One has to wonder about the long-term future of that. My great-great-grandfather arrived on Eyre Peninsula to work in the railways, so I have a long affinity with the railways, and I am a great fan of trains.

Being a fan is not enough in itself to ensure its survival, but I do think, deep down, that the competitive tension that can exist between railway and road is a good thing for farmers delivering grain to port, particularly in the southern half of the peninsula. It would take a bit more to convince the farmers out west of that advantage, but there you go.

Later this week, I will be receiving a briefing from SA Water on the state of the Uley Basin. I have talked about the Eyre Peninsula water supply here before but not for some time, and I think it is opportune for me to talk about it again now, particularly in relation to the dry season conditions we are seeing. Eighty per cent of Eyre Peninsula's reticulated water supply is extracted from the Uley Basin and the other 20 per cent is courtesy of a pipeline that was extended in, I think, about 2007 or 2008 from Iron Knob to Kimba. It actually hooks the Eyre Peninsula community into a supply of water from the Murray. There was much discussion about that. Ultimately, I think it has been a good thing; it ensures our water supply and is secure water, given it is water allocated to SA Water and is available for Eyre Peninsula.

However, the history of SA Water in managing shallow lenses as a water resource is not great. Over past years, we have seen the complete collapse of the Robinson Basin at Streaky Bay and the collapse of the Polder Basin inland from Elliston. There are a number of lenses or basins that exist south and west of Port Lincoln, from all of which extraction has taken place. If one is to believe local anecdotal evidence, then it is only a matter of time before we see further collapse of those basins.

It is not that water disappears; it is extracted to a point past where adequate recharge can occur. These are rain-fed systems, so in dry years extraction exceeds recharge and the resource is under pressure. In 2002, the then Labor government promised the former member for Flinders that it would build a desal plant to supply Eyre Peninsula with water. That has not occurred to date. We are now 16 years on, and I think it is something we need to put back on the table.

I do not know what form that might take, but there has certainly been a lot of preliminary work done already on an appropriate site and how it might fit into the broader context of water supply. Of course, with desalinated water comes additional cost, but I put to the parliament that expensive water is better than no water at all. It will be interesting to see how that conversation unfolds, because I think it is time to reignite it.

If the Iron Road mining project goes ahead, they will certainly have a requirement for water. I suspect that in their plans they are intending to desalinate their own water; possibly sea water, but most likely it will be from an underground reserve adjacent to the mine site or between there and the coast. I believe they have come across a body of water which is saline—so it would need desalination—but which is more than adequate for the requirements of running a mining operation. So who knows? We may be able to negotiate with a mining company about the provision of extra water into Eyre Peninsula. That is an ongoing conversation.

Ultimately, none of us knows whether the Iron Road project is going to go ahead or not; there are a lot of balls in the air. These are all discussions to be had, all topics for the Infrastructure SA board. The board will undertake four key activities. Infrastructure SA will develop a 20-year state infrastructure strategy for adoption by government using consistent and robust analysis from public sector agencies and infrastructure providers. This plan will be renewed every five years and will set a long-term vision for South Australia's infrastructure.

Of course, contingent upon a lot of these projects will be some federal funding, and if we have a strong and robust application model and strong and robust assessment, that gives us a good submission to go to the federal government with. Many of these big infrastructure projects will rely on federal funding as well. The bill reflects the fact that infrastructure provision is not the sole province of the state government. Significant railways, roads, ports, hospitals, schools and utilities are owned and operated by other tiers of government or the private sector, and I have talked about some of those in relation to the electorate of Flinders today.

A 20-year state infrastructure strategy will need to reflect a whole-of-state perspective rather than just that of the state government as an infrastructure provider. I talked earlier about the significant number of big projects we have seen in the metropolitan area, particularly over the last 10 years. We have seen Adelaide become a government town. Many of those companies that have

delivered projects have been private companies, obviously, but they need to win government projects.

Ultimately, they have relied upon the state government—in this state at least—for their very survival, their work and their jobs going forward. It is not a great situation. The state government in the past has had too much control and too much authority over where the infrastructure spend has been made, and a much more robust and transparent arrangement needs to be made. With that, I commend the bill to the house because Infrastructure SA will deliver all of that.

Mr COWDREY (Colton) (12:31): I join my colleagues in rising today to support the Infrastructure SA Bill 2018. The introduction of this bill fulfils another of this government's key election commitments and is part of a strong reform agenda this government is taking forward. I believe that this particular policy will be greatly beneficial to South Australia. It will deliver positive outcomes for our economy, both in the short and in the longer term, and will also show the people of South Australia that our government is planning for the future.

We know that our cities are growing and that our infrastructure must grow to support them. In the coming decades, South Australia, and Adelaide in particular, will each experience fundamental shifts in their structure and day-to-day operation. Establishing an independent body such as Infrastructure SA that will develop a long-term state infrastructure strategy and ongoing infrastructure plans shows that our government is making the decision today to be ready for the future of tomorrow.

To meet the demands of growth, the capacity and efficiency of our infrastructure networks will need to be increased, but in a way that is effective and also well planned. This means that our road and public transport networks will need to be upgraded in line with that demand. Our utility infrastructure—namely, water, telecommunications and energy—will need to be understood and accounted for. The capacity of key social infrastructure facilities, such as hospitals, schools and green space, will also need to be increased, and with the guidance and forward planning of Infrastructure SA we will be in a position to deliver on these requirements in a timely and, importantly, sustainable manner.

We have seen what happens when projects are rushed, poorly planned and have not taken into consideration the longer term. There have certainly been many examples of such projects over the last 16 years. We as a state have suffered because of this, and that is why Infrastructure SA, as a new independent body, will assure the people of South Australia that any future projects undertaken by a Marshall Liberal government are justified, are well planned and serve a purpose in the longer-term growth of South Australia.

In the spirit of forward planning, our government has already outlined a series of projects that Infrastructure SA will analyse as a priority. These projects may include the completion of the north-south road corridor through metropolitan Adelaide. The north-south corridor is Adelaide's most important road corridor for commuter and freight traffic, and it is vital that this project is completed to alleviate pressure on our arterial road network and to support much more efficient movement of local, interstate and international freight.

Other projects will include a grain and minerals port on Eyre Peninsula to ensure the optimum location for this facility. As members have said, Eyre Peninsula is one of South Australia's most productive regions and generates over \$4 billion in revenue annually. Sourcing an optimum location for a grain and minerals port will give the region better accessibility and encourage growth in the community. There is also the GlobeLink upgrade, an envisaged generational upgrade of a freight export infrastructure, which is required to provide our companies with the competitive advantage they need to get premium quality South Australian products to markets across the globe.

Other examples of projects include the O-Bahn extension between Tea Tree Plaza Interchange and Golden Grove, and grade separations at major metropolitan area intersections that will enable the removal of level crossings, prioritising projects based on their capacity to reduce traffic congestion and boost productivity. There is also infrastructure development on Lefevre Peninsula, including light rail, commercial, retail, residential and recreational development to accommodate the needs of the naval shipbuilding program at Osborne, as well as the potential for an underground rail link in the CBD between the northern and southern train lines.

In addition to these, a Marshall Liberal government will ask Infrastructure SA to analyse major non-transport infrastructure projects, including the rollout of additional affordable housing opportunities, increased capacity of South Australia's prisons and new court infrastructure, including the use of modern technology and satellite courts. Infrastructure SA will not only investigate the viability of these projects but also undertake the following key activities:

- Develop a 20-year state infrastructure strategy for adoption by government using consistent and robust analysis from public sector agencies and from infrastructure providers. This plan will be renewed every five years and will set the long-term vision for South Australia's infrastructure.
- Develop annual capital intention statements for adoption by government that will prioritise potential major projects for government decision-making over a five-year time horizon. This will be based on input from public sector agencies consistent with the state infrastructure strategy and sound business cases and will feed directly into the government's annual budget processes.
- Maintain oversight of delivery and performance for all projects with a capital value of \$10 million and over, with a greater level of risk and performance reporting applied to major infrastructure projects valued at \$50 million and over, including an ex-post evaluation.
- Provide policy advice relating to infrastructure planning, delivery and use. This will include advice on appropriate funding and financing models.

If we look at the bill and the clauses outlining what is to be introduced, the establishment, objects and functions are outlined in part 2 of the bill. The powers to be given to Infrastructure SA and, importantly, the statement of expectations from the body are also outlined in clauses 6 and 7.

I want to bring particular attention to clause 8, which is around independence and ensuring that this body is independent of government. That is one of the key elements in maintaining and ensuring public confidence in this body and in the forward planning of infrastructure in South Australia into the future. Further, division 2 and clause 10 and onwards outline the construction of the board and other relevant matters and requirements for the board to meet.

As the Premier has mentioned, the success of Infrastructure SA will be its ability to maintain its independence and ensure that we take the politics out of infrastructure planning and development. The bill proposes to appoint an independent Infrastructure SA board to oversee the development and implementation of the state's infrastructure road map and strategy. The Infrastructure SA board will combine the expertise of the public and private sectors in developing our major infrastructure plans for the future. The board will be free to speak out when it disagrees with the infrastructure decisions made by the government.

The board will be led by a suitably eminent and experienced independent chair and three independent non-executive directors, all with industry experience and relevant qualifications. These members will be selected on the basis of experience, insight and good standing. The board will also include chief executives of core agencies—Department of the Premier and Cabinet, Department of Treasury and Finance and the current Department of Planning, Transport and Infrastructure—as ex officio members.

In conclusion, we must have better infrastructure planning and more transparent decision-making to support long-term economic growth, more jobs, and better and more affordable services. We must make decisions based on what our state needs, not on short-term political imperatives to ensure South Australia maintains and upgrades important public infrastructure that supports our communities, growing jobs and the economy more generally.

As well as the practical applications of this bill, what I believe to be the most important is the increased degree of public confidence in infrastructure decision-making that will result from the introduction of Infrastructure SA, as infrastructure, as has been noted by many members so far, has such a large impact on the social and practical amenity and quality of life of many of our residents.

I also want to note the contributions of our country members regarding infrastructure in the regions. I think sometimes potentially glossed over to an extent is the economic impact that such infrastructure has to the whole of our state's economic prosperity into the future, and the impacts and outcomes from that infrastructure are not just felt in the regions themselves but more broadly by those in the metropolitan area and right across our state. I could speak at much greater length on the importance of delivering sustainable and well-planned infrastructure, but for now I commend the Premier, I commend the Liberal Party and I commend this bill to the house.

Parliamentary Procedure

VISITORS

The DEPUTY SPEAKER: Before I call the next speaker, I acknowledge the year 10 students from Yankalilla Area School and staff. Welcome to Parliament House today. I hope you enjoy your visit. You are guests of the member for Mawson, so please enjoy your time here.

Bills

INFRASTRUCTURE SA BILL

Second Reading

Debate resumed.

Mr ELLIS (Narungga) (12:42): I am pleased to rise today to support the Infrastructure SA Bill 2018, a bill for an act to promote the provision and management of infrastructure for the benefit of the South Australian community and economy to establish Infrastructure SA and for other purposes. A key standout for me is the reform of the management of the infrastructure which will come from this bill which will mean proper, responsible, accountable, efficient, effective and timely coordination, planning, prioritisation, delivery and operation of infrastructure as is necessary for the economic, social and environmental benefit of our state.

It will ensure that a properly planned 20-year state infrastructure strategy is developed by an independent body, not distracted with political pressures, replacing the ad hoc, reactive, short-sighted, expensive and wasteful politically driven decisions which have been occurring in recent years and which have left our state with unnecessary debt and wasted funds from poorly managed, blown out budgets. The establishment of Infrastructure SA will ensure proper risk assessment is undertaken for all projects. It meets this government's mantra for full transparency and accountability, and ensures that every dollar available to this government is used where it is most needed and not where votes are located at the next election.

As a parochial regional MP, I am excited by what this bill means for regional electorates like mine in Narungga, where projects in the past have been easily discarded because the population might be less or because fewer votes are to be gained. This bill ensures advice from Infrastructure SA—and the South Australian Productivity Commission, for which a bill has passed through this house recently—will prevent pork-barrelling and that seats like Narungga get what we need and what we deserve.

In the past, on many occasions worthy projects within Narungga, or Goyder as it used to be called, were ignored because there were not the electoral imperatives to expend resources in our beautiful electorate. The previous government is quite famous in regional South Australia for where it considers its electoral imperatives to be located.

In fact, I have heard some hypothesise that those electoral imperatives may have just been those opposite desperately clinging to power with no regard for what is best for the people of South Australia. That is set to change with this new government, much to the relief of South Australians. Instead of electoral imperatives, we will be using economic imperatives to determine where precious state resources can be best expended for the betterment of the state as a whole so that more jobs can be created for South Australians and so that their lives can become easier.

There are many infrastructure projects within Narungga that have waited long enough, from road shoulders across the width and breadth of the leg and the Adelaide Plains, to pedestrian

crossings, road reseals, port developments, passing lanes, bulk-handling facilities, public transport investigations and many other examples we have gone without for long enough.

The establishment of Infrastructure SA may mean that the north coast road at Point Turton is given a better shot at a state government investment contribution, a road which is a council road but promoted by the Tourism Commission and the state government as part of the busy tourist route that is our coastal way, yet that is in an appalling condition.

It is an 11-kilometre stretch of road, which is unsealed, and, with 2,274 vehicle counts on it last Easter as part of the coastal way route, it is an embarrassment as well as causing significant dust problems for local residents. I have heard from those local residents that when a family member comes to visit their homes in what is advertised as a tourism destination, they have to hire a car. Rather than drive their own vehicle to visit relatives, they choose to incur the extra expense of hiring a car so as not to expose their vehicle to the terrible road.

So corrugated is that road that a car's chassis is susceptible to damage and it is easy to lose control. There is evidence of this with a number of crashes that occur on the road. Yes, it is a council road, but, with a shared jurisdiction of co-promotion, it is deserving of a shared funding arrangement, and it is hoped that a state contribution can be made to this sealing project to make it a reality.

The Wallaroo breakwater is another infrastructure project that appears to be in no-one's jurisdiction and is in dire need of maintenance. The big storm of a few years ago did significant damage to the breakwater, and a further storm could render the boat ramp, which is one of the busiest outside Adelaide, unusable. Keeping that boat ramp open is key for the economic, social and environmental benefit of our state—the exact mandate that Infrastructure SA seeks to implement.

The Port Wakefield traffic solution has waited for 30 years. It featured in John Meier's maiden speech in this place in 1982, in Steven Griffiths' maiden speech in this place in 2006 and in mine not that long ago. Hopefully, a solution will surely be found in my time as a member. It is near impossible for large trucks to navigate the Balaklava Road within Port Wakefield, and it is hoped that this will be included in plans for a four-lane dual highway through the town as well as a well-publicised overpass at crash corner.

Local members have been advocating for a solution to this problem for decades and nothing has been done. I know that the previous government did not show any interest in fixing the intersection that has claimed multiple lives over the past years. In fact, I believe—and I am happy to stand corrected—that you have to go back to the Olsen government to see the last time an attempt was made to alleviate the problem at crash corner. Never mind the social and economic implications: the previous government just did not see the electoral imperatives that justified providing a solution that would have saved lives at that intersection.

Thankfully, the Liberal Party have already announced a solution to crash corner that will make it safer, and I will continue to lobby the new transport minister for a solution to the logjam through the town. It is my hope that Infrastructure SA, should they be engaged in reporting on this potential project, would see the benefit in providing a more timely carriage of the many tonnes of grain from Yorke Peninsula on its way to port and providing an economic boost to our state coffers.

It is my hope that Infrastructure SA would see the benefit of getting tourists through the town more quickly so that they can get to their YP or EP tourism destination sooner and start contributing to the local economy by enjoying the services on offer in regional South Australia. Similarly, the Maitland to Minlaton road, the Arthurton to Maitland road, and the Kulpara to Arthurton road all need urgent—at the very least—widening with shoulders, but probably much more.

I was visited by a constituent in my electorate office recently who used to work within the highway department prior to his retirement. He claimed that, to the best of his knowledge (admittedly, I have not double-checked for myself), the Kulpara to Arthurton road was built in the early 1930s and has been scarcely touched since. That much is evident when you drive along that road. It is my hope that if Infrastructure SA were asked to provide a report on this road and the economic and societal benefits of fixing it up, they would see the benefits the improvements would provide and recommend that change to the government.

Similarly, for years Hardwicke Bay residents have feared a fatal accident at their town entry junction, off the Yorke Highway. They have been waiting for investment in a mere slip lane. I have met with members of the Hardwicke Bay Progress Association and believe that their concerns are valid and backed by a 2014 safety audit. Indeed, a member of DPTI visited the town relatively recently and a report was conducted, but no further action was taken—a simple, cheap solution that was not deemed necessary by the former government.

Similarly, there are infrastructure needs in terms of hospitals, particularly within Wallaroo. The Wallaroo hospital is struggling to cope with population growth in excess of 26 per cent since 2011. There is definitely a need to upgrade the emergency department so that it can better handle the influx of patients who arrive, especially during holiday periods. That should be at the top of the list for any Infrastructure SA submissions.

So much more is possible from proper, long-term, forward-thinking strategic management of the estimated \$1 billion that the state has to spend on all sorts of projects each year that lead to improved quality of life for all of us who live here. Be it via ports, roads or other infrastructure, our businesses need to get products to market, and cutting out waste from poorly managed projects frees up more money to be spent efficiently and wisely.

The importance of statewide infrastructure, such as major roads, hospitals and schools, cannot be underestimated. I also like the fact that an annual report will be provided to parliament every year and will include full disclosure of strategies, plans and progress reports of projects. This will result in better efficiency and dollar management and prevent unexpected major cost blowouts, which have been wasteful in recent years.

This is all part of the Marshall government's commitment to be an open, transparent government. In requesting feedback from Infrastructure SA, we might not get the answer we are looking for, but it is important that the government is performing its role for the betterment of the people of South Australia as a whole. Ascertaining this information is an important step in delivering the infrastructure that we need. Rather than concealing this report and spending money where we think it could best ensure our grip on power, as had become the practice of the former government, the report will be published and made available, and our decision-making will be open to scrutiny.

That is the bare minimum expected by the people of South Australia and a welcome change, I am sure. After all, we are spending their hard-earned money and they want to know that it is being spent effectively and efficiently. If the government is not spending that money for the betterment of the whole state, with information and decision-making publicly available for scrutiny, then they have every right to question our decisions.

Working in tandem with the new South Australian Productivity Commission, Infrastructure SA is about providing better quality goods and services for more people using the resources available. I am particularly excited that this bill means that infrastructure planning will benefit all South Australians, no matter where they live, by lifting productivity and quality of life. The state Liberals are proudly committed to delivering infrastructure where local communities need it most because the right infrastructure in the right areas builds confidence, strengthens our economy, improves quality of life and drives our state forward.

The state Liberals believe in the importance of community infrastructure. Councils, community groups and residents have continually called for the renewal of local facilities, including roads, bridges and sporting and recreational infrastructure. This bill is a commitment to regional infrastructure, which further cements this new government's recognition of the valuable and vital role regions play in our state's economy. It puts the regions on equal footing for project allocation, and this is exciting. The bill means that South Australia gets the infrastructure it needs where it needs it most, and the bottom line is that taxpayer funds are used sensibly and efficiently to deliver much-needed projects and get our economy moving.

I wonder how some of the projects over the past 16 years, and those mooted by members opposite during the election campaign, would have fared during a review by Infrastructure SA. I am particularly interested in the \$160 million investment in the O-Bahn extension, when it was claimed that there was no money in the budget for regional roads and that the speed limit needed to be lowered on roads that were not safe enough for travel at 110 km/h. We will never know how this

decision, and the plethora of other questionable ones, would have been adjudicated on by an independent advisory body, but we know, going forward, that it will be of benefit to all South Australians when it comes to public scrutiny and decision-making.

The bill means better infrastructure planning to support long-term economic growth, more jobs and better and more affordable services, which is exactly what is needed in South Australia at the moment. I congratulate all who worked to prepare this important piece of legislation. I commend the bill and I gladly support its passage.

Mr HUGHES (Giles) (12:55): I start by indicating that all of us, regardless of where we sit in this chamber, believe that we need to effectively plan for our infrastructure needs as a state. Over the years, I have been exposed to a whole range of variables and uncertainties when it comes to making the best decisions about allocating resources to support the development of infrastructure in this state.

When the Liberal government was last in power in South Australia, I was on the Economic Development Board in Whyalla and on the Whyalla city council. At that time, I formed the view that one of the pervasive things about South Australia, when it comes to the culture of this state, and to a degree irrespective of the government of the day, is that we are a very metro-centric state. There is a pervasive metro-centric culture that at times influences decision-making, both by the last Liberal government and the Labor government. Having said that, when it came to infrastructure, decisions were made that did benefit both regional South Australia and the metropolitan area.

One of the difficulties is finding the balance when you are faced with a relatively concentrated population of 1.3 million, even though there is a degree of spread. The challenges that creates invariably lead to a whole range of investments to address some of the day-to-day struggles that people have in the metropolitan area.

I consider myself to be incredibly fortunate to live in a regional community. I get up in the morning and, if I choose to, I can ride a bike to my place of work and it would take 20 minutes. I have to admit that I do that far less often these days, but once upon a time. To drive a car from one end of Whyalla to the other takes five to 10 minutes. I do not face the sorts of challenges that some people face in the metropolitan area. So you can see why sometimes the investment is, some people would argue, skewed to the metropolitan area.

When it comes to major infrastructure in South Australia, the infrastructure that has gone to facilitate economic development and regional growth, the government has always played an incredibly important role. I come from a community that would not exist in its current shape, or the shape it has for decades, if it were not for a whole range of decisions made by past governments. Going back to Thomas Playford and others, often decisions were made with incredibly strong bipartisan support to invest in the infrastructure that was necessary to generate growth in regional communities.

Whether in an industrial community like Whyalla, Port Augusta, or Port Pirie, a lot was done in decades past to set up the foundations for regional economic development. That was at a time when governments believed that they had both a muscular and an interventionist need to play a very strong role in the state's economy. Given the nature of our economy, it sometimes worries me when I hear some members opposite talk about radical deregulation and government getting out of the way. I seek leave to continue my remarks.

Leave granted; debate adjourned.

Sitting suspended from 13:00 to 14:02.

SENTENCING (RELEASE ON LICENCE) AMENDMENT BILL

Assent

His Excellency the Governor assented to the bill.

SUPPLY BILL 2018

Assent

His Excellency the Governor assented to the bill.

*Petitions***NEWSTART ALLOWANCE**

Ms BEDFORD (Florey): Presented a petition signed by 29 residents of South Australia requesting the house to urge the federal government to provide an immediate boost to the Newstart Allowance and undertake a wideranging review to ensure the social safety net can never again fall low enough to place people below the poverty line.

*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 Premier (Hon. S.S. Marshall)—

Government Response—To the 30th Report of the Occupational Safety, Rehabilitation and Compensation Committee
 Regulations made under the following Acts—
 Aboriginal Heritage—Fees
 Dangerous Substances—
 Dangerous Goods Transport—Fees
 Fees
 Emergency Services Funding—Remissions Land
 Employment Agents Registration—Fees
 Explosives—Fees
 Fair Work—Representation—Fees
 Fees Regulation—Public Trustee Administration Fees
 Land Tax—Fees
 Petroleum Products Regulation—Fees
 Public Corporations—Southern Select Super Corporation—SACAT
 Stamp Duties—Exemption

By the Attorney-General (Hon. V.A. Chapman)—

Regulations made under the following Acts—
 Associations Incorporation—Fees
 Authorised Betting Operations—Fees
 Births, Deaths and Marriages Registration—
 Fees
 SACAT
 Building Work Contractors—Fees
 Burial and Cremation—Fees
 Conveyancers—
 Fees
 SACAT
 Co-operatives National Law (South Australia)—Fees
 Coroners—Fees
 Criminal Law (Clamping, Impounding and Forfeiture of Vehicles)—Fees
 Disability Services—Assessment of Relevant History—Fees
 District Court—Fees
 Environment, Resources and Development Court—Fees
 Evidence—Fees
 Expiation of Offences—Fees
 Fines Enforcement and Debt Recovery—Fees
 Freedom of Information—

Exempt Agency
 Fees
 Gaming Machines—Fees
 Housing Improvement—
 Fees
 Revocation and Transitional Provisions
 Labour Hire Licensing—Fees
 Land Acquisition—SACAT
 Land Agents—
 Fees
 SACAT
 Liquor Licensing—
 Fees
 General—Fees
 Lottery and Gaming—Fees
 Magistrates Court—Fees No. 2
 Partnership—
 Fees
 SACAT
 Plumbers, Gas Fitters and Electricians—Fees
 Public Trustee—Fees
 Relationships Register—Fees
 Second-hand Vehicle Dealers—Fees
 Security and Investigation Agents—Fees
 Sheriff's—Fees
 South Australian Civil and Administrative Tribunal—
 Fees
 Fees No. 2
 State Records—Fees
 Summary Offences—Fees
 Supported Residential Facilities—Fees
 Supreme Court—Fees
 Work Health and Safety—Fees
 Youth Court—Fees No. 2

By the Minister for Education (Hon. J.A.W. Gardner)—

University of Adelaide, The—Erratum—Page 13 Annual Report 2017
 University of South Australia—Annual Report 2017

By the Minister for Energy and Mining (Hon. D.C. van Holst Pellekaan)—

Regulations made under the following Acts—
 Controlled Substances—
 Fees
 Poppy Cultivation—Fees
 Food—Fees
 Health Practitioner Regulation National Law (South Australia)—Amendment of Law
 No. 2
 Mines and Works Inspection—
 Fees
 SACAT
 Mining—Fees
 Opal Mining—Fees
 Petroleum and Geothermal Energy—Fees
 Retirement Villages—Fees
 South Australian Public Health—Fees
 Tobacco Products Regulation—Fees

By the Minister for Child Protection (Hon. R. Sanderson)—

Regulations made under the following Acts—

Adoption—

Fees

SACAT

Children's Protection—Fees

By the Minister for Primary Industries and Regional Development (Hon. T.J. Whetstone)—

Regulations made under the following Acts—

Aquaculture—Oyster—Fees

Fisheries Management—Fees

Livestock—Fees

Plant Health—Fees

Primary Produce (Food Safety Schemes)—

Egg—Fees

Meat—Fees

Plant Products—Fees

Seafood—Fees

Seafood—Fees No. 2

By the Minister for Police, Emergency Services and Correctional Services (Hon. C.L. Wingard)—

Regulations made under the following Acts—

Fire and Emergency Services—Fees

Firearms—Fees

Hydroponics Industry Control—Fees

Police—Fees

By the Minister for Environment and Water (Hon. D.J. Speirs)—

Regulations made under the following Acts—

Botanic Gardens and State Herbarium—Fees

Crown Land Management—Fees

Environment Protection—Fees

Heritage Places—Fees

Historic Shipwrecks—Fees

Marine Parks—Fees

National Parks and Wildlife—Fees

Native Vegetation—Fees

Natural Resources Management—Fees

Pastoral Land Management and Conservation—

Fees

SACAT

Radiation Protection and Control—Ionising Radiation—Fees

Water Industry—Fees

By the Minister for Transport, Infrastructure and Local Government (Hon. S.K. Knoll)—

Regulations made under the following Acts—

Harbors and Navigation—Facilities Levy

Heavy Vehicle National Law (South Australia)—

Expiation Fees

Fees

Local Government—

Fees

SACAT
Motor Vehicles—
 Accident Towing Roster Scheme—Fees
 Expiation Fees
Road Traffic—
 Miscellaneous—Expiation Fees
 Miscellaneous—Fees

By the Minister for Planning (Hon. S.K. Knoll)—

Regulations made under the following Acts—
 Development—
 Fees
 Open Space Contribution Scheme
 Private Parking Areas—Fees

Ministerial Statement

KEOGH CASE

The Hon. V.A. CHAPMAN (Bragg—Deputy Premier, Attorney-General) (14:08): I seek leave to make a ministerial statement.

Leave granted.

The Hon. V.A. CHAPMAN: On 2 July 2018, the Marshall Liberal government announced it will provide a \$2.57 million ex gratia payment to Mr Henry Keogh. This settlement was made as a consequence of Mr Keogh's claim arising from a miscarriage of justice in respect of his 1996 conviction for murder. It was made on the basis of independent legal advice to senior counsel, independent of the Crown Solicitor's Office, and in the best interests of South Australian taxpayers.

In August 1995, Mr Keogh was convicted by a jury of murder, with a sentence of life imprisonment and a non-parole period of 25 years determined by that court. In December 2014, the Court of Criminal Appeal granted permission to Mr Keogh to appeal against his conviction, quashed the conviction and ordered a new trial on the basis that there was fresh and compelling evidence, and Mr Keogh was released from prison pending any new trial.

In November 2015, the Director of Public Prosecutions entered a nolle prosequi in relation to a further prosecution of Mr Keogh. Mr Keogh then submitted a claim against the state government in respect of the period of time he had served in prison for an offence he had not been lawfully convicted of; indeed, that was received in May 2017.

A deed of settlement was finalised on 29 June 2018 as a consequence of the fact Mr Keogh had served some 20 years in prison for a conviction for murder that was subsequently overturned. The legal proceedings involving Mr Keogh have been controversial and divisive, but there is an important legal principle at the basis of this settlement: Mr Keogh was convicted on evidence that the court of appeal deemed unsafe. That evidence was provided by a former forensic pathologist of South Australia, that is, a government official.

I state again that there are no winners in this affair. There is no determination by a court regarding Ms Cheney's death. I fully understand her family's grief and disappointment and anger, but I reiterate that this settlement is the most appropriate course of action at this time; and, as I have stated to the media, I request that the privacy of Ms Cheney's family is respected as I was requested to do so.

ECARL NOTIFICATIONS

The Hon. R. SANDERSON (Adelaide—Minister for Child Protection) (14:12): I seek leave to make a ministerial statement.

Leave granted.

The Hon. R. SANDERSON: As members would be aware, the Department for Child Protection has recently made public that the electronic Child Abuse Report Line (known as eCARL) account holders had a large volume of reports left in draft form and not submitted.

On the evening of Friday 8 June, I was advised by the Chief Executive of the Department for Child Protection that it appeared that a number of draft notifications had not been submitted to the electronic Child Abuse Report Line. At that time, my utmost priority was to ensure the immediate safety of affected children, as well as to determine the extent of the issue.

I would like to be clear: we moved straightaway to determine the safety of children first and foremost. When the department had understood the extent of the problem and determined the best course of remedial action, it moved to notify the public of the issue. An internal investigation commenced immediately, and it was discovered that submissions remained in the user's draft inbox of their personal eCARL account.

In an unprecedented step, the department authorised the identification of all draft reports currently held in the user's inbox. It found that 8,762 online drafts existed dating back to 1 July 2013 when eCARL was first introduced.

The online reporting system is available to mandatory notifiers for concerns that are not considered serious. All serious concerns must be reported via the Child Abuse Report Line. When making an online report, users are advised that draft reports will not be sent to the CARL for assessment until they have been saved and submitted. Once submitted, the user is sent an email confirmation and a further email confirmation once the notification has been assessed.

The department has completed an assessment of the drafts saved in the past 12 months as a priority given these are more likely to identify matters that require a departmental response. Of the 1,000 drafts commenced in 2018:

- 78 or 7.8 per cent met the threshold for response by the department;
- 25 or 2.5 per cent were determined to be a SAPOL matter. All matters have been referred to SAPOL.

Of the 1,201 drafts commenced in the six-month period of July to December 2017:

- 34 or 2.8 per cent met the threshold for a response by the department; and
- 27 or 2.2 per cent were determined to be SAPOL matters. All matters have been referred to SAPOL.

Work is continuing on the assessment of draft reports saved in the years prior. It is anticipated that the proportion of reports meeting the threshold for a response by the Department for Child Protection will continue to decrease.

Finally, the department has undertaken a review of the eCARL process to further mitigate against the risk of user error. As a result of the review, the department has implemented changes to the eCARL system. This includes the introduction of an automated email to remind notifiers if they have a draft report in their inbox after 48 hours. A second reminder email will be sent after another seven days. After 21 days and two email reminders to notifiers, the draft will then be deleted.

The chief executive of the department has also written to the chief executives of the Department for Education and the Department for Health and Wellbeing, as well as to the Commissioner of Police, to remind those agencies of the obligations of mandatory reporters. I am proud of the swift action taken and the leadership shown by my chief executive, Cathy Taylor, and her staff. I am satisfied that the Department for Child Protection took immediate, responsible and corrective action and I continue to review the safety of children in our care.

DISTRICT POLICING MODEL

The Hon. C.L. WINGARD (Gibson—Minister for Police, Emergency Services and Correctional Services, Minister for Recreation, Sport and Racing) (14:17): I seek leave to make a ministerial statement.

Leave granted.

The Hon. C.L. WINGARD: The Acting Commissioner of Police recently wrote to all members of parliament and informed them that SAPOL's district policing model will commence operation on Thursday 5 July 2018. The district policing model changes will apply to metropolitan Adelaide and replace the existing local service area model. The change in metropolitan Adelaide will mean the six local service areas (LSAs) of Holden Hill, Elizabeth, South Coast, Sturt, Eastern Adelaide and Western Adelaide will be combined to create four new districts: North Metro District, South Metro District, Western Metro District and Eastern Metro District. Importantly, the purpose of the district policing model is to protect and reassure the community of their safety. This will be achieved by:

- equalising demand for police services across metropolitan districts;
- establishing district policing teams to provide significant surge capacity for response during periods of high demand;
- building a visible, accessible and consistent police presence;
- better protecting high-risk and repeat victims; and
- increasing resources allocated to ensuring the quality of police court files to reduce administrative demand on front-line resources.

Although the district policing model will soon commence, the Marshall Liberal government remains committed to further enhancing community safety, meeting community expectations and increasing access to police by extending police station opening hours at the Norwood, Henley Beach and Glenelg police stations. Prior to the election, and since that time, we listened to the community, and they made it clear that they want an extension of the opening hours of the Norwood, Henley Beach and Glenelg police stations. We remain committed to delivering extended opening hours at those police stations. Those election commitments are being worked through as part of the budget process.

The Marshall government is working closely with the police commissioner to deliver for the people of South Australia on its election commitment to extend the opening hours of police stations in Norwood, Henley Beach and Glenelg.

Members interjecting:

The SPEAKER: Order!

Question Time

POLICE STATION OPENING HOURS

Mr MALINAUSKAS (Croydon—Leader of the Opposition) (14:21): My question is to the Minister for Police. Does the minister support SAPOL's new district policing model?

The Hon. C.L. WINGARD (Gibson—Minister for Police, Emergency Services and Correctional Services, Minister for Recreation, Sport and Racing) (14:21): Look, there's no such thing as a dumb question, but there is such a thing as an inquisitive idiot, and I think that's what we have on the other side of the house here. I will keep it simple, and I will speak slowly.

Members interjecting:

The SPEAKER: Order! Could the minister please return to the substance of the question. We have a point of order.

Mr MULLIGHAN: Standing order 124: that is clearly unparliamentary language.

The SPEAKER: The word 'idiot'. I will respectfully—

Members interjecting:

The SPEAKER: Would the minister like to withdraw the comment 'idiot'?

Members interjecting:

The SPEAKER: Do you take offence to—

Mr Mullighan interjecting:

The SPEAKER: I understand the standing orders. Would you like to withdraw the comment 'idiot' and please return to the substance of the question, minister?

The Hon. C.L. WINGARD: It was 'inquisitive idiot', Mr Speaker, and does not the person that it was directed at need to make the—

Members interjecting:

The SPEAKER: Order! I am advised that that comment is unparliamentary. I would respectfully ask the minister to withdraw that comment, please.

The Hon. C.L. WINGARD: I withdraw that comment, Mr Speaker.

The SPEAKER: Thank you, minister. Please keep to the substance of the question.

The Hon. C.L. WINGARD: Thank you—

Members interjecting:

The SPEAKER: Order, members on my left! This is your question time.

Members interjecting:

The SPEAKER: Members on my right, please be quiet.

The Hon. C.L. WINGARD: I didn't realise this was so easy.

Members interjecting:

The SPEAKER: Order! The minister will be seated. We will continue when the minister is in silence. The clock is ticking.

The Hon. C.L. WINGARD: I didn't realise this was so easy. In response to that question and the ministerial statement I made—

Members interjecting:

The SPEAKER: Order!

The Hon. C.L. WINGARD: —and everything that was laid out in that ministerial statement, I just want to make this point: we on this side of the house want to keep people safe. That is what our objective is.

Members interjecting:

The SPEAKER: Order!

The Hon. C.L. WINGARD: What we clearly see here from those on the other side is that we look to reopen police station opening hours, extend these police station opening hours, in electorates and areas where our hardworking members worked incredibly hard. What they did, which those on the other side don't quite understand, is they listened to their community. That's what they did. They listened to their community. And whilst the former police minister, who is now the Leader of the Opposition, closed down police station opening hours, shut them down, and he has made it very, very clear—

Members interjecting:

The SPEAKER: Order!

The Hon. C.L. WINGARD: He's made it very, very clear—

Members interjecting:

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

The Hon. C.L. WINGARD: —that whilst he was police minister, that was his objective.

Members interjecting:

The SPEAKER: Members on my right, be quiet. Minister.

The Hon. C.L. WINGARD: And that was what he did. Yet on this side of the house, our hardworking members, as I pointed out, in the areas of Colton, around Henley Beach and Morphett, around Glenelg, and the Premier, around his area of Norwood, listened to the local community. They said they want their police stations open longer so that they can access their police and we can keep them safer, and we made that election commitment.

Members interjecting:

The SPEAKER: Order!

The Hon. C.L. WINGARD: We made that election commitment, and those on the other side are finding this really, really foreign because what we did was we made an election commitment and we are going to deliver on that election commitment, unlike those opposite. We make commitments and we deliver on commitments. They don't get that concept. They have never got that concept. It's a foreign concept to them, and we are delivering in our first 100 days—delivering.

This is an election commitment we made and we took to the election, and we will be delivering on this election commitment, so I am very proud of that. What we can ascertain from this is that as we extend these police station opening hours for our local communities because we have listened to our local communities, clearly the Leader of the Opposition is saying he's not going to do it. He's going to shut them down.

The SPEAKER: Before I call the Leader of the Opposition, I call the following members to order: the members for Lee, Mawson, the leader, the member for Badcoe and the ministers for education and industry. The leader.

POLICE STATION OPENING HOURS

Mr MALINAUSKAS (Croydon—Leader of the Opposition) (14:25): My question is to the Minister for Police. Does the minister still back police and support SAPOL's decision to make no changes to police station opening hours as part of the new district policing model?

The SPEAKER: Minister.

The Hon. C.L. WINGARD (Gibson—Minister for Police, Emergency Services and Correctional Services, Minister for Recreation, Sport and Racing) (14:26): Thank you, Mr Speaker—

Members interjecting:

The SPEAKER: The minister will be heard in silence.

The Hon. C.L. WINGARD: —and I thank the leader for the question.

The SPEAKER: Members will be departing today.

The Hon. C.L. WINGARD: As I said in my ministerial statement, that is how it stands right at the minute. Our election commitment—and let me reiterate this point because clearly it's gone in one ear and out the other for the Leader of the Opposition—is that we are committed to reopening those police stations.

The Hon. S.S. Marshall: He can't do two things at once.

The SPEAKER: Premier!

The Hon. C.L. WINGARD: We will expand the opening hours of those police stations at Norwood, at Henley Beach and also at Glenelg. It's an election commitment we made. It's an election commitment we made and it's an election commitment we will deliver. I hear them on the other side—

Members interjecting:

The SPEAKER: Order!

The Hon. C.L. WINGARD: —bark about election commitments—

Members interjecting:

The SPEAKER: Order!

The Hon. C.L. WINGARD: —and when they're going to be delivered. I'm just going to go off the top of my head, and I'm going to go with, 'We will not close the Repat.' I remember it being said from that side of the chamber. They would not close the Repat, and guess what?

Members interjecting:

The SPEAKER: Order!

The Hon. C.L. WINGARD: It also mentioned 100,000 jobs—another election commitment they failed to deliver. Again, it is foreign to them on the other side of the house, but I welcome them to watch. I welcome them to watch a very good government in action.

Members interjecting:

The SPEAKER: Order, members on my right!

The Hon. C.L. WINGARD: They have for the first 100 days, and so have the people of South Australia. They have seen a government delivering on election commitments, and guess what? The people of South Australia are liking it. They are liking what they see, and we will continue to do that. We will continue to deliver on our election commitments and this is one of them.

I know that the Leader of the Opposition hates good news. He hates good news, but I will send him down to Henley Beach in the electorate of Colton, and I will send him to Morphett and the people of Glenelg. He can even go and have a coffee with the Premier in Norwood and have a chat with the people about what they want, because you need to listen. I know it's difficult when you are campaigning in Croydon and you live in Unley. It's hard when you are doing that during the campaign and you don't know what the local community wants. But on this side of the house we listen to the people in our electorate.

Members interjecting:

The SPEAKER: Order, members on my right!

The Hon. C.L. WINGARD: We listen to the people in our electorate. I stress the point that for those people in Colton—and I warn them—and for the people in Morphett, down Glenelg way, and Henley Beach, and also the people in Norwood, the Labor Party have given up on those electorates because they are putting a message out there loud and clear that, if they get back into power, they will shut down those police station opening hours. That's what the Leader of the Opposition wants to do.

They need to be warned that perhaps they have just given up on those electorates because we've got some very, very good members in those electorates doing a very, very good job. I make the point again to those on the other side that what they do that makes them so good is listen to their community, and it's so important to do. So make sure you keep listening—

Members interjecting:

The SPEAKER: Order!

The Hon. C.L. WINGARD: —to your community. Listen to your community—

Members interjecting:

The SPEAKER: Order!

The Hon. C.L. WINGARD: —is the one little bit of advice—

Members interjecting:

The SPEAKER: Order, members on my left!

Members interjecting:

The SPEAKER: Members on my right, the minister will be heard in silence.

The Hon. C.L. WINGARD: Thank you very much, Mr Speaker. I appreciate that protection. I just reiterate the point that it's so important to listen to your community, and that's what we do on this side of the house.

The SPEAKER: Before I call the Leader of the Opposition, I call the following members to order: the Premier, the member for Waite, who has been doing it all day, the Deputy Premier and the member for Playford. The leader.

POLICE STATION OPENING HOURS

Mr MALINAUSKAS (Croydon—Leader of the Opposition) (14:29): My question is to the Minister for Police. Why did SAPOL's new district policing model fail to include the extended opening hours for Norwood, Henley and Glenelg's police stations as promised by the Liberal Party at the last election?

The Hon. C.L. WINGARD (Gibson—Minister for Police, Emergency Services and Correctional Services, Minister for Recreation, Sport and Racing) (14:29): I thank the member for his question. Again, I ask him to have a listen to my ministerial statement. I know that he needed to clean out his ears, but we made it very clear that we will be delivering on our election commitments. We are working towards the budget, where we will have the resources allocated to deliver on that commitment, and again I know the good news—

Mr Mullighan interjecting:

The SPEAKER: The member for Lee!

The Hon. C.L. WINGARD: —disappoints those on the other side of the house. I have to reiterate the point, and it pains me. Actually, it's just starting to dawn on me that they are not that intelligent. I know—

Members interjecting:

The SPEAKER: Order!

The Hon. C.L. WINGARD: —that you change the language—

Members interjecting:

The SPEAKER: Order! Could the minister please return to the substance of the question. Is the minister finished?

The Hon. C.L. WINGARD: Yes, sir.

The SPEAKER: The minister has finished. The member for Kavel has the call.

FUTURE FRIGATE PROGRAM

Mr CREGAN (Kavel) (14:30): My question is to the Premier. Will the Premier update the house on how the Future Frigate Program will impact economic activity and job creation in South Australia?

The Hon. S.S. MARSHALL (Dunstan—Premier) (14:30): It is with great pleasure that I would like to answer this important question from the hardworking member for Kavel, who I spent some time with on the weekend. What a great job he is doing in that very important electorate and, I am sure, for the people of South Australia.

The very good news is that on Friday last week the Prime Minister came to Adelaide, and he had very good news not only for Adelaide, not only for South Australia, but for the entire country, quite frankly. The federal government has made another decision—this time, to commission another nine frigates for the—

Members interjecting:

The SPEAKER: Order, members on my left! The Premier has the call.

The Hon. S.S. MARSHALL: They hate good news. They hate anything—

Members interjecting:

The SPEAKER: Order!

The Hon. S.S. MARSHALL: —that will benefit the people of South Australia. It's almost impossible to believe that they hate the people of South Australia so much that they don't want to hear the good news that the Prime Minister came to South Australia to announce—that nine frigates will be built by BAE at the ASC right here in South Australia.

What I am most concerned about is the Deputy Leader of the Opposition. She seemed aghast at this good news—it's in her electorate! It's in her electorate and what a disgraceful performance she is putting on, with her nasty face, thumping the table.

Members interjecting:

The SPEAKER: Order!

The Hon. S.S. MARSHALL: She doesn't want to hear any good news for the people of Port Adelaide. Well, I can tell you this: I am proud of the people of Port Adelaide. In fact, I'm a Port Adelaide supporter, like many other people that surround me. Let me tell you, Port Adelaide is a very proud part of our state, but it has been let down for the previous 16 years by the hopeless, dysfunctional Labor government that came before. But let me tell you—

Members interjecting:

The SPEAKER: Order!

The Hon. S.S. MARSHALL: —about the combination of the Coalition's decision for a continuous shipbuilding program in Australia. They have already commissioned 54 separate naval vessels, both surface ships and submarines, for the Royal Australian Navy since they came to power. I know those opposite hate it because what it does is continually remind them that, when the previous Labor government were in power for six years—you remember that: Rudd, Gillard, Rudd—they didn't commission a single, solitary ship. Where was the member for Port Adelaide? Where was the member for Port Adelaide, condemning the federal government? Not a word, not a word from those opposite—because they don't care.

By contrast, the Coalition has put in a continuous naval shipbuilding program, and this will be transformational for our entire state: \$35 billion coming to South Australia, 1,500 direct jobs at the ASC and another 2,500 jobs in the supply chain. Our goal on this side of the house is not to talk down a \$35 billion contract coming to South Australia, but to see how we can tap in, see how we can maximise the benefit to this state, see how we can generate and keep the most jobs here in South Australia, and that's exactly and precisely what we are doing.

I said to the people of South Australia on Friday that I could not wipe the smile off my face. When the Prime Minister came here, announcing a \$35 billion project—I was smiling then, and I'm still smiling now. I am very much smiling because this is good news for our state. I wish those opposite would get on board because there are good times coming for South Australia—lots more jobs under a good quality partnership between the federal Coalition Liberal government and those on this side of the house.

The SPEAKER: I call to order the Deputy Premier.

Mr PICTON: Point of order: during that answer the Premier referred to a female member of parliament as having 'a nasty face'. I would ask him to reflect on that and withdraw that comment.

The SPEAKER: That is a bogus point of order.

Members interjecting:

The SPEAKER: Order, members on my right! Member for Kaurua, the point of order must be raised at the time. I was listening. If any member did take offence at that time, then that was the appropriate time to raise it. I do ask members to take a serious look at themselves before answering further questions because I think we are on the edge today with a couple of our remarks. I say to the Premier: I note that Norwood had their first win at Alberton since 2013 on the weekend.

Ms COOK: Point of order: the member for Chaffey again has referred to people as 'Muppets'. I ask that he withdraw. It's been ruled as unparliamentary previously and I ask that it be ruled again.

The SPEAKER: There has been a point of order raised about a term used. Would the minister, if the remark was made—I did not hear it—like to withdraw and apologise?

The Hon. T.J. WHETSTONE: Sir, I would like to know who I was referring to as a Muppet.

Ms COOK: I'm happy to, sir. He called—

The SPEAKER: Can we please get on with it.

Ms COOK: —all members over here Muppets.

The SPEAKER: Member for Hurtle Vale, if the comment is heard please do point it out at the time it is heard. I did not hear the comment, but I will be listening carefully. My previous remarks do stand. The Leader of the Opposition.

POLICE STATION OPENING HOURS

Mr MALINAUSKAS (Croydon—Leader of the Opposition) (14:36): Thank you, Mr Speaker. My question is to the Minister for Police. Has the minister received any advice about the impact of extending police station opening hours on front-line police numbers or police response times?

The Hon. D.G. Pisoni: Yes—there will be more service.

The SPEAKER: The Minister for Industry is warned.

The Hon. D.G. Pisoni interjecting:

The SPEAKER: The Minister for Industry is warned for a second and final time. Minister.

The Hon. C.L. WINGARD (Gibson—Minister for Police, Emergency Services and Correctional Services, Minister for Recreation, Sport and Racing) (14:36): Thank you very much, Mr Speaker, and again I will speak slower so that the leader on the other side can hear.

What I can tell the leader is that at the last election we made a commitment. We made a commitment to extend police station opening hours. What we did was we made a commitment to the people of the electorate of Colton, which is around Henley Beach, around the Henley Beach Police Station. We made a commitment to the people of Morphett, around the Glenelg area, and also to the people in Norwood, in the electorate of Dunstan. What we said to them at this election was: if we win, we will extend the opening hours of your police station. We made that abundantly clear. That was the policy, and we will do it. I know he's impatient, but for 16 years he did nothing. Actually, in those 16 years he chopped police station opening hours—

Members interjecting:

The SPEAKER: Order!

The Hon. C.L. WINGARD: —chopped them. In fact, I think he chopped one in the electorate of Hallett Cove or the area of Hallett Cove. He closed police stations; that was his mantra. That's what they wanted to do on the other side. We have made a policy, and we have put a policy in place to increase police station opening hours to give better service.

Hearing the Premier talk about the future frigates, the \$35 billion in future frigates coming to South Australia, which will deliver more jobs, and then I look at our policy just a couple of weeks ago to return the ESL remissions to South Australians, which is putting more money back in people's pockets, lowering costs, and then the better services—

Mr MULLIGHAN: Point of order: standing order 98 states that answers may not contain debate. He is clearly debating by referencing other initiatives and projects.

The SPEAKER: I will listen carefully but, minister, I do ask that you please return to the substance of the question.

The Hon. C.L. WINGARD: Thank you, Mr Speaker.

Members interjecting:

The SPEAKER: Order! Minister.

The Hon. C.L. WINGARD: Yes, you are right, Mr Speaker. I am talking about the good stuff and they don't like it on that side and it amuses me. What I am talking about is the policy we took to the election, which was about more jobs, lower costs, better services, a big mantra that we took to the election. I was just explaining to the member for Lee, and he will be keen on those jobs that are coming down his way as well with the future frigates, of course, down Port Adelaide way. There is \$35 billion in the future frigates. There is the ESL money going back—

Mr MULLIGHAN: Point of order: standing order 98.

The SPEAKER: I believe that the minister is coming to the substance of the question fast.

The Hon. C.L. WINGARD: Thank you, Mr Speaker. I keep getting interjected and I have to plant myself again. It makes me laugh, Mr Speaker. It really makes me laugh that they don't like the good news.

Members interjecting:

The SPEAKER: Order, members on my left!

The Hon. C.L. WINGARD: And it's really good to be serving up good news as a government in this state because we are taking South Australia forward. I will just recap. I have mentioned the \$35 billion for the frigates, I have mentioned the ESL, and I am talking about the better services now—

Members interjecting:

The SPEAKER: Order!

The Hon. C.L. WINGARD: —and part of that, that we are supplying to the people of South Australia, is what they wanted at the election. We are delivering that, and that is increasing the police station hours in those electorates. As far as the district police model is concerned—

Mr MULLIGHAN: Point of order, Mr Speaker: the minister has had nearly three minutes to come to the substance of the question. He is continuing to debate—

The SPEAKER: The point of order is debate. The minister is coming to the substance of the question.

Members interjecting:

The SPEAKER: Order! The minister is coming to the substance of the question, he is. Minister.

The Hon. C.L. WINGARD: I can't mention Muppets, I just can't. I can't do it because—

The SPEAKER: No, you can't; do not.

The Hon. C.L. WINGARD: —I want to talk about what we are delivering for the people of South Australia. The district policing model will be implemented along with our commitment to open the police stations that we have outlined. We will be delivering on that commitment. I know those on the other side don't like it, but we will be delivering.

POLICE STATION OPENING HOURS

Mr MALINAUSKAS (Croydon—Leader of the Opposition) (14:40): A supplementary question: has the minister sought any advice from SAPOL regarding the policy to extend police station opening hours?

The Hon. C.L. WINGARD (Gibson—Minister for Police, Emergency Services and Correctional Services, Minister for Recreation, Sport and Racing) (14:41): I can't speak any more slowly. I have to be abundantly clear: I have talked through the district police modelling program with SAPOL, I have met with them and we have gone through it. In fact, I will be offering a briefing to members on the other side about how the district policing model is going to work.

Members interjecting:

The SPEAKER: Order, members on my left!

The Hon. C.L. WINGARD: I have had those chats with the police commissioner and the deputy police commissioner and, as I said, will, in fact, be giving a briefing to all those on the other side if they wish it. What I can't be any clearer on is that the district policing model—

Mr Bignell: The weakest link.

The SPEAKER: The member for Mawson is warned.

The Hon. C.L. WINGARD: Sorry; I know I can't mention Muppets but I look at the member for Mawson and I think, 'I can't mention Muppets,' and I won't. What I can say—

Mr BIGNELL: Point of order: Mr Speaker, you have lost control of this question time.

The SPEAKER: I have not lost control of anything.

Mr BIGNELL: You have lost control of this question time to allow this sort of behaviour—

The SPEAKER: The member for Mawson will depart the chamber for half an hour.

Members interjecting:

The SPEAKER: The member for Waite will be seated.

Members interjecting:

The SPEAKER: No, he didn't call you a Muppet.

Members interjecting:

Members

MEMBER FOR MAWSON, NAMING

The SPEAKER: I name the member for Mawson. Would the member for Mawson like a right of reply?

Mr BIGNELL: Thank you for this opportunity, Mr Speaker. To have people in here calling people names across the chamber is very unparliamentary. My point was that you have lost control.

The SPEAKER: Is there a motion from the Minister for Education?

The Hon. J.A.W. GARDNER (Moriaita—Minister for Education) (14:43): There being no apology heard, I regretfully move:

That the member's explanation not be accepted.

Motion carried.

The honourable member for Mawson having withdrawn from the chamber:

MEMBER FOR MAWSON, SUSPENSION

The Hon. J.A.W. GARDNER (Moriaita—Minister for Education) (14:43): I move:

That the honourable member for Mawson be suspended from the service of the house for the remainder of today's sitting.

Motion carried.

Question Time

ROAD AND RAIL FREIGHT

Mr DULUK (Waite) (14:43): My question is to—

Members interjecting:

The SPEAKER: The minister is finished. The member for Waite has the call.

Mr DULUK: My question is to the Minister for Transport, Infrastructure and Local Government. Can the minister update the house on the evaluation of options to address road and rail freight congestion in our suburbs?

The Hon. S.K. KNOLL (Schubert—Minister for Transport, Infrastructure and Local Government, Minister for Planning) (14:44): I thank the member for Waite for his question. It allows me to provide him with an answer he has been seeking for quite some time. In fact, again, he is someone who does contact me quite regularly about the rail corridor in his electorate and the potential longstanding issues that have occurred there over an extended period of time.

I am very proud to tell the house that once again we have delivered on another one of our 100-day election commitments. I have issued a tender, which went out on 28 June, in relation to stage 1 and stage 2 of the GlobeLink business case. That is delivering on exactly what we said we would do at the election. Before the election we said one thing, and after the election we said exactly the same thing. All we did was deliver on our promises as we put them, and I think the South Australian people are coming to realise that, after 16 years, they can have a government they can believe in. They can believe what politicians say because they actually do what they say.

The 100-day plan is a very clear, very specific set of commitments that this government has delivered on, and the GlobeLink business case is very much a part of that. It is something that I know the member for Waite and many others on this side of the house campaigned for in the lead-up to the election. It is something that really captured the mind and the imagination of South Australians, this idea that we don't have to accept the status quo in relation to traffic in Adelaide, that we don't have to accept the status quo about how easy or difficult it is to get our products interstate and overseas.

One of the best examples is a vegetable grower from the member for Kavel's electorate. He is a brussels sprouts grower. He said that at the moment he actually ships his goods to Melbourne to get them overseas because it is too difficult to do out of Adelaide. That isn't good enough. Here in South Australia, we are a food bowl and should be more of a food bowl for South-East Asia and the rest of the world. The best way we can help our exporters is to give them the ability to get their products interstate and overseas more quickly, and the best way to do that is to invest in infrastructure.

That's why the GlobeLink proposal is so important—so important to helping grow and develop our economy, develop our export market, develop our export capability and provide that direct link between Adelaide and South Australia and the rest of the world. It's why this stage 1 and stage 2 business case is so important, because we are going to actually identify the problem—mind you, not the problem as it's identified by those who have a vested interest in the status quo. It's actually going to look at who would benefit from such a proposal. The people who will benefit are the people whose voices I don't think have been heard in this debate yet. They are the exporters themselves who want access to market.

As a government that's here to enable, as a government that's here to try to promote, develop and work with industry to help improve the productive capacity of our state, these are exactly the kinds of things we need to look at. Member for Waite, you would also like to know that we are in the process of developing our Infrastructure SA process so that we can improve and evaluate the way these proposals get up. This isn't going to be some pork-barrelling exercise. This isn't going to be a marginal seat pet project. This is the kind of process that South Australians can believe in, that they can trust. When the information comes through about what potential this has for South Australia, it will be independently verified and independently evaluated by Infrastructure SA.

It will also help with traffic congestion in and around Adelaide on the rail freight side but also on the road freight side. The idea that we can get these trucks and trains out of Adelaide is extremely important for the potential future decisions we make about how our city moves and the fact that this can really help to reduce congestion. It is all very important for the people of South Australia and very important for the people whose electorates this is going to improve from a traffic congestion point of view. Once again, South Australians have voted for this change and this proposal. I look forward to being part of a government that helps deliver on that.

POLICE STATION OPENING HOURS

Mr MALINAUSKAS (Croydon—Leader of the Opposition) (14:48): My question is to the Minister for Police. Has SAPOL expressed any concerns, either in writing or verbally, about the government's extension of police station opening hours policy?

The Hon. C.L. WINGARD (Gibson—Minister for Police, Emergency Services and Correctional Services, Minister for Recreation, Sport and Racing) (14:48): I thank the member for the question. He keeps asking the same question. I will keep giving him the same answer, and that is that, yes, I have had discussions with—

Members interjecting:

The SPEAKER: The minister will be heard in silence.

The Hon. C.L. WINGARD: —the police commissioner and, yes, I have had discussions with the deputy commissioner, but the people I have also had discussions with are the people in the community—the people of Henley Beach, the people of Glenelg, the people of Norwood—and they want their police stations open more often. That's the policy we took to the election. That's what we will deliver. I'm working with the police commissioner to deliver that for those people of South Australia.

MINISTER FOR POLICE

Mr MALINAUSKAS (Croydon—Leader of the Opposition) (14:49): My question is to the Minister for Police. Who knows more about operational policing: a highly respected police commissioner with three decades of experience or a former sports—

The Hon. J.A.W. GARDNER: Point of order: this question is very clearly argumentative and debate.

The SPEAKER: Minister for Education, with all respect, I haven't heard the whole question. I will listen carefully. Leader of the Opposition.

Members interjecting:

The SPEAKER: Order!

Mr MALINAUSKAS: My question is to the Minister for Police. Who knows more about operational policing: a highly respected police commissioner with three decades of policing experience or a former sports journalist?

The SPEAKER: That question is—

Members interjecting:

The SPEAKER: Order! That question is out of order for a range of reasons, Leader of the Opposition. I will move on to the member for Narungga and I will come back to the Leader of the Opposition. The member for Narungga.

ELECTRICITY INTERCONNECTOR

Mr ELLIS (Narungga) (14:50): My question is to the Minister for Energy and Mining. Will the minister update the house on how ElectraNet's project assessment draft report on interconnection fits in with the government's policy for interconnection with New South Wales?

The Hon. D.C. VAN HOLST PELLEKAAN (Stuart—Minister for Energy and Mining) (14:50): Yes, member for Narungga, who I know is a very, very strong advocate for his community over there in Yorke Peninsula. A first-term MP, like many of our first-term MPs, he is very, very active in the community. We are lucky to have them on our team. It is a pleasure to say a few words about the ElectraNet draft RIT-T report (the Regulatory Investment Test—Transmission report) that they released on Friday last week. It is amazing that members of the opposition couldn't be found to comment on it.

The Hon. V.A. Chapman: Oh, really?

The Hon. D.C. VAN HOLST PELLEKAAN: They couldn't be found. There are a few possible reasons for that: they might have been on holidays, might have been Friday—long lunches—or maybe it was good for South Australia. It was actually good news. It was good news first and foremost for the people of South Australia. This report made it very, very clear that an interconnector between South Australia and New South Wales would reduce the price of electricity to South Australians.

Guess what, Mr Speaker? Before the election, the then Liberal opposition said exactly the same thing. Before the election, the then Labor government said we were wrong. Now, after the election, we are in government and we still believe what we believed before the election. The opposition is actually not there anymore on this topic; they have scurried away on this topic. It is actually fantastic to receive this draft report.

Of course ElectraNet needs now to receive more feedback from the public and interested parties on this work that they've done. Of course they will come back—I think, in November, they will come back with their final report to confirm, or otherwise, but more than likely stick with the information that they have provided; that is, that a 330-kilovolt capacity interconnector running between the Robertstown district in South Australia and the Wagga district in New South Wales will reduce electricity prices for South Australians.

It will give us access to base load electricity from New South Wales if and when we need it. But probably more important for South Australia, it will allow us to export our often overabundant renewable energy from South Australia into New South Wales, and both South Australia and New South Wales welcome that. On Friday morning, I spoke with energy minister Harwin from New South Wales. He welcomed the report. He welcomed the fact that it would save, on average, a predicted \$20 per year, per house in New South Wales. He and I both welcomed the fact that it would save on average \$30 per year, per house in South Australia.

I do have to come clean on one thing. Before the election, in our modelling that we shared publicly with everybody who wanted to have a look at it, we said that an interconnector to New South Wales would cost each South Australian household, on average, \$8 per year. That extra cost was going to be more than offset by savings in the wholesale price of electricity. We did say it would be \$8 per year. I have to come clean: ElectraNet say it's going to be \$9 per year. So we got that marginally wrong. That might mean that the \$302 saving which we offered the people of South Australia before the election might be \$301. We did say—

Members interjecting:

The SPEAKER: Order!

The Hon. D.C. VAN HOLST PELLEKAAN: Having shared that information and made that admission, let me tell you that we went to the election with an outstanding energy policy. It is now being supported by ElectraNet, by AEMO, by AER and the Energy Security Board, and we will deliver lower electricity prices for South Australia.

The SPEAKER: The minister's time has expired. The Leader of the Opposition.

POLICE STATION OPENING HOURS

Mr MALINAUSKAS (Croydon—Leader of the Opposition) (14:54): Given the minister is still committed to extending police—

Members interjecting:

The SPEAKER: Order!

Mr MALINAUSKAS: My question is to the Minister for Police—no surprise! Given the minister is still committed—

The Hon. S.K. KNOLL: Point of order.

Mr MALINAUSKAS: —to extending—

The Hon. S.K. KNOLL: The question is out of order. The use of the phrase 'given that' is a hypothetical question or introduces that.

The SPEAKER: I understand the point of order but, as I have said, I will allow the question to be read out, or spoken in its entirety rather, before ruling. Leader.

Mr MALINAUSKAS: Thanks, Mr Speaker. My question is to the Minister for Police. Will the minister rule out issuing an instruction to the police commissioner to pursue his policy of extending police station opening hours?

The SPEAKER: The Minister for Police.

The Hon. C.L. WINGARD (Gibson—Minister for Police, Emergency Services and Correctional Services, Minister for Recreation, Sport and Racing) (14:55): Thank you very much, Mr Speaker—

Members interjecting:

The SPEAKER: The minister will be heard in silence. I do not want to hear points of order about relevance or debate or anything else of that nature. Minister.

The Hon. C.L. WINGARD: What I can tell the house is that I will not be taking direction from an ex-union hack. That I guarantee you.

Members interjecting:

The SPEAKER: That was the answer. The member for Elizabeth.

Members interjecting:

The SPEAKER: Order, members on my left!

Members interjecting:

The SPEAKER: Order! The member for Elizabeth, did you have a question?

SPEED CAMERA AUDIT

Mr ODENWALDER (Elizabeth) (14:55): I do have a question, sir, yes. My question is to the Minister for Police. Will the government's speed camera audit include mobile speed cameras used by front-line police?

The Hon. C.L. WINGARD (Gibson—Minister for Police, Emergency Services and Correctional Services, Minister for Recreation, Sport and Racing) (14:55): Yes.

The SPEAKER: The member for King.

Members interjecting:

The SPEAKER: The member for King has the call.

ELECTRICITY INTERCONNECTOR

Ms LUETHEN (King) (14:56): My question is to the Minister for Energy and Mining. Will the minister update the house on the progress and delivery of the government's interconnection policy?

The Hon. D.C. VAN HOLST PELLEKAAN (Stuart—Minister for Energy and Mining) (14:51): Thank you very much, member for King—another very, very hardworking, very focused, very well connected with her electorate first-term Liberal government MP asking a very relevant question because electricity is one of the greatest failings of the previous Labor government. It is one of the biggest jobs that we have in front of us, but we do have a plan, and the member for King is very focused on how we will deliver our plan.

Interestingly, what she is asking for is an update on progress of delivering the plan, and that is the type of focus we've got on this side of the chamber. You have seen us work through our 100-day plan. We say we will do things, we get on and get busy, take good advice, work hard and then we do deliver them, and this issue will be absolutely no different.

We have had the ElectraNet draft report, which has been very positive. It endorsed, it validated, that one component of our election policy. Of course, there were several others, there still are several others but, with regard to interconnection, where do we go from here? Well, discussions have already taken place with ElectraNet. Discussions have already taken place with TransGrid, which is the company on the New South Wales side of the border which owns and operates their high-voltage transmission lines.

Both those organisations have been working very closely together and both have been very positive with regard to the involvement they have had with the South Australian government about how together they might deliver that transmission line. We are looking at the timing of it: what can

we possibly do to get an interconnector up and running, actually working and delivering for South Australians as quickly as possible?

The previous government was very happy just to let things roll, let things roll, let things roll. The then leader of the opposition, now Premier, directly, through parliament, through media, every way possible, told the then Labor government what problem was coming. He told them what problems were going to be there. He went to the minister, he went to the then premier and he explained the issues that needed to be dealt with, and they just ignored him. They turned their back, they looked the other way and pretended that it wasn't real. Well, it was real, and all South Australians have paid for it.

We are not going to take that approach. We want to get this interconnector up and running as quickly as possible. We have a \$200 million interconnection fund—money which we pledged before the election, money which we still have now, obviously, in the Treasurer's hands, to make sure that we can deliver upon this.

ElectraNet has recommended so far a 330-kilovolt interconnector between, as I said before, Robertstown and the Wagga districts more broadly, to go through the Riverina part of New South Wales. We need to assess whether this 330 is just exactly right. We need to assess how it will work with other parts of our energy solution, which we are working on very rapidly as well—the household storage plan, the grid-scale storage, the trials for demand management, for demand aggregation and for supply integration. We are determined to make sure that they all fit.

One of the most interesting things, which comes back to the member for King's question about what we are going to do to deliver this and how we are going about it, is focusing on a range of other options which were not part of our policy. It is very important to highlight for the chamber that in ElectraNet's draft report it says very clearly that they considered all other non-network solutions, and none of them—none of them—came close to delivering lower electricity prices and more stability in the electricity supply for South Australians. None of them were anywhere close to what interconnection between South Australia and New South Wales would be.

SPEED CAMERA AUDIT

Mr ODENWALDER (Elizabeth) (15:00): My question is to the Minister for Police. Minister, what criteria is the government using to determine if a safety camera or a mobile speed camera is used for safety purposes and not revenue raising?

The Hon. C.L. WINGARD (Gibson—Minister for Police, Emergency Services and Correctional Services, Minister for Recreation, Sport and Racing) (15:00): I thank the member for his question. I do note that I am up past 100 now, so I've seen off the fast bowler and now I get the spinner. This is really good. I appreciate you asking that question because this is—

Members interjecting:

The SPEAKER: Order, members on my left and right! The minister has the call. Minister, you did ask for it. Please continue.

The Hon. C.L. WINGARD: Happily, sir. I do thank the member for the question because it's an important one, and it's another one of our 100-day election commitments delivered on time. It's great to have people engage with this. What we have done is get CASR from the University of Adelaide doing the audit, and they are a very well-respected road safety body, of course. As I said, they are out of the University of Adelaide and they will be doing the audit, working with another group to compile the results of that. We look forward to getting those results back. So it's not being done by me; it's being done by an independent body.

We are asking people to have their say through the YourSAy website, so I do invite the member for Elizabeth to get on board and have his say. He can just go to the website and click through the little icons there. It's really easy to do. Even the member for Enfield would like to get on board and do this. It's very tech savvy. You just click through, you can have a say, you can have your input on speed cameras right across the board—

Members interjecting:

The SPEAKER: Order!

The Hon. C.L. WINGARD: —and it is a great way to engage the community. It has probably been the theme of what I have had to say. They gabble on the other side, but they don't want to do it. They don't want to engage with the community and they don't want to listen to the community, but on this side that's what we do: we listen to the community and we listen to what they have to say.

Members interjecting:

The SPEAKER: Order!

The Hon. C.L. WINGARD: Under the previous government, there was a real perception out there that speed cameras were just revenue raisers. That's how people felt. We know speed cameras have a very important role in keeping people safe on our roads, as do safety cameras as well. We want to make sure that the people of South Australia have the confidence in the system to know that they are in the right places, doing the right job. So when I got into this role I checked to see if an audit had been done in the last two, five, six or 16 years: no audit, chuck 'em in, have a look at 'em, go from there. So let's do that and let's take the community on the journey with us. Let's hear what they have to say.

Members interjecting:

The SPEAKER: Order!

The Hon. C.L. WINGARD: You know what? Anyone who gets pinched by a camera doesn't normally like it. I have to put my hand up and say that I've been done. But I tell you what—

An honourable member: Not as much as Tom Koutsantonis.

The Hon. C.L. WINGARD: Not as much as the former treasurer, you're right.

Members interjecting:

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

Members interjecting:

The SPEAKER: Members will not interject.

The Hon. C.L. WINGARD: I did get picked up on a red light camera, going around a corner. I thought I was in the intersection before it went red—everyone does. I wasn't. The photo was taken; I got a fine. I tell you what: it changed the way I operate around that intersection. I genuinely slow down around that intersection now. I am incredibly cautious around that intersection. So when people get a chance to have a look at this—

Members interjecting:

The SPEAKER: Order, members on my left!

The Hon. C.L. WINGARD: —and they get a chance to be a part of the audit, they can go to the website. Feel free to do that: go to the website—YourSAy.com and speed audit—and you can actually have your input. The member for Reynell could do it, too. She has a lot to say at the moment, but maybe she could just get on her phone and get online. I am hearing gabble, gabble, gabble; I am saying input, input, input. Please have your say. Have your say and be part of the audit because it is good—

Members interjecting:

The SPEAKER: Order!

The Hon. C.L. WINGARD: —and it engages with the community. We will release that report when it is done through the University of Adelaide and through the other experts. They will all get to have their say as well, SAPOL included. RAA and MAC, they will all get to have their say but, more importantly, the community can have their say as well.

The Hon. V.A. Chapman interjecting:

The SPEAKER: The Deputy Premier is warned.

GLENTHORNE NATIONAL PARK

Mr MURRAY (Davenport) (15:04): My question is to the Minister for Environment and Water. Will the minister update the house on what the recent signing of a memorandum of understanding with the University of Adelaide means for the government's commitment to create a new national park in the southern suburbs of Adelaide?

The Hon. D.J. SPEIRS (Black—Minister for Environment and Water) (15:04): I thank the member for Davenport for his question, and I know that the new national park that the Liberal government is looking to create in the southern suburbs will have a fantastic benefit for many of his constituents.

It gives me great pleasure to be able to update this house that a couple of weeks ago, just at the end of the last sitting week, this government signed a memorandum of understanding with the University of Adelaide in relation to taking the first steps towards transferring the land which forms Glenthorne Farm at O'Halloran Hill—to see that transferred to the state government in order to create the foundational point of what will become Glenthorne National Park, around 1,500 hectares of open space in the southern suburbs of Adelaide, with Glenthorne Farm as the focal point for that new national park.

This now paves the way for negotiations around the transfer of that land and keeping intact a partnership with the University of Adelaide. We know that the university have had a somewhat difficult history over the years with that site and the stewardship of that site, but it is important that the University of Adelaide have an opportunity to stay involved with that site on an ongoing basis, because they have shown a significant amount of goodwill to the government and to the community of the southern suburbs in coming into partnership with the state government for the creation of the new national park.

So it is great to be able to update the house that the University of Adelaide will now be involved in a very significant research partnership with the state government. That research partnership will look specifically at how you develop a new urban national park from scratch. That is the great thing about Glenthorne national park: it is the creation of a new national park within the metropolitan environment. That is a once-in-a-lifetime opportunity. It is not something that happens on a regular basis by any means, not only in South Australia but anywhere in Australia and even at an international level.

We want to partner with the University of Adelaide to talk with them about what that might look like, to get them to undertake research around how this national park will be developed and in particular to get them to look at the revegetation side of this national park. We know that there is the opportunity—as well as having recreational opportunities along Majors Road, which is a recreational precinct within the park already—and the scope to do a very large-scale revegetation project, the creation of an urban forest. Sometimes this project has been described as the lungs of the south.

We want the University of Adelaide to actually undertake the research as to what that would look like: what trees, what shrubs, what grasses would you plant and where would they be planted? How would things like bushfire prevention be factored into the development of this park from the outset? What would be the balance between open space, in terms of grasslands, versus more heavily wooded areas? So the University of Adelaide is going to be heavily involved in this.

I hope that they are able to build on the longstanding work of David Paton, who has a long association with that site and has a passion for seeing grey box woodland established across the Mount Lofty Ranges. That vision was an earlier vision of the University of Adelaide for this site, and there is now an opportunity for the state government, in partnership with the university and of course in partnership with the wider community of the southern suburbs, to develop this new national park for our city.

LANDS TITLES OFFICE

Ms BEDFORD (Florey) (15:08): My question is to the Minister for Planning and Transport and Infrastructure. Can the minister update the house on changes out in the operation of the Lands Titles Office in the wake of its change of status as part of the Land Services Commercialisation Project, and is the minister aware of any unexpected impacts on homebuyers?

The Hon. S.K. KNOLL (Schubert—Minister for Transport, Infrastructure and Local Government, Minister for Planning) (15:09): I thank the member for Florey for her question. I do note that it is quite broad in nature and, if possible, I might actually seek to have a discussion with her about what information she is seeking after question time. Obviously we have a situation now where the operation of the Lands Titles Office has moved across to essentially a private organisation, and the functions in relation to the government oversight of that have now come back, as of 1 July, to DPTI, but I think there might be something more specific that you are seeking, member for Florey, that I'm happy to have a discussion with you about.

SPEED CAMERA AUDIT

Mr ODENWALDER (Elizabeth) (15:09): My question is to the Minister for Police. Will the minister rule out removing speed cameras located in school zones as part of the speed camera audit?

The Hon. C.L. WINGARD (Gibson—Minister for Police, Emergency Services and Correctional Services, Minister for Recreation, Sport and Racing) (15:09): I thank the member for the question. I hope he has been online and filled in that report. What I can say is that I'm not going to pre-empt the review. It would surprise me, but I'm not going to pre-empt the review. We will do the full review and bring back the details when that is done.

TEACHER LITERACY AND NUMERACY TEST

Mr TEAGUE (Heysen) (15:10): My question is to the Minister for Education. Can the minister update the house on progress towards meeting the government's election commitments relating to literacy and numeracy?

The Hon. J.A.W. GARDNER (Morialta—Minister for Education) (15:10): I thank the member for Heysen for his question and his particular interest in the importance of literacy and numeracy, which I am sure all members are aware is the foundation upon which so much of a child's education and further success in school and in life is built.

This government came to office with a very firm set of commitments in relation to literacy and numeracy. The Liberal government's literacy guarantee policy contains 10 elements where we looked at ways, from opposition, of how we could enhance the offering that was available for the children of South Australia through our education system to deliver a better outcome to improve their results, to improve their capacity, and particularly to support those students with dyslexia and other learning difficulties. There are a range of measures that have already been put in place.

Today, I am particularly pleased to be able to confirm to the member for Heysen, and all members of the house, that another of those initiatives is able to be ticked off as completed. From 1 January 2019, new teachers will be required to sit literacy and numeracy tests and demonstrate that they have literacy and numeracy skills in the top 30 per cent of the population in order to achieve their teacher registration.

This follows an agreement between the education department and South Australia's Teachers Registration Board, which met last Friday to confirm this in consultation with the deans of education at the four South Australian tertiary institutions that provide initial teacher education programs. This government is delivering where the previous government, despite agreeing to this concept in principle, failed to deliver and failed to enact.

This move of course brings South Australia in line with the Eastern States and confirms that, while we are so supportive and so grateful for all those young people who decide to study to become teachers, we believe that the first needs in the education department should be the needs of the child. It is our expectation that teachers in the teaching service must be able to satisfy the requirements of a literacy and numeracy test if they are indeed to be instructing our children. That is our expectation, that is the commitment we took to the people of South Australia, and today I am very pleased to be able to say that we are delivering on that commitment. The agreement will ensure that every new graduate teacher has a proven knowledge of literacy and numeracy. This, of course, comes on top of other work the government is doing towards confirming our literacy guarantee policy.

We said that we would establish a literacy guarantee unit within the Department for Education led by an experienced educator and supporting 13 coaches who will support the work of at least

500 teachers per year in their professional development, particularly working with them to understand the needs of the teaching workforce that didn't go through university at a time when phonics was understood to be an important part of the teaching curriculum.

Ingrid Alderton, the head of the unit, has now been appointed. She is a respected educator and has had a long history, particularly in disability education. She is a widely respected educator. The recruitment of those 13 literacy coaches continues, and we are looking forward to them getting to work. Ingrid Alderton, as the unit manager, has been appointed. She is also developing a model for the unit's provision of support for teachers in consultation with relevant respected academics and other community groups and experts, including SPELD SA and Dyslexia SA.

The year 1 phonics check is a commitment that we were very pleased that the former government came on board with, and I congratulated the former education minister on coming on board with this just before the election. That will be rolled out in term 3 this year. Indeed, information about that phonics check is already being provided to all schools as part of the Liberal government's 100-day commitments.

The literacy guarantee unit will also be delivering literacy guarantee conferences for professional development opportunities for teachers. There will be breakfast programs in all schools that need them. There will be NGOs providing early literacy programs as a result of the work this government is doing. We will confirm all the commitments we made as part of our literacy guarantee. This government is getting on with the job for the children of South Australia.

SPORTS FUNDING

Ms WORTLEY (Torrens) (15:14): My question is to the Minister for Recreation, Sport and Racing. When will the government deliver on its promise to match Labor's commitment to deliver change room facilities for women at Gaza Sports and Community Club?

The Hon. C.L. WINGARD (Gibson—Minister for Police, Emergency Services and Correctional Services, Minister for Recreation, Sport and Racing) (15:14): I thank the member for her question. I know there were a lot of commitments made across the election period. We on this side made quite a number and it has been great to be delivering on those. I will have a look at the Gaza one. I also know that some of the female sports facilities grants have previously been given to the organisations or sporting clubs but the facilities haven't been built. So I'm very happy to take that on board and have a look at it.

What I can say, from this side of the house, is that some of the commitments we made to the communities—again, it's the theme of the day and I don't apologise for that—when we were out listening to our communities, it was amazing the number of community sporting clubs that had been run down over the past 16 years. A number of sporting clubs and community clubs needed upgrades desperately—

Members interjecting:

The SPEAKER: Order!

The Hon. C.L. WINGARD: —and needed structured upgrades desperately. I know the member for Waite has done a great amount of work in his area, and I spoke last week about the members for King and Newland. They, too, have done an outstanding job in their areas, advocating for their communities. The member for Black—I was going to say Bright, but it is actually Black now; of course, he is also the environment minister—advocates so strongly for his community. I know he was just helping out there the other week. It is fantastic to know that we are delivering for those people in the community, given that—

Ms Hildyard interjecting:

The Hon. C.L. WINGARD: I hear the member for Reynell chipping away on the other side, and I know how much people feel let down—

Ms Hildyard: Answer the question.

The SPEAKER: Order!

The Hon. C.L. WINGARD: —by the lack of facilities that has been left in our local communities. The member for Colton is another one I look at, and I know the hard work that he did and has done for the Henley Sharks Football Club.

Ms Hildyard: So I guess they're not getting the upgrade, Corey?

The SPEAKER: The member for Reynell is warned.

Members interjecting:

The SPEAKER: The member for Lee will not interject. Minister.

Ms Hildyard: A lot of conversations: Gaza, the police. No outcomes, just conversations.

The SPEAKER: The member for Reynell is warned for a second and final time.

The Hon. C.L. WINGARD: I was mentioning the wonderful work the member for Colton does in his local area and the facilities that he has now for the Henley Sharks. I know the member for Elder is an absolutely passionate advocate for better community facilities in her electorate as well. These things are paramount to keeping communities going. The community facilities, be they in the city or in the regions, are absolutely paramount.

As the Minister for Sport, the most disappointing thing has probably been that, as I get out into these areas and speak to these local communities about their infrastructure and what they have been left with after 16 years of a Labor government, they really are crying out for more. We are going to do everything we can to help as many clubs and as many communities as we can.

I am going to stand here and be honest to the parliament. Are we going to be able to do something for absolutely everyone next week? No, it's not going to happen, but I tell you what: we are going to do our absolute darndest to make sure that we can get the best facilities for our local community clubs, because community sport and community activation is so important for a growing state, and that's what we have. Not only are we delivering jobs, not only are we delivering better services, but we are delivering better sporting clubs and communities. It is a big focus of mine and I look forward to delivering on that for South Australia.

SPORTS FUNDING

Ms WORTLEY (Torrens) (15:18): Supplementary question: is the minister aware that the former Liberal candidate for Torrens promised Gaza Sports and Community Club that a Liberal government would match Labor's \$500,000 commitment for new women's change facilities?

The Hon. C.L. WINGARD (Gibson—Minister for Police, Emergency Services and Correctional Services, Minister for Recreation, Sport and Racing) (15:18): I thank the member for the question. I think I made the point a few moments ago that I am happy to see any paperwork that the member has. I know a couple of other members on the other side have mischievously been out and about, claiming that someone said this and someone said that and someone said something else. I am not at all suggesting—

Members interjecting:

The SPEAKER: Order!

The Hon. D.J. Speirs interjecting:

The Hon. C.L. WINGARD: —that the member for Torrens is doing that, but I am very happy to talk to all the local sporting clubs and community groups to see what they have. The environment minister makes the very good point that the former member for Bright, Chloe Fox, did something very similar when she was in this place; in fact, she put it in writing.

I am keen to work with all sporting clubs, all community groups. I know how much they put in. When we look at the volunteers and what they do—in fact, I know Gaza. My local footy club was actually playing out there just the other week. It's a wonderful club out there, a great sporting club. The Jarman brothers, of course, come from out there. I played a couple of footy games against Gaza over the time as well. They were very hard, very hard at the footy.

Members interjecting:

The Hon. C.L. WINGARD: Yes, they were. They played a very hard game of footy, but it was always great to have a beer with them after the game in the clubrooms. I know the Leader of the Opposition appreciates that as well, when he is playing for the Blacks. These community groups do an outstanding job and we are really keen to work with them continuously to make sure that they can get the resources they need. I stress the point I made a few moments ago: we can't give everything to everyone right at this minute. That, unfortunately, is the reality, but we will be working with all clubs to make sure that they can get the facilities they need.

When we start looking at clubs, the thing that has intrigued me about them when we talk about facilities and resources is: what is the club going to look like in five years or 10 years? Are sporting clubs different from what they were 10 and 15 years ago? The thing that I hear when I am out there at these forums and speaking at these groups is they talk about family-friendly clubs. There was a push towards female facilities and being female focused. Females are vital. They are changing the dynamics of these sporting clubs.

Members interjecting:

The SPEAKER: Order!

The Hon. C.L. WINGARD: The input and the growth around particularly footy and cricket—we know soccer has always had a very strong female participation—and the change that that's going to deliver for these community clubs is really important. The thing that I love now is when you go to a footy club, not only are you thinking about female facilities and where females can get changed, you are thinking, 'Hang on, we've got men coaching women. We've got women coaching men across all sports.' So it's about being family friendly because the dynamic is getting so wonderful. To see dads coaching daughters and mums coaching sons across any sport and having that interaction is just sensational, so we want to make sure that the facilities we have suit football clubs and sporting clubs now and into the future.

Ministerial Statement

MODBURY HOSPITAL

The Hon. D.C. VAN HOLST PELLEKAAN (Stuart—Minister for Energy and Mining) (15:21): I table a copy of a ministerial statement relating to Modbury Hospital made earlier today in another place by the Minister for Health.

Grievance Debate

MINISTER FOR POLICE

Mr MALINAUSKAS (Croydon—Leader of the Opposition) (15:21): I appreciate the opportunity to be able to speak to the performance of our police minister. When we think about the role and the responsibility that the Minister for Police has in this state, it is incredibly substantial. First and foremost, the Minister for Police, Emergency Services and Correctional Services, and for Recreation and Sport, serves as a leader of the people who work under his area of responsibility.

When one reflects on the police officers who serve our state with dignity, corrections officers, firefighters and emergency services volunteers, there is one common thing that we expect of all people who wear those uniforms, and that is a responsibility to act with grace under pressure. When any of those men and women wear those uniforms in this state to keep our community safe, they do so knowing that they have to be able to deliver grace under pressure.

What we have witnessed here today is the exact opposite from their leader. He is a man who, at the first sign of pressure today in question time, decided to resort to personal attacks on members opposite who did nothing more than seek to ask very elementary questions about how the minister is going to go about delivering on the election commitments that he and his government took to the last election.

I am going to cut the police minister just a modicum of slack and note that it is not the current police minister who is the architect of the debacle that he is now trying to fix up. The architects of the debacle that is now being cleaned up, or attempted to be cleaned up, by the Minister for Police are indeed the member for Schubert, the Premier and, of course, the other said members opposite who

sought to exploit community concern in their neighbourhoods around police station opening hours. I refer to the members for Morphett and Colton because they went to the last election promising to extend police station opening hours and so far what have we seen? No change, no change whatsoever and no plan about how they are going to implement that change.

Alarming, this morning, live on ABC radio we heard the Acting Commissioner of Police reveal exactly what it is that SAPOL is thinking regarding the government's policy. These are just some of the remarks that the acting police commissioner made in regard to the Liberal Party's policy:

We're quite clear about why we arrived at the position that we've arrived at. Obviously the government has come up with their policy position and the police department and the police commissioner...is authorised to use his resources to fulfil the obligations under the Police Act and that's what we're doing.

Another quote:

...most of our policing resources don't come out of the bricks and mortar. They're in patrol cars or they're on the end of a phone...

Another quote: 'Sitting in a police station is waiting and responding.' Not solving crimes, not preventing crimes, but sitting waiting and responding. Asked directly by David Bevan this morning on 891 radio:

Because the South Australian police disagree with the Liberal policy of opening the Henley Beach police station from 8am until 11pm?

At this point, the Acting Commissioner of Police had the opportunity to make it very clear that there is no disagreement between the police commissioner's office and the government. What was the response?

We've said based on our analysis that [the district policing model hours] were the optimum times for service delivery and we were better placed to take resources from some stations and put them back to the front line.

That sounds like a senior SAPOL officer knowing what they are doing, struggling with the fact that we have a government and a police minister who have absolutely no idea what they are doing. Let me give you a hot tip, Mr Speaker: not too many crimes are committed in the reception area of police stations.

Crimes happen out in the community, and what the community wants—including in the area for which the member for Morphett has responsibility—is more police officers on the beat, to be looked after by police officers, not sitting behind a counter but, instead, out on the beat protecting our community.

Time expired.

BOWEL CANCER TESTING

Mr CREGAN (Kavel) (15:27): Now that the opposition leader has finished his set piece to camera, I will make my griever. I rise to recognise the thousands of South Australian families, and those in my community, affected by bowel cancer, and I acknowledge the earlier remarks made in this place by the member for Frome and others. I also rise to emphasise the vital importance of bowel cancer awareness.

It is a difficult fact that over 4,000 Australians die from bowel cancer each year. At the same time, if detected early bowel cancer can be successfully treated in 90 per cent of cases. As a community, and through government and government agencies, we have taken important steps to ensure as early a detection of bowel cancer as possible. The National Bowel Cancer Screening Program provides testing kits to Australians aged between 50 and 74 years of age. It is important work, and I thank every Public Service official and health professional who assists the program in their daily work.

I have been very alarmed by recent studies that suggest that only 39 per cent of those who receive the free testing kits actually use them. There is no room for complacency. Bowel cancer begins when cells in the bowel lining grow too quickly. These growths are often benign but, over time, some growths become cancerous. Bowel cancer risks increase for those who have other inflammatory bowel conditions, for those aged 50 years or over, or those who have any history of bowel cancer or polyps in their family.

I understand that people diagnosed through a screening kit are twice as likely to be at the early stage of cancer. At this point, the cancer is still localised and, as a consequence, people diagnosed at this point have the very best chance of being treated. I urge every person in my community to participate in testing and to continue to participate. I remind us all that bowel cancer can develop without any noticeable symptoms.

Earlier in my remarks, I mentioned that bowel cancer has the second highest mortality rate in Australia, or of Australian cancers. Lung cancer continues to have the highest mortality rate: 9,021 Australians tragically passed away from lung cancer in 2017; 4,114 died from bowel cancer; and 3,453 died from prostate cancer.

There were 3,114 who died of breast cancer, although the reporting needs to take into account breast cancer affecting women in different measures. I break that down in this respect: 2,950 women suffered from breast cancer and died of that cancer. If the measures of breast cancer were combined, then the total would be well over 6,000. I know the awful impact of breast cancer in my community. I wish to emphasise to the house that when an individual in our community suffers from cancer of any type, that person of course suffers individually but also their partner suffers, their friends suffer, their children suffer and the entire community of family and friends are deeply affected.

I want to acknowledge and place on record my thanks to the nurses in my community and other allied health professionals who assist those with cancer. It is at times difficult work. We are deeply grateful for it. We know that quite often nurses are dealing with the experience of cancer in their own family. I have known some nurses in my community whose care and attention for those who are suffering from cancer has been extraordinary.

AUSTRALIAN BROADCASTING CORPORATION

Ms STINSON (Badcoe) (15:31): I rise today to speak about fears in our community about the federal Liberal government's lack of support for the Australian Broadcasting Corporation. The ABC is one of this nation's great cultural institutions. It is a familiar voice in country Australia; a neighbourhood noticeboard; a source of life-saving information in natural disasters; a bastion of accurate, well-researched and fearless journalism; a standard setter for the Australian language; a cop on the beat for the media industry; and a training ground for the best and brightest journalists across our nation.

I have always been a strong supporter of the ABC. As a child, my parents were not keen on us girls watching a lot of TV. The one exception was the ABC news. We would sit and watch the 7pm bulletin with mum and dad and were encouraged to ask questions about current affairs and look up in the dictionary any words we did not know. If mum drove us to school, we would listen to the local ABC radio in the morning, too. Growing up in regional Western Australia and then different towns in country New South Wales, the ABC was a reliable link to the world and brought us a sense of belonging even if we were new in town.

The ABC shaped and reflected the identity of the places I have lived, from Yanchep north of Perth to Kendall on the New South Wales mid-north coast and Alice Springs, the beating red heart of the nation. When I have worked overseas, in India, Cambodia and Africa, its international offerings have been a welcome and familiar friend. Considering my parents' rather restrictive approach to TV consumption and the fact that, when we did have tough times, the TV was the very first thing to be sold, my parents were shocked that I chose a career in television but completely unsurprised and quite delighted that I had the opportunity to start my media career with the ABC, albeit at the broadcaster's most remote regional posting at Karratha in Western Australia.

There is no better cadetship than at the ABC. Its first-year training is unrivalled in journalism education, and the list of graduates it has produced is a who's who of highly respected national and international reporters. My six years as a journalist at the ABC instilled in me the importance of ethics, rigorous fact-checking and the need always to assess both sides of the story and to report on matters that are important, not just ratings winners.

The ABC is not perfect. It makes mistakes, but when it does it accounts for them through thorough accountability processes that are not mirrored by any other media outlet in the nation. It often reports on its failures, which you will not find in any other media outlet. It is vital that the ABC

never kowtows to governments of the day of any colour. Its value is in its service to people who are not serviced by the mainstream media: Indigenous communities, young people and, most importantly of course, our regional communities. Its value lies in its fearless, unbiased reporting.

The ABC is an incredibly valuable asset in Australia's cultural and media fabric, and it has deserved its place over many decades. So it is truly shocking that so many in the Liberal Party want to see the ABC privatised. This was not just some fringe element; it was a 2-1 vote at the Liberal Party's peak body, the Federal Council—2-1. Incredible.

The motion called for full privatisation of the ABC. Speakers suggested selling it to a media mogul or floating it on the stock market, suggesting it had saved the budget \$1 billion a year, but at what real cost? And where was Steven Marshall on this? He did not speak. He did not say a word. Considering the ABC right here in Adelaide has been chopped again and again, it is amazing that the Liberal leader did not make a peep. He says he was there, so why did he not speak up and speak out for the ABC for the role it plays here in Adelaide and in regional Australia, and for the jobs it brings?

The Adelaide-based sound library was axed in March, prompted in part by staff cuts in the preceding years, which have seen local content production capacity dwindle to be almost non-existent. Then last month, three very experienced journalists lost their jobs in the newsroom, including a former Journalist of the Year. It comes as the ABC's indexation was frozen for three years, costing the ABC \$84 million. That is now \$254 million cut since 2014.

Criticism of the ABC is nothing new, but the growing power of the right wing in the Liberal Party is. If these are the ideas that that faction thinks are worthy, which have been labelled by others as total madness, then that is a serious worry. The ABC will always have to prove its worth, to check itself every day and ensure it delivers fearless and fair reporting, but starving and privatising the ABC is something that this side of the house will never stand for.

Time expired.

YORKE PENINSULA TOURISM AWARDS

Mr ELLIS (Narungga) (15:36): I rise today to recognise the efforts of so many within the electorate of Narungga who are every day working towards growing the value of tourism in our region. These hardworking ambassadors are well aware, as am I, of the potential of tourism to be a major catalyst for significant economic growth for the state, and I was very happy to show my support, along with both the Minister for Tourism (David Ridgway from the other place) and the Minister for the Environment and Water, at the Yorke Peninsula Tourism Awards Gala Dinner on 22 June at the Coopers Alehouse in Wallaroo.

I would like to take this opportunity to congratulate the Yorke Peninsula Tourism marketing manager, Brooke Liebelt, and Tourism Coordinator, Nicole Page, on organising such a successful event, which was hosted in partnership with the SA Tourism Industry Council. I would also like to congratulate all the nominees and category winners. The judges no doubt had a very difficult task sorting from so many quality entries.

Splash Town water park at Moonta Bay won Best Tourist Attraction, which was the first win of the night for the Copper Coast Council. The council went on to win in the Best Visitor Information and Services category, with their Copper Coast Visitor Information Centre, with the Ardrossan Visitor Information Outlet—a venture that I opened relatively recently—taking out the silver medal.

The Kernewek Lowender Copper Coast Cornish Festival won the Festival and Events category—their third consecutive win, which had them inducted into the Hall of Fame. It has been an outstanding effort over so many years from all involved in this major festival, which is literally put on by hundreds of volunteers and each time attracts in the vicinity of 30,000 people over its seven-day program. In that category, Stansbury Seaside Markets was awarded a silver medal, as was the Yorke Peninsula Saltwater Classic. Both events draw hundreds of tourists, who all spend money, spread positive messages and always come back for more.

In the Cultural Tourism category, Moonta Mines Railway was named the winner with great applause and, being their third consecutive win, they were also inducted into the Hall of Fame. Representing the large band of volunteers who run and maintain this railway experience for the

thousands of visitors who come to the national heritage listed Moonta Mines every year, Ian Archibald advised they had clicked over a record in the number train passengers last year. Well done to all involved in this operation, which does much to promote the Copper Coast's unique and significant Cornish heritage.

Ballara Art and Lifestyle Retreat at Warooka, a relative newcomer to our local tourism industry, was awarded a bronze medal, which is a great achievement for their first entry. Ballara is a beautiful 100-year-old authentically restored stone home well worth a stay, taking you back in time and offering all sorts of additional experiences—anything from art, photography, yoga and massage to surf lessons, beach fishing and golf.

The Specialised Tourism Services Category was won by Barley Stacks Wines, which is also a major sponsor of the tourism awards, with wines aplenty on every table—certainly there were more wines at the start of the night than there was at the end of the night, but there was plenty nonetheless. The winner of the silver medal in this category was Yorke Peninsula Council Bush Camping, which was a testament to how well received council's recent decision to open up more camping areas in its district has been.

Category 8 was Tourist and Caravan Parks, and the winner was the Port Vincent Foreshore Caravan Park, which also took out the Service Excellence Award later in the night. Congratulations to Louise and Shane Biddell who thoroughly deserve all the accolades they receive. Another Hall of Fame inductee with a third consecutive win was Reef Encounters Fishing Charters, which took out the Best Fishing Charter Tour and/or Transport Operator Category, and well done to Mark Wynbergen and Angela Perryman and their crew for their outstanding efforts—a Hall of Fame entry on the night, which had quite a few for their third consecutive win, and a wonderful effort.

The winner of the Best Tourism Restaurant, Hotel, Cafe and Catering Category was Coopers Alehouse, Wallaroo, which hosted the night. The winner of Best Deluxe Accommodation was Wallaroo Marina Apartments. Well done to Craig Costello and Inga Sterns who I know are planning more investment in this space, which we are all eagerly anticipating.

The silver medallist in the Deluxe Accommodation was Redwing Farmstay, another unique tourism offering at Weetulta, featuring accommodation for families at shearers' quarters cum renovated 1860s cottage and a renovated rustic barn. They also have a plethora of farm animals to add to the experience for visitors, including four goats, a couple of cows, donkeys, pet sheep and pigs. Well done to Damien and Nicola Adams.

Importantly, the final award for the night was the prestigious Harry Dowling Award, which recognises outstanding contribution to the South Australian regional tourism industry. This year's winner was Stephen 'Goldy' Goldsworthy—who was a surprised recipient—for his drive, initiative, development and commitment to the 500-kilometre Walk the Yorke leisure trail. Well done to all winners.

Time expired.

ST JOHN AMBULANCE SA

Ms COOK (Hurtle Vale) (15:43): St John Ambulance SA is a wonderful volunteer organisation with its roots in a movement stemming right back to the crusades when the Knights of St John cared for the sick and injured pilgrims of Jerusalem nearly 1,000 years ago.

As St John Ambulance evolved, it drew its inspiration from the example of the knights and provided volunteer first aid throughout the industrialised world of the 19th century. The Australian movement has been underway since 1883. Today, we see highly trained and well-resourced volunteers providing first aid and support at thousands of community events across the country, as well as community support in their social inclusion programs. While volunteers come from a wide range of backgrounds, including doctors, nurses and paid paramedics, many are also tradies, retail workers and other completely unrelated professionals to health care.

The Noarlunga ambulance centre opened in about 1979, and it was not long after that I joined the division as a junior cadet. I had an inkling that nursing was a career for me, and being a cadet really helped to affirm my thinking. I know that the member for Waite in this place was a St

John cadet, and I acknowledge also that the Hon. Andrew McLachlan of the other place was actually the treasurer and later a chair of the St John board prior to his election to parliament.

Young people continue to be a vital part of the St John movement, with nearly 50 per cent of the membership aged under 25. Now there are opportunities for juniors aged eight to 11, as well as cadets aged 11 to 17. There is a whole range of proficiencies and training combined with hands-on learning opportunities, which all help to build confidence and skills that support the developing first aiders. These skills are easily transferable into the workplace and the broader community. It is the intention of the cadet program that members are equipped with high-quality first-aid skills, along with a sound understanding of community.

While most will transition through the program all exit as well-rounded and high-standing members of their community at whatever point they do leave as volunteers. I remember, very fondly, participating in the volunteer support of many community events, as well as attending the annual camp held for many years at Angaston at its oval. Hundreds of us would travel by train together for the October long weekend filled with lots of activities that saw lifetime friendships develop.

For many years, St John has offered a number of awards and competition opportunities also which are aimed at testing its members; these I also remember very fondly. So, when I was invited to be part of the judging panel for the recent St John Ambulance Cadet and Youth Leader of the Year Awards held at Noarlunga, I was only too happy to accept. In South Australia, there are three awards available to young people involved in cadet divisions to recognise and acknowledge contributions made by the individuals towards their youth programs.

These awards are given to candidates that go above and beyond in their division, show exceptional leadership qualities or demonstrate the values of St John within the community. The awards are Junior of the Year, Cadet of the Year and Youth Leader of the Year. Members are nominated by their leaders as a result of their outstanding commitment to the values of St John and their contribution to their community, with winners chosen through a merit-based interview process.

I was part of a community interview panel from a variety of backgrounds, which included Alan Edge, a St John Ambulance volunteer trainer; Frank Owen of the Morphett Vale RSL; and Ian MacGeachie, an area manager of St John Ambulance volunteers in the south. I am pleased to report that, from a very fine field of candidates, Leilani Boag won the Metro South Cadet of the Year while Gurtej Sohal won the Metro North Cadet of the Year. Other winners included Emma Guthberlet from the Noarlunga Cadet Division as Youth Leader of the Year and Lakshan Rajkumat from the Glenelg Cadet Division as Junior of the Year. They were all really impressive.

I would like to congratulate the other finalists as well: Lillith Malloy, Nate Wallace and Caleb Fontesca. I would like to place on record my thanks to all leaders and volunteers who made the awards as well as the additional community activities held on the day such a success. It truly was a wonderful example of the way that our young people and volunteers work together to create opportunities and strengthen our community.

Some incredible values and skills were imparted to me by some amazing role models and mentors, some of whom still live in my electorate and with whom I have met up recently. I would like to place on record my thanks to Peter and Jenny Croft and Sheila Hayes. I also have fond memories of leadership from Katie Wye and Lyn Dansie. Keep going, St John.

FINNISS ELECTORATE

Mr BASHAM (Finniss) (15:46): I rise to highlight some great news in the electorate of Finniss. There are several items that occurred in Finniss in the last few weeks that really need recognition. One is the announcement on Friday that the Mount Compass recreation park has been given the green light: the Marshall Liberal government has reached a funding agreement with the Alexandrina district council to deliver the recreation park in Mount Compass. Another announcement is the great and welcome news of the payroll tax cuts that have been well accepted by the community. Another is the launch of the Regional Growth Fund, as well as some announcements of some federal government funding for local roads.

The recreation park at Mount Compass is something the community has been calling for for many years. We have seen that town survive with much community support in developing small

playgrounds and schoolyards over the years. During my time while growing up there, I certainly remember the community raising funds to put in a slippery dip that was the same as the one at the Monash playground. There have been very limited playground facilities in Mount Compass for many years, so I am really pleased that, with the Alexandrina Council and the Marshall Liberal government, we are now going to see \$700,000 or thereabouts invested in a playground in Mount Compass to deliver a wonderful facility for the local community.

Yesterday, I was lucky enough to join Mayor Keith Parkes from Alexandrina Council and local councillor Grant Gartrell at the site to look at where it is going to go. Work is hoped to start very shortly on that facility once a little more planning is done. Work should start, as the mayor said yesterday, as soon as the weather is right to do so.

Another bit of good news is the payroll tax cuts. Last night, I was at a function in Victor Harbor with the Victor Harbor business association, talking with some of the members of the association. They were very thrilled to realise that these cuts were coming their way. There are many businesses that are affected by this cut and are going to have great benefits.

One business owner I was talking to last night operates a building business. His instant reaction was, 'I will now be able to employ one more staff member.' It is fantastic news that we are actually giving businesses the ability to invest in their staff and increase their staffing levels as a direct response to these cuts in payroll tax. The regional areas certainly rely on these local small businesses to deliver in their community, and having that instant reaction that someone was going to be employed directly as a result was exciting news to me.

Another piece of great news is the announcement of the Regional Growth Fund applications being opened. This is generating a lot of interest locally, as people look at the criteria around it and see what can be done to invest in the region to see whether we can stimulate the regions back to what they should be—a key driver of this state's economy. The regions of South Australia are very important, and we have seen them neglected over many, many years.

The other good news this week was over the weekend with the Deputy Prime Minister here, in the seat of Mayo, making some announcements about some Black Spot funding on some roads. There are some roads that have needed significant upgrades and safety upgrades in the country regions, throughout the Adelaide Hills and Fleurieu. Finnis is not the only place but certainly is one of many that need that sort of investment. We have seen some roads extremely neglected over the years, and we are now seeing some funds that will actually enable us to do some great work in this area.

So I thank the federal government for that investment in the area, and I also thank the Liberal Marshall government for investing in the area as well.

Bills

INFRASTRUCTURE SA BILL

Second Reading

Adjourned debate on second reading (resumed on motion).

Mr HUGHES (Giles) (15:51): I will continue my remarks. Question time was interesting when it came to questions about infrastructure. Of course the contracts for the frigates and for the submarines and all other defence-related matters are warmly welcomed by this side of the house. In fact, it was the previous Labor government that took the risk—and it was a risk—when it came to investing, and investing very significantly, in Techport. Techport was one of the foundational projects that has enabled our state to capture what are going to be enormous benefits for many years to come.

Yes, you always get a bit of grief. I know there is always the argy-bargy and the rest of it but, come on, we all look forward to what is going to be delivered in South Australia when it comes to that massive build over a long period of time. As the Premier stated, it is not just for the benefit of Port Adelaide and Adelaide; it is a benefit for the whole of the state and for the nation. It is something that demonstrates the importance of making decisions that are going to bear fruit often well into the future.

Anybody who was around at the periphery or at the core of that Techport decision knew that it was a bold decision, and it was a decision that carried a degree of risk, but it has paid off in a major way.

I want now to get onto some of the infrastructure projects in regional South Australia. It was good to see the commitment made by the previous Labor government to the Strzelecki Track; some money was put on the table for that and for the Joy Baluch Bridge. Also, at long last, the duplication of the road from Port Wakefield to Port Augusta was put on the agenda. I say 'put on the agenda'; I am not going to be around to see the ultimate delivery of that. That is something that will happen incrementally over an extended period of time, and of course it is something that does require, given that it is national Highway 1, the federal government also to decide that it will fit into the national priorities. It is something that generations to come can look forward to.

The member for Flinders spoke for some time about Eyre Peninsula and some of the infrastructure needs there that will benefit not just Eyre Peninsula but the whole of the state. One of the perennial issues has been a port with, preferably, the capacity to handle all sorts of third-party use. There has been a whole range of proposals over a period of time. There was the Port Bonython proposal by Flinders Ports for a direct cape-loading port. There was Arrium, or OneSteel as it was before that, and their desire to use the Whyalla port to export iron ore. I have to say that senior management at OneSteel at the time were always incredibly sceptical about the commercial viability of the proposal at Port Bonython.

Going farther down the coast, there is the Lucky Bay proposal, which seems to be coming to the fore. In fact, they are going to be having a dirt-turning ceremony on Friday for that particular proposal. The people behind it seem serious. There seem to be the investment dollars there, and they seem to be making some progress. Of course, there was the port mentioned by the member for Flinders at Cape Hardy. Cape Hardy has that advantage of being relatively close to deep water, which is an advantage if you are talking about a cape-capable port.

It will be interesting to see how that all pans out. Looking at Whyalla, the member for Flinders, the Deputy Speaker, alluded to the nature of the channel at Whyalla and the relatively shallow water. I have had the benefit of picking the brains of people over an extended period of time, including senior managers at OneSteel who were involved in Project Magnet at the time, a number of whom were obviously still there with Arrium. I have also had the opportunity to speak to people who are currently in place with GFG when it comes to Whyalla. We have just seen a recent changeover in the stevedoring contract. There will be some investment around that changeover, which will enable some third-party use of that particular port.

Going back to Project Magnet days, before the decision was made to do trans-shipping—something that had higher recurring costs but much lower capital costs—there were plans and options looked at in order to create a cape-capable port at Whyalla. That would be a very expensive proposition and would require significant tonnages to underwrite a commercial undertaking of that nature. It will be interesting to see what GFG does because they have consistently talked about a world-class multi-user facility at Whyalla. Theoretically, that is possible. Technically, that is possible. The question will be: if you are going to maximise that, if you are going to talk about a cape-capable port, are the commercial docks going to line up?

It will be interesting to compare what is going to evolve at Whyalla, and it can evolve because there are a number of steps well before you get a cape-capable port at Whyalla, which might not happen. There are a number of other steps that can serve to generate other opportunities for that port. It is going to be interesting to see the evolution of the thinking there and what is going to happen at Cape Hardy, given the other proposal, by Centrex, further down the coast near Lipson Cove at Sheep Hill, is dead and buried.

It is interesting to see how these things come and go. Cape Hardy is dependent upon a multibillion-dollar iron ore project getting off the ground, and I have a lot of confidence in the long-term promise and opportunities that will come from developing and exploiting our magnetite resources in South Australia, given that we have something in the order of over 11 billion tonnes of magnetite reserve.

A lot of things about magnetite suggest that it is a very good long-term option when it comes to iron and steelmaking, when it comes to export markets and, indeed, when it comes to exploiting

that particular mineral product here in South Australia. Additional value is also added to our magnetite resources at the Whyalla steelworks, a steelworks that currently uses magnetite as its feedstock for producing iron.

It will be interesting to watch what is going to happen when it comes to a port. When the mining commodity boom occurred, part 1 and part 2, there was a fair amount of feverish activity and talk about ports in South Australia not just on our side of the gulf—I am talking here about me and the member for Flinders and our side of the gulf—but also on the other side of the gulf. Of course, it is always interesting to look at these commodity booms. A lot of commentators indicated that the commodity boom we experienced, largely through Chinese demand, was unprecedented. However, it was just a longer cycle, and eventually iron ore prices came down to reflect the longer term averages.

If anyone had built a port in that period of time—a serious port with serious debt—they might well have ended up with a white elephant. It is always tricky, as there are always a lot of variables and it is always dynamic. We can have a productivity commission, but it is going to face the same challenges. I suspect that it is going to be a combination of a new port or building on a current port in South Australia and a combination of public and private investment.

As the previous government, we went to the election indicating that we would establish a port authority. Part of the reason we did that was that we thought there had been a market failure in this particular area. We could unpick that in a lot of ways and argue the toss about whether it was a genuine market failure, but clearly one of the things that was going on was that there were a lot of small companies and wannabe miners around the place, and we did not have a big company or a couple of big companies that were able to come in, consolidate and make the investment to secure some longer term opportunities.

Hopefully, that is something that GFG might be able to deliver on, with their vision for their operations here in South Australia, but there is still water to go under the bridge. It is all very promising but, when you have been around for a long time, you like to wait to see financial closure. For some of us from some communities, we actually wait to see the physical work commence that reflects the investment.

There are a range of other issues on Eyre Peninsula as well. The member for Flinders, the Deputy Speaker, mentioned the history of desalination and the look at desalination in his electorate. There was a big desalination proposal as part of the BHP Billiton expansion, and that initial global-scale desalination plant was looked at for the Point Lowly peninsula. It was interesting that SA Water and the state government at the time were looking to piggyback off that particular facility.

Before BHP Billiton decided not to go ahead with the big project, SA Water and the state government moved themselves away from piggybacking. What was done instead was to extend the pipeline to link Eyre Peninsula to water from the River Murray. That was somewhat controversial at the time, and I think that the former member for Flinders was very unhappy about it and had a little bit to say about it. When you look at it from a purely commercial, purely economic perspective, it did make some sense.

I have no doubt that on Eyre Peninsula and in other communities in South Australia, as costs come down for desalination, as we have abundant renewable energy resources, we will see the growth of desalination on Eyre Peninsula. Indeed, at the steelworks in Whyalla a desalination plant was built in conjunction with Project Magnet to provide water for the slurry pipeline from the Middlebacks instead of doing that additional, very marginal, draw on the River Murray. There is no doubt that you could scale that up still further.

In question time today, the Minister for Energy and Mining mentioned the interconnector. That is something else with a long history in this state, a long history going all the way back to the privatisation of the assets. In order to protect the sale process, we were left with an enormous concentration of generator ownership in this state, which was not to the long-term advantage of this state. It is fair to indicate that a previous Labor government was also attracted to an interconnector with the Eastern States.

Mr Pederick: Tom is not attracted anymore.

Mr HUGHES: Well, positions always evolve. Indeed, a big body of work was done, once again on Eyre Peninsula: the Green Grid study during the Rann period looking at 10,000 megawatts worth of potential wind energy on Eyre Peninsula, with a focus on exploiting 2,000 megawatts of that wind energy, wind energy that is of a global quality and cheek by jowl with global quality solar. Part of that proposal was an interconnector with the Eastern States, given the massive abundance of the renewable energy resource in that area. As a state, there is a lot to do when it comes to infrastructure but, please, have the grace to acknowledge that you are building on a fantastic legacy.

Debate adjourned on motion of Mr Pederick.

PAYROLL TAX (EXEMPTION FOR SMALL BUSINESS) AMENDMENT BILL

Second Reading

Adjourned debate on second reading.

(Continued from 20 June 2018.)

Mr MULLIGHAN (Lee) (16:09): It gives me great pleasure to rise and speak on the Payroll Tax (Exemption for Small Business) Amendment Bill. I indicate that I am the lead speaker on behalf of the opposition. I indicate up-front that we look forward to supporting the bill. It is an important bill and one that is a further step in addition to the leaps and bounds that this state has taken in decreasing the payroll tax burden on South Australian businesses, particularly over the last 15 years.

Payroll tax is, of course, always topical for the business community in South Australia, as it is in the other jurisdictions and their business communities. That has been the case since nigh on 70 years ago when, in some arrangements entered into between the states and the commonwealth, the states were left with an arrangement to levy payroll taxes and the revenues from income taxes were to be levied by the commonwealth. These were put in place during the early years of the Second World War in order to better align the revenue-raising efforts and capabilities of the Commonwealth of Australia, which needed to raise significant funds for the war effort in that global war.

Ever since, there has been—how can I put it euphemistically—a general discomfort in the business community about the fact that there is a payroll tax, let alone the level of payroll tax. I am not sure that members of this place would go quite as far as some people in talking about payroll tax, particularly some members of the business community, who describe it as unreasonable double taxation given that employers are obliged to pay a payroll tax on the taxable element of wages and individuals are then required to pay income tax on those wages they receive from their employers. So it is two doses of taxation paid by two different parties in that transaction between an employer and an employee.

In South Australia, as in other states around the country, we have seen a continued pressure from the business community to lessen the burden of payroll tax, and I am very pleased to say that substantial progress was made in that regard over the course of the previous Labor government. In fact, very substantial relief from payroll tax liabilities was provided to the business community—not just the small business community but also medium and larger sized businesses and employers—in South Australia during the term of that government.

It is sometimes difficult for governments to contemplate providing payroll tax relief because it is such a significant component of state revenue; in fact, it constitutes nearly a quarter of state taxation revenues. In the most recent financial year, the 2017-18 financial year, my understanding is that the Mid-Year Budget Review forecast receipts of \$1.17 billion in payroll tax, although we did hear from the Under Treasurer, very close to the end of the financial year, that they seemed to be tracking about \$10 million above those estimated receipts as further months' receipts came into RevenueSA. No doubt that is a reflection of the improved employment conditions and the movement in forecast hours worked here in the state economy.

Of course, members would expect me to argue that that is a direct correlation to some of the policies that the former Labor government had in place during the course of the last financial year, only very recently ended, and it is perhaps worth reflecting on the journey of payroll tax policy settings from the time the former state Labor government came into office. The period of the 1990s, in South Australia and in other states around the country, was one of sustained low economic growth. Indeed, South Australia and the nation experienced a recession in the early years of the 1990s. While some

of the Eastern States' economies were recovering their economic performance quite quickly towards the end of the 1990s and the early years of the 2000s, it was not really until the years of 2002, 2003, 2004 and 2005 onwards that we started to see that stronger performance here in South Australia.

With that increased amount of economic activity, we saw increased revenues coming into the state government. A very legitimate conversation started amongst the community at that point in time about whether the government should be banking those additional revenues and paying off state government sector debt, whether it should be providing tax relief to the business community or households or whether it should be investing in infrastructure. I am pleased to say that the former Labor government did all three of those things.

In the years between 2002 and 2006 or 2007, I think it was, it paid off general government sector debt of approximately \$1.6 billion or \$1.7 billion, slightly more than the amount of net lending deficits that had been run in the last four years of the former Liberal government under Treasurer Rob Lucas of the other place. It paid off that debt and, as I am sure you will hear in further contributions to the other bill that occupied the house this morning, it invested very significantly in a very large number of very worthy infrastructure projects.

Aside from those two elements, I want to focus on some of the tax relief that was provided in those years by the former Labor government. Payroll tax was one area where significant relief was provided going back to 2004-05. The payroll tax rate levied in South Australia at the change of government in 2002 was 5.67 per cent. In the 2004-05 budget, that was reduced to 5.5 per cent, which was a significant reduction in the payroll tax rate.

It delivered a substantial amount of relief, \$22 million, not only in that financial year but, given the strength of the economy and the strength of small businesses—the number of workers they were taking onto their books, remunerating and increasing their payroll tax liabilities—that level of relief grew very quickly from that one measure, from \$22 million to \$30 million within four years. Of course, before that four-year period was up, further payroll tax relief was provided. In the 2007-08 budget, the payroll tax rate was further reduced from 5.5 per cent down to 5.25 per cent, providing a \$40 million a year reduction to taxable payrolls for South Australian businesses.

In 2008-09, the very next financial year, a further 0.25 percentage point reduction was provided in the payroll tax rate. It went from 5.25 per cent down to 5 per cent, providing a further very substantial decrease in payroll tax liabilities of over \$43 million in that financial year. Of course, the benefits of that grew more substantially as time went on. From those three measures, by the time the third, the reduction down to 5 per cent, had been introduced, \$100 million worth of payroll tax relief was already being provided at that point in time some 10 years ago.

You can imagine what the value of those payroll tax cuts is in today's dollars. I see the member for Stuart looking at me intently, curious as to what the value of those payroll tax cuts could possibly be in today's dollars. It behoves me to inform him that it is over \$140 million, and that is terrific. Of course, it is even more terrific that the amount of payroll tax relief provided by the former Labor government did not stop there. During the course of that period of time—2007, 2008 and 2009—the payroll tax system itself was being reviewed.

Substantial efforts were undertaken at that time between the states to harmonise their payroll tax regimes in the growing recognition that a number of national businesses operated their businesses across borders. They were in repeated contact with state treasurers in those three jurisdictions, including South Australia, seeking an alignment of how payroll tax was levied upon their business. This was in order to simplify, at the very least, their efforts in meeting their payroll tax liabilities and, perhaps more pertinently for this place, ensure free movement of labour across the state borders.

They felt that a state like South Australia could take advantage of some of the economic opportunities and some of the workers who were keen to work in our state. Of course, there is another issue that is correlated to that: the very strong performance in population growth under that period during the former Labor government. There was extremely strong population growth comparative to nowadays—2.1 per cent per annum nationally, if I remember correctly; and, if I get the figure right, I think it was 1.6 per cent per annum in South Australia.

Pleasingly, the government had a policy designed to take advantage of what former South Australian senator the Hon. Amanda Vanstone had put in place as the then immigration minister: a recognition of Adelaide and the rest of the state as a regional place for migration purposes. This entitled migrants of certain visa classes to gain additional points to contribute towards their successful visa application. That saw a large number of workers who may be arriving in Australia given a further and better opportunity to make Adelaide and South Australia a destination in which to live and work. I mention that as a corollary because that particular issue is getting some ventilation in the South Australian community at the moment.

Those harmonisation measures which were undertaken between South Australia, Victoria and New South Wales sought to place various forms of remuneration on the same footing for payroll taxation purposes. In harmonising those, efforts were made by the states to perhaps harmonise, in as many cases as possible, to the lowest common denominator, if I can put it like that, so that there were more classes or types of wages that may be considered liable—or, more to the point, not liable—for payroll tax. That provided further relief to the payroll tax burden for businesses in South Australia who were employing South Australian labour.

A payroll tax harmonisation measures bill was brought before the parliament in 2008 and enacted some of those changes. Indeed, at the time the bill came before the parliament, there was a foreshadowing of further legislative reform in a rewrite of the Payroll Tax Act. As you can imagine, that became necessary given that the original Payroll Tax Act harked back to that period I referred to earlier in the 1940s. It was high time that the parliament at the very least tidied up its legislation, but better aligned it towards the type of work and the type of wages paid to workers in the current day.

With different allowances and different forms of remuneration, superannuation arrangements, assessments of fringe benefits, motor vehicle allowances, accommodation allowances and so on, there needed to be a better alignment of the legislative framework to what was actually going on out in the community. That was an opportunity in that act to provide further relief. I mention that because a significant exemption was provided in the Payroll Tax Act 2009, which we are now seeking to amend. That was the exemption from payroll tax for wages paid to eligible workers of charitable entities.

There is one particular organisation that has been pursuing an exemption in that aspect for some time: Business SA. I understand they have recently had some difficulty gaining a favourable ruling from the Supreme Court, not being deemed a charitable entity for the purposes of payroll tax. However, putting Business SA to one side, you can imagine the sorts of entities which are providing goods and services into the South Australian community and which are able to avail themselves of that payroll tax exemption. My understanding is that that measure alone is worth a further \$10 million per year, or at least it was at the time when it was introduced.

I am pleased also to report that further payroll tax relief was provided with a further rate reduction to 4.95 per cent and a payroll tax threshold increase from \$504,000 a year up to \$600,000—that \$504,000 figure being a particular quirk about how payroll tax is levied on a monthly basis. My understanding is that it was desirably able to be divisible by 12—that is, the number of months in a year—so as to make it a little easier on a business meeting its payroll tax liabilities.

It was these changes, particularly those very significant rate reductions from 5.67 per cent to 4.95 per cent and the increase in the payroll tax tax-free threshold, that were made during the time when there were significant reductions to payroll tax regimes in those other states that we had been undertaking that harmonisation effort with. It was of great concern to the then Labor government that South Australia would not be seen as an expensive place to do business for a business which had operations and which, perhaps, could be conducted not just in South Australia but, perhaps, elsewhere.

I am pleased to say that, along with some of the other taxation reforms that I have mentioned in my previous contributions on some other bills that have come before this place, in addition to the payroll tax relief there was also very, very significant land tax relief that was provided with an annual value year after year of well over \$100 million for residential, for commercial and industrial properties; and, of course, the more recent taxation reforms which were the phasing out and the abolition of

stamp duty, principally on non-realty property transfers and then on real property transfers in the commercial sector.

It also involved some of those other elements of business conveyances, whether it is property, plant and equipment, whether it is business goodwill, as well as some of the other taxes which now seem but a distant memory to most South Australians, such as the bank account debits tax and the cheque duty that had to be paid on issuing a cheque; and perhaps in these days, if it still was levied, only unreasonably targeting members of parliament who seek to make contributions to their community groups by cheque. I say this in memory of one recently retired Speaker who made a point of putting cheques into collection efforts rather than in cash just to make it clear who had made that particular contribution.

Mr Rau: Who could that possibly be?

Mr MULLIGHAN: 'Who could that possibly be?' says the member for Enfield. Of course, cheque duty is now but a distant memory. Rental duty is but a distant memory. Imagine having to rock up to Kennards to hire that piece of gardening equipment, which you are no doubt unskilled to wield but which you feel confident enough to take on in the backyard, and having to pay a duty to the state government for that privilege of rental duty. Of course there were other arrangements, such as the transfer of shares, for example, for unlisted securities attracting stamp duties.

All these taxes were abolished by the former Labor government and, in conjunction with those payroll tax reforms year after year, between the years of 2014 and 2018, South Australia was consistently regarded by KPMG (one of the other professional services firms) as the most competitive place to do business during those years thanks to things like its taxation burden on the business community.

In total, those payroll tax reforms in the most recent financial year are saving South Australian businesses \$220 million each and every year. Of course, as the economy grows, as the number of businesses grow and as the total employed number continues to grow, particularly in those companies that have taxable payrolls, the value of that payroll tax relief provided by the former Labor government will also continue to grow.

So in this bill we see the government seeking to build on those previous tax cuts that were provided by the former Labor government and introduce further relief, principally targeted at small to medium enterprises here in South Australia through a change to the tax-free threshold from \$600,000 up to \$1.5 million. Of course, it is not quite as simple as introducing a new, much higher tax-free threshold.

When the Liberal Party announced its policy in the lead-up to the last state election, the then Labor government made it very clear that there was one flaw in its policy—that is, for businesses with taxable payrolls that jumped above the \$1.5 million tax-free threshold, the payroll tax liability would not start from zero; it would have jumped back to a payroll tax liability as if the tax-free threshold had been \$600,000. Left unaddressed, that would create a very significant hurdle for the clutch of businesses finding themselves in that exact situation, and with a total taxable payroll of perhaps just under the \$1.5 million threshold, making a decision about whether they take on a further employee and, by virtue of those additional wages, lifting their total taxable payroll above the \$1.5 million threshold.

Or, just as concerning, if not more concerning, perhaps in reviewing their remuneration for their employees if they were looking at providing one of the regular pay rises, which so many employers do, they might think twice about passing on such a pay rise because their total taxable payroll would see it over the \$1.5 million threshold. Of course, that would have meant a very significant increase in a payroll tax liability. It would have meant that a taxable payroll at the \$1.5 million threshold would have gone from zero, just under that threshold, up to nearly \$45,000 as soon as that the threshold was breached.

It was early on in the term of this new Liberal government that the Treasurer had to concede that there needed to be some sort of smoothing-in of the threshold so that it was not such a hard threshold. Hence, the bill we have here attempts to achieve that smoothing-in so that if payrolls do start to reach a point over \$1.5 million there is a more gradual and more stepped approach. Of

course, if you speak to industry groups and employer representatives, they would say that even the stepped approach encapsulated in this bill is not sufficient, that they would like to see a more gradual implementation of a return to the full payroll tax rate of 4.95 per cent. However, I have to say that it would not be unusual for an employer group or industry group to make an argument on whether there is more work that should be done in payroll tax.

The point the Labor opposition would make about this bill, though, is that we warned the then South Australian Liberal Party, while they were in opposition, of the unintended consequence of having a policy structured in the way that they did—that it would create a disincentive for people to grow their businesses via the number of remunerated employees and grow the taxable payroll in doing so beyond the \$1.5 million threshold.

You can easily see that if you were to take somebody on at or about the average wage here in South Australia, and include the taxable on-costs with that in things like superannuation, even for an additional \$75,000 or \$80,000 of taxable payroll above the \$1.5 million there would have been a payroll tax liability of more than half that amount. So this smoothing effort is an attempt to try and lessen that burden.

I will say, though, that in that example I have given—let's say a taxable payroll of \$1.575 million, \$75,000 above that \$1.5 million threshold—the payroll tax liability on that additional \$75,000 will be in the order of just over \$18,000, so nearly a 25 per cent effective payroll tax rate just on those wages. It goes to show why further thought needed to be put into this policy by the Treasurer and by the Liberal government—that they needed to perhaps provide a better smoothing.

However, of course, the resources of government, the resources of Treasury and the detailed modelling they are able to do are in the hands of the government and unfortunately not in the hands of the Labor opposition, so it is very difficult for us to credibly devise an alternative to that particular problem with these payroll tax changes. However, I have flagged that we do support this bill and that we do support seeing a reduction in the payroll tax burden on South Australian businesses.

Our further quibble would be that there is more than sufficient opportunity to bring these payroll tax cuts forward. Indeed, the Premier, in updating this house on this measure before the bill was introduced, said that he cannot wait to provide this payroll tax relief to South Australian businesses, and the Labor opposition shares that sentiment. These payroll tax cuts should be provided much earlier. Indeed, the government is in the luxurious position of being able to afford to provide these payroll tax cuts earlier than they are anticipating.

I would say that they have opened up this opportunity themselves. They had gone to the election and said that these payroll tax cuts would be implemented from 1 January 2019. I think a reasonable bystander would think, 'Well, fair enough. You've said that you want to have a late budget, that you want to run the ruler over the finances of the state more finely and take your time doing that.' That would mean that the Appropriation Bill and the Budget Measures Bill would not come before this place until that time in September when the budget is presented to the house, of course even necessitating some time for the estimates examination process of the budget, let alone what happens in the member for Enfield's favourite place, the other place on the other side of this building.

Regardless of how long it takes to get through there, we had a supply bill that provided supply up until the end of November. So, provided that the Governor would assent to and proclaim those parts of the Appropriation Bill and the Budget Measures Bill that are necessary to give effect to payroll tax changes, there was sufficient time for the budget to provide that opportunity for an implementation date from 1 January.

The government has not, however, chosen to do that. It has taken the opportunity to introduce this taxation measure earlier than that, despite not bringing forward the time that the relief is to be provided, which is curious. It is curious. I think I have just demonstrated a time line for considering the budget in this place and in the other place that would have provided more than enough time to implement these changes before 1 January. Nonetheless, a separate bill has been drafted and it has been brought before this place.

We embrace that because, as I said, we think that this measure should be introduced as soon as possible. Indeed, amendments have been filed by the opposition to introduce these benefits to South Australian businesses—to provide this payroll tax relief—earlier from 1 July. You may say,

'Well, hang on, member for Lee. Here we are, at 3 July; how can that possibly be the case?' Quite simply, we have a payroll tax rebate regime, which has been in operation for a number of years now, providing further payroll tax relief, targeted at small businesses, which was introduced by the member for West Torrens in his role in the former Labor government as treasurer to increase the payroll tax threshold and decrease the payroll tax rate for small businesses. That is being administered via ex gratia relief by the Treasurer.

Relief from payroll tax burdens and from other taxation burdens in providing additional relief is a mechanism that has been used before. I mentioned the land tax relief provided by the former Labor government. The early stages of that were provided by ex gratia relief. There is the capacity for the government to accept these amendments that merely seek to change the schedule of the bill and give an earlier effect to the same changes to the payroll tax threshold and payroll tax rates contained in this bill. Instead of implementation at 1 January 2019, implementation would be from 1 July 2018.

It would only take quick consideration by the government and to provide advice to this place, and an acceptance of the amendments, as well as advice to Revenue SA to administer the payroll tax regime accordingly for those payroll tax returns, which will be made in the second half of July for the first month of the 2018-19 financial year, and South Australian businesses could be reaping the benefits of this payroll tax cut much earlier.

I strongly encourage members opposite, who I know will spend the greater part of the rest of today and tonight's sitting time talking about how important payroll tax relief is for businesses. They may even discuss which businesses in their communities in the electorates they represent in this place and how it will benefit those businesses, and the quantum of relief that businesses with certain taxable payrolls will enjoy from these payroll tax cuts when they are implemented.

My message to those members is that you can be a hero to the businesses in your communities. You can tell them that you voted the right way to accept an amendment to this bill to provide that payroll tax relief. You can provide the thousands of dollars of relief to their businesses much earlier. You can help them meet the costs of running a business in this day and age by reducing the payroll tax burden on their businesses, and do it for a further six months.

Of course, the government luxuriates in their capacity to do this because they have been in receipt in the current 2018-19 financial year of a windfall in GST revenues: an extra \$270-odd million above and beyond what was in the Mid-Year Budget Review. By the government's own admission, the full year's cost of these measures is about \$45 million, so it stands to reason that a six-month cost would be somewhere in the order of half of that. Less than one-tenth of unbudgeted windfall revenues are coming in via the GST in this current financial year.

What a great message that would send to the community of South Australia, that the government is not only happy to talk the talk but, when given the opportunity, they are happy to walk the walk on tax reform, that they will seize the opportunity that has been provided to them by the Labor opposition to deliver tens of millions of dollars of additional payroll tax relief in addition to the hundreds of millions of dollars in payroll tax relief previously provided by the former Labor government—

Mr Pederick: What about the health hole of \$250 million?

Mr MULLIGHAN: —that will ensure that these businesses will take advantage of it. The member for Hammond says, 'What about cost pressures in health?' We heard the evidence of the Under Treasurer in June this year before the parliament's Budget and Finance Committee that not only are payroll tax receipts tracking higher for the financial year just finished, some \$10 million at his recent estimate, but the projections for health and child protection department expenditures were nowhere near as overblown as the Treasurer claimed on federal budget day in mid-May of this year.

Given that the government left the Liberal government a budget surplus, as well as provided over \$100 million in extra expenditure in the Mid-Year Budget Review for the Health portfolio and tens of millions of dollars per year in extra expenditure for the Department for Child Protection, on top of all that there is an opportunity to use some of the unbudgeted windfall revenues from the GST and put that money straight into the pockets of eligible South Australian businesses.

The briefing material that has been provided to me by the Treasurer's office—and I thank them for not only providing me with a briefing but also following up on some of the queries that I had—shows that there are nearly 4,000 businesses within the currently legislated tax-free thresholds of \$600,000 up to \$1.5 million. There are 3,600 businesses with taxable payrolls that fall within that \$600,000 to \$1.5 million bracket, 400 of which have taxable payrolls estimated to be between \$1.5 million and \$1.7 million.

There are thousands of businesses that stand to gain from these changes. In particular, for those 1,900 businesses with taxable payrolls between \$600,000 and \$1 million and the 1,300 further businesses with taxable payrolls between \$1 million and \$1.5 million, those 3,200 businesses will, by virtue of these changes, have the Payroll Tax Act to increase that tax-free threshold.

The numbers that have been provided to me show that, of the approximately 140,000 small businesses—a figure that is regularly quoted both in this place and also in the media—making \$600,000 and above, there are fewer than 10,000 businesses paying payroll tax. This bill seeks to remove that burden from well over one-third of that number.

That is a very strong argument to bring these payroll tax cuts forward and do so in a way that does not do violence to the government's budget position, which seeks only to put less than one-tenth of that unbudgeted GST revenue windfall back into the pockets of South Australian small to medium enterprises. I encourage all members, particularly those opposite on the government benches, to think very carefully about the role they can play in bringing that forward and providing the businesses in their communities that stand to benefit from these changes after 1 January with an extra six months' worth of relief.

I will say one final thing. In addition to the substantial payroll tax relief that has been provided by the former Labor government, there was very extensive reform made to the WorkCover regime, led by the member for Enfield. At the time those changes were made, it was estimated that it would alleviate the tax burden from WorkCover levies by over \$180 million that year. Of course, that figure grows as the number of businesses and employees in those industries grow.

So, in addition to the \$220 million of payroll tax relief provided by the former Labor government, the more than \$180 million provided in relief from WorkCover levies, the more than \$100 million a year in relief provided from land tax and the more than \$250 million a year provided in relief from various duties each and every year, including stamp duty on commercial property conveyances, have massively lifted the taxation burden to the tune of more than three-quarters of a billion dollars each and every year. That has been achieved through those successive changes to taxation and charge arrangements for South Australian businesses, as well as some households liable for land tax, for example.

I am very glad that the Liberal government is following in the footsteps that were trodden before it by the former Labor government in providing tax relief. While \$40 million in the scheme of three-quarters of a billion dollars a year might seem trifling, it is not to a business that stands to save many thousands of dollars, if not tens of thousands of dollars, from payroll tax changes.

I know that when those first payroll tax rebate mechanisms were introduced in the 2015-16 state budget by the member for West Torrens, the then leader of the opposition (the member for Dunstan, now Premier) mocked those changes and very quickly, the next day, he completely changed his tune on those changes and said that it was not enough. Indeed, in the lead-up to the next year's budget, he said that they should be extended. He was, no doubt, pleased that the Labor government did extend them and they continue to be in place to date. Not only do those changes continue but they were expanded before the last election.

I am, however, a little disappointed that we are seeing the end to two other job-building programs that were provided by the former state Labor government. One is the future jobs fund. We had a promise from the Premier on the day that he was sworn in that all contracts would be honoured by the new Liberal government. Then, later in that week, we had the Treasurer come out and say that he was going to seek every opportunity to extricate the government from any commercial arrangements that were being entered into by the government.

Of course, we have not heard anything more. It seems that common sense might have prevailed with the Treasurer. No doubt the department that superintended the future jobs fund

program, the Department of Treasury and Finance, has advised him about what are feasible and what are infeasible changes to that program. I am pleased to say that, at least in my electorate, those companies that were committed to receive funds by the former Labor government feel confident that they will receive those funds. It is a disappointment that that scheme, which had not been fully expended, is not being used still to provide job-growing opportunities for South Australian businesses.

It is also a shame that we did not see much support from those opposite for the job accelerator grants, which were directly responsible for encouraging businesses to take on thousands of extra South Australian workers and grow their businesses. It is programs like that, as well as the tax cuts that had been provided by the former Labor government, that go to show just how effective the various policy settings under Labor were in contributing towards the current state of the employment market in South Australia. That is good news for people in South Australia who are seeking work.

Of course, we had the March figures, which were released in April. The member for Unley was very quick to run out into the media and say that they were a strong endorsement of confidence in the new government, perhaps not realising that that survey period commenced in February and ran through into the early part of March. I am sure that, given the member for Unley's audible silence, if such a term exists, on making comment about the employment rate in South Australia, he has learnt from his mistakes in shooting off his mouth about the state of the South Australian employment market.

It is by reason of a government that was prepared to back South Australian businesses and help them through one of the most difficult economic transitions this state economy has gone through in many decades with the closure of the automotive manufacturing industry and the wind-down of the defence platform builds at Techport, where thousands and thousands of jobs were shed. Helping other businesses take on workers seeking work at that same time has meant that we have avoided the worst of those transition effects in our economy insofar as employment goes.

Of course there is still a lot more work to do. Conceivably, there are still many employees from automotive component manufacturers, let alone from Holden itself, who would still be thinking through their options. I know, very generally speaking, that when the Mitsubishi Motors manufacturing facility was closed in 2008, in what you could argue were some of the strongest economic conditions in South Australia, at that time those employees had an experience of approximately a third choosing to retire with the benefit of the retrenchment entitlements, about a third of them transitioning reasonably readily into other paid employment, and about another third struggling.

If those ratios were to be transplanted from that point in time 10 years ago to this point in time, with that different workforce in the northern suburbs and across those other component manufacturers in South Australia, what would they look like? Would they be the same? Given that we have an indication from this government that there will not necessarily be the same support coming from government-controlled further education providers like TAFE for transitional assistance for affected workers in these sorts of structural changes, we may see further reverberations in the employment market from the structural changes.

That is why these payroll tax changes are so strongly supported by this Labor opposition and so strongly supported to the point that, again, we urge all members to get behind the amendments that have been filed which, collectively, give the effect of seeing these payroll tax reforms become effective six months earlier. With that I draw my remarks to a close and look forward to the contributions of other members.

Mr COWDREY (Colton) (16:57): I rise today, as I am sure many of my colleagues will, to support the Payroll Tax (Exemption for Small Business) Amendment Bill 2018, and I note the opposition's support for the bill as well. The impact of this bill, with its safe passage through this house and the other, will be positive for both the businesses and the people of Colton.

Statistics say that approximately 98 per cent of businesses in South Australia are considered to be either small or SME businesses, and I note that the member for Lee outlined a number of those businesses. Some of those quoted are certainly sole traders or people with a single FTE, and

certainly a large number of small businesses here in South Australia and a high proportion of our business community are in that category. The definition of SME varies. I think the strongest and most regularly used definition of an SME business is an employer that employs fewer than 19 FTE (full-time equivalent) staff.

As Liberals, what we want to see are these small businesses in South Australia growing to medium-sized businesses, and once they reach medium-sized businesses to then grow into large businesses. From an economic sustainability perspective, we know that growing these businesses in our state, in South Australia, is incredibly important. We also know that businesses are more likely to stay where they are created; often they have close connections to local communities and staff who live locally, but there are also business risks involved in relocation. Sometimes the cost of doing business in a particular jurisdiction just gets too great.

I certainly believe it is incumbent on this government, and any government in South Australia, to create a business environment that facilitates growth in our SME sector. It is something that I believe the previous government unfortunately did not support to the full extent that many South Australians expected, which is why we on this side of the house are focused on bringing down the cost of doing business in South Australia. We want to make South Australia an attractive place to start and grow a business. If we have a thriving small business sector, more jobs are created here in South Australia, more young people have opportunities here in South Australia and we will grow our economy and drive investment.

One of the biggest constraints on job creation and business growth is, of course, payroll tax, often described as a tax on jobs and a handbrake on employment. Releasing the burden fundamentally changes the outlook and approach of the small business sector in South Australia, shifting the perverse principle that small businesses employing more South Australians is somehow a bad approach—something that brings disincentives—towards a system that will promote growth and enable our small businesses right across the state to invest in the future of South Australia.

Approximately 3,200 businesses with a taxable payroll of up to \$1.5 million will benefit from scrapping payroll tax for small businesses. As was touched on by the member for Lee, a graduated tax scheme will be introduced for businesses with payrolls between \$1.5 million and \$1.7 million. Businesses of this nature to be captured by the scheme are estimated to number 400, so approximately 3,600 businesses in total will be affected by this change. It is certainly a substantial boost for the economy in South Australia.

As has been communicated on numerous occasions by the Premier, these changes are due to take effect on 1 January 2019. The measure will provide a saving of up to \$44,500 a year that can be invested by those businesses in growing their business and in jobs. As a result of this bill, approximately 39 per cent of businesses that currently pay payroll tax will be exempt. It also means that these small businesses will avoid the potentially significant administrative costs and compliance activities that often come with meeting payroll tax requirements. This policy has had significant support from the business sector, from peak bodies such as Business SA and others, and individual small businesses alike. One survey conducted by Business SA highlighted the opinion of a small business owner:

...that payroll tax is a significant disincentive to [increased employment] in South Australia, particularly for small businesses just under the...\$600,000 wage threshold, which is the lowest in Australia...

The last part of that sentence struck me—that the tax-free threshold in South Australia is the lowest in the country. The member for Lee gave us a quite in-depth history of changes to tax arrangements in South Australia over the last 16 years under the Labor government. There are a few facts we would refer to on this side that may have been missing from that review of activities over the last 16 years and certainly some that I would like to share with members today.

A couple of years ago, the Department of Treasury undertook a state taxation review. I believe it was a positive step forward in taxation reform in South Australia, as I am sure many other members and the general community alike believe as well. It was a review of the taxation system particularly around payroll tax, which has often been described as one of the most inefficient taxes in our economy. This taxation review went out to the broader community, to businesses both small and large, and to a range of different service providers, government agencies, peak bodies and

others, asking for submissions on how or to what extent different state-based taxations could be changed, altered or reviewed to deliver a more efficient outcome and to boost the economy here in South Australia.

Many of the submissions that were submitted as part of that review looked at changing payroll tax arrangements. It was often the biggest issue that came back, in fact, in those submissions to the state taxation review. Interestingly, many of the submissions focused on the tax-free threshold as opposed to the rate of payroll tax paid on taxable payrolls. It is interesting to look at the economy more broadly and how it is changing, and I will come back to this in more detail later.

As the member for Lee also touched on, our economy is in the midst of a substantial change from traditional industries, goods-based industries and businesses that sold commodities and goods, often with low FTEs or low staff numbers and smaller thresholds, towards a service-based economy. This leans on the very many bright people we have in our state who, instead of selling goods and other similar things, are selling wherewithal—selling our smarts.

Many businesses that take part in this sort of activity are reliant on a large number of people being part of their organisation, whether that be educational services, engineering or other sectors of service-based industries. The vast majority have high taxable payrolls based on the fact that they require a large number of FTE to operate effectively. As part of this transition, what we saw is the foresight of many other states. Again, I am certainly not going to knock the former government for their ability to lower the rate, as lowering the payroll tax rate in South Australia was a positive step, but the real issue is the threshold, particularly, as I have just outlined, in the shift in our economy towards a more service-based industry and economy.

The threshold and payrolls were increasing for those businesses. So, in a perverse way, we have been discentivising those service-based businesses to grow based on the fact that our threshold, as outlined by the member for Lee, grew from \$504,000 to \$600,000 in around 2008-09. But if you look at the changes nationally on the payroll tax threshold, or tax-free threshold, that threshold has risen in every other jurisdiction outside South Australia between 2009 and 2018.

New South Wales increased from \$638,000 to \$750,000; Victoria, \$550,000 to \$650,000; Queensland, \$1 million to \$1.1 million; Western Australia, \$750,000 to \$850,000; Tasmania, \$1.01 million to \$1.25 million; ACT, \$1.5 million to \$2 million; and Northern Territory, \$1.25 million to \$1.5 million. So there has been a clear case, not just taking into account the changes in economy, but also of course the expected result of wage increases continuing to affect those businesses that were close to the \$600,000 threshold.

I am certainly of the hope that businesses did not go out of their way not to pass on wage increases based on their relatively to the \$600,000 tax-free threshold. However, it is clear from the changes that have been made in other jurisdictions that the tax-free threshold was the key driver for economic growth and jobs in this area. We talked about harmonisation across different jurisdictions as well, in terms of the approach 10 or so years ago to try to make things easier for businesses that operated across multiple jurisdictions. Certainly there is an argument to that. However, being the least competitive place to do business with the least competitive business tax arrangements in the country certainly has an impact, and that impact has been seen over the last 12 to 16 years.

Discouraging growth is something that we do not want to see on this side of the house. We want to see businesses encouraged to grow, to employ more South Australians and to do as best they can to be competitive in the Australian marketplace.

The draft bill has taken a range of consultation. It has consulted with RevenueSA and the State Taxes Liaison Group, which includes representatives from the Law Society of South Australia, the Institute of Public Affairs, the Institute of Public Accountants, the Law Council of Australia, the Tax Institute, the Australian Institute of Conveyancers, the Property Council of Australia, Business SA, the Real Estate Institute of South Australia, the Institute of Chartered Accountants of Australia and CPA Australia.

I mentioned earlier that the Marshall Liberal government is focused on creating an environment that encourages business growth. Our approach and reform agenda to this end, communicated to and endorsed by the South Australian community through the most recent election

campaign, is a package that has been designed to stimulate growth and investment here in South Australia.

While this bill, and the important change that it brings to our taxation system, is central to that package, other measures are also important: the significant reduction in the emergency services levy, which took place on 1 July, just two days ago, that reduction applying across businesses and households of course; the creation of a substantial number of new apprenticeships and traineeships over the next four years; and a range of other measures.

But often I find the easiest way to communicate change and to communicate the impact of the policy is to give a small example, so I will take the liberty of just outlining a small practical example and what would change. Consider a small business that employs around six people—say, an accounting or engineering business—has a taxable payroll of somewhere between \$450,000 and \$550,000 and does currently not pay any payroll tax, and say that small business owner wants to employ another six South Australians.

Let us assume that those who are newly into the business accrue the same remuneration of those already there. Increasing the payroll to approximately \$900,000 to \$1.1 million, under the new arrangements that business would no longer pay any payroll tax. However, the small business owner would have been liable for tax under the previous system—a declared benefit for the business wanting to expand, to grow and to employ more South Australians and a benefit for many real-world South Australian businesses and those in Colton as well who want to do the same.

The Reserve Bank of Australia (RBA) noted in its March quarter bulletin in 2017 that, since 2012, wage increases have been less frequent. I quote:

In this period of stagnant wage growth there would be no better way for governments to boost wages and employment prospects for workers than to begin the gradual removal of payroll tax.

As has been said, this inefficient tax has become a burden on jobs and small businesses. I certainly believe that adjusting the threshold will have a much greater impact for businesses in South Australia. I certainly believe that the change in threshold is, in fact, in line with what other states have achieved and what they are trying to address, noting that those threshold changes had been made prior to touching the change in the taxable rate of their payroll tax arrangements in those jurisdictions.

The introduction of this bill supports the Marshall Liberal government's mantra during the 2018 election, where we talked about creating jobs and supporting small businesses. We want to remove inhibitors to business growth and to jobs, and importantly something that has been noted in the media and through reports and commission surveys, we want to provide confidence to South Australian businesses. Business confidence is on the rise already, but we want to ensure that they understand that their government is supportive of them succeeding and growing.

A business sector that is thriving is good for all South Australians. Creating a competitive tax regime for small business is essential to a prosperous future for all South Australians. I commend the bill to the house, and I thank members for their work in preparing this policy and bill.

Ms BETTISON (Ramsay) (17:14): I rise in support of this bill because it extends the work of the previous Labor government. We have always had a focus on reducing payroll tax, and we urge the government to bring these payroll tax cuts forward. We have had a strong commitment to increasing employment opportunities in South Australia and reducing the cost to South Australian businesses of employing workers. This is one of the ways in which we have gone about that. The previous Labor government cut payroll tax significantly, and we intend to continue our focus.

Let me reflect on some of the areas we have looked at since I entered parliament. In 2013-14, we introduced a concessional payroll tax rate of 2.5 per cent to employers with annual taxable payrolls of \$600,000 to \$1 million. That effectively halved the payroll tax, providing relief of up to \$9,800 to more than 2,200 businesses. That was a \$21.6 million reduction for small business over two years. In 2015-16, we extended the small business payroll tax rebate, which meant that more than 130,000 SA businesses were not liable to pay payroll tax. This was an \$11.3 million reduction for small business.

In 2016-17, we again extended the payroll tax rebate for four years, to 2019-20, providing up to \$9,800 each year for employers with taxable profits less than or equal to \$1.2 million. Once again,

this benefited 2,300 businesses and meant a \$40 million reduction for small businesses over four years.

In the 2017-18 budget, we extended the payroll tax cut for small businesses with a small business rate of 2.5 per cent, down from 4.95 per cent for firms with payrolls between \$600,000 and \$1 million, phasing up from 2.5 per cent to 4.95 per cent for businesses with payrolls of \$1 million to \$1.5 million, with an estimated additional 1,300 employers to benefit when compared to the temporary rebate scheme. Once again, that was a significant reduction of \$45.1 million for small businesses over four years.

Over the life of the former Labor government, the 16 years that we were elected by the people of South Australia, we delivered more than \$2 billion of net payroll tax relief to businesses here in South Australia. This bill increases the tax-free threshold from \$600,000 of taxable payrolls to \$1.5 million at a cost to the state budget of \$44.5 million a year. However, we have to wait because, even though this was a discussion point, this government is not prepared to bring it forward. It is very disappointing because we know we want to grow our economy. We want to have a focus on jobs, and this, we all know, is a way to do it. To quote the Premier in his second reading speech:

These changes will remove a major disincentive to businesses, creating more jobs and employing more people, as well as making South Australia a much more attractive place to invest in and grow businesses.

Why will he not bring forward these changes, create more jobs and employ more people? In fact, Business SA supports bringing them forward.

I am always going to have an interest in small business. I am the daughter of a small business owner. It was a very difficult day in our family when I had to tell my mum and dad that I did not want to continue in the family business. They do not do it because of the money. When you own a small business or you own a farm, you put in seven days a week and your concern is there 24 hours a day. My dad was a local funeral director in my small town of Kapunda. There was a little bit of consolidation around the industry at the time, and one of his colleagues in the Barossa offered to buy the business. I remember his disappointment that neither my brother nor I decided to continue.

While here we are talking about payroll tax, I want to talk about other areas that are also important to small business. Let us remind ourselves that we are very much a small business state: 98 per cent of our businesses are small to medium, and there are about 140,000 who are employing zero to 19 full-time equivalents. They employ 34 per cent of our workforce.

I want to reflect on not just what the Labor government did in reducing payroll tax—and I have outlined that quite clearly, as has my colleague, the shadow Treasurer—as there are three other things we did that I am quite proud of. The first was the introduction of the Small Business Commissioner, and that has been operating since March of 2012. John Chapman is in that role as our commissioner, and we know he has had a focus on dispute resolution, mediation and representation, franchise leases, and just last week in this house we were talking about his role in farm debt mediation. We know that that role, which we introduced in 2012, has been very supportive for small business, so I am very proud of our record in the introduction of the Small Business Commissioner.

The other area where we introduced change was through the introduction of the Industry Advocate. Ian Nightingale is in that role at the moment. Of course, he has been out there making sure that we employ as many South Australians as possible in government projects. There is work for people in small, medium-sized and large companies, but sometimes there are barriers to accessing this, and he is able to walk alongside people and advocate. One of the events that I remember quite clearly that he held in my own electorate was the meet-the-buyer session. It was incredibly well attended. People were interested to understand how they could tender for this work.

I notice on his website that he is talking about Building Better Schools, through which we are planning to upgrade 91 schools. It was a very exciting day when we introduced that, because we know that education is the clearest tool for making differences in people's lives. Finishing school is incredibly important. Only today we talked about numeracy and literacy and a commitment to that as a focus for us.

So that Building Better Schools and those 91 opportunities are there, and he, as Industry Advocate, will be clear with people about what those opportunities are. I am very proud of that Industry Advocate role and very pleased that that is going to be continuing. He has a focus around procurement and tendering. It is for some of those more practical things that small business needs those of us in government—the government of the day—to be out and fighting for them.

One of the other areas that comes to mind is our Simplify Day. It was, of course, the then assistant minister to the treasurer, the now shadow minister for health and wellbeing, who took that role, for two years in a row, to bring Simplify Day here. It represents a focus upon reforms to fees, licences and permits and a focus on duplication and compliance.

I had the opportunity to host an event in my electorate where we had a very diverse group of small business owners come along and talk about the things that frustrated them, the red tape that they encountered. We had mechanics, and we had coffee shop owners. We had a cleaning contracting company come along as well. Some of the things that came out of that time when we went through this in 2016 included looking at digital licensing, for example, which has now been implemented.

One of the things I want to say today is that while we support this bill, it is not everything. What we need to do is to continue to support small business. Small businesses are incredibly important to our state. What I will be looking at and what I will continue to focus upon is: what else is this government doing? Sure, you are continuing payroll tax relief, which is what we did as a Labor government, but what else are you going to do?

The introduction of the Small Business Commissioner, the introduction of the Industry Advocate and the yearly focus around Simplify Day are just three areas that we also support in small business. I rise today to support the bill, and I look forward to us continuing to support small business in South Australia.

Mr ELLIS (Narungga) (17:25): I rise today to support this very important bill. In fact, it might be my favourite policy that the Marshall Liberal announced in the lead-up to the election. It is certainly the one that will have the biggest and most profound effect on the business community in South Australia, which is in dire need of some support finally.

Right now in South Australia, we need more jobs. We need greater investment, stronger growth and an uncompetitive payroll tax regime. The most uncompetitive payroll tax regime does not help any of those causes at all. All it does is serve to make the situation harder for businesses to create jobs and employ more South Australians. It is a counterintuitive tax and an absolutely perplexing one at that.

As I said, I rise to support this important bill, which is in keeping with the Marshall Liberal government's mantra to reduce, simplify and make fairer tax systems in order to champion small business efforts, stimulate jobs growth and drive investment. The legislation to exempt the state's 3,200 businesses with taxable payrolls of up to \$1.5 million from paying any payroll tax provides a major economic boost for small business, representing a saving of up to \$44,500 a year and is one of many other measures—including the slashing of ESL bills, which will have a tremendous impact on small business, and the reforms to land tax, which will have a wonderful benefit for businesses—that will come into this place in due course. The three key points to the payroll tax cut are:

1. Businesses with a taxable income of up to \$1.5 million will be exempt from paying payroll tax from 1 January.
2. A further 400 businesses with payrolls between \$1.5 million and \$1.7 million will receive a welcome reduction in the amount of payroll tax they are required to pay through a phased-in approach.
3. We are delivering on our promise to help businesses grow and employ more people.

The issue of cutting red tape to allow for business growth is one that is very close to me, having come from a small business family in Kadina. I have seen far too often local businesses seemingly penalised for jobs they create and the efforts they make to grow their local economy. Indeed, we often had the conversation in our family business that but for payroll tax we would be in a position to

employ one to two more people in our firm. Without divulging too much information, I am sure this measure will be well supported within the wider Kadina business community.

The efforts of local business owners to grow the local economy have to be swung around so that they are driven to create more jobs and to hire more people. Our team on this side is driven to implement the policies we took to the election as soon as possible with the emphasis on lowering costs of living and doing business, and getting rid of red tape to allow for business growth.

In my maiden speech in this place in the Address in Reply, and also in my speech on the Supply Bill, I made much of having one of the most uncompetitive payroll tax regimes in the country. It continues to hinder business and does not encourage growing businesses to hire more employees. It just makes that bottom line all the more difficult to keep in the black. In my opinion, it is the most perplexing of tax regimes that one could possibly imagine.

In a state with a declining population growth and, at least under the former government, increasing unemployment, we have an onerous tax on jobs. Make no mistake about it, payroll tax is a tax on jobs. I find it absolutely bewildering that small to medium business operators should have to pay tax when they hire people. Not only that, the more people they hire the more tax they have to pay.

I am thus proud to stand in support of the Marshall Liberal government's Payroll Tax (Exemption for Small Business) Amendment Bill, which will apply from January 2019 and exempt all businesses with annual payrolls of less than \$1.5 million. It makes very good sense to me, and the majority of people who voted in the state election endorsed our plan to fix this state's economy. Similarly, in my maiden speech I spoke of easing the burden on small to medium business by making the land tax regime more palatable for people who own more than one property. The current tax regime, which is also one of the most uncompetitive in the nation, is stifling business and investment.

We have also set about reducing the emergency services levy to reduce tax burdens and introduced legislation to cap council rates to protect households and businesses from unjustified rate hikes and further ease the cost-of-living pressures, as pledged. Similarly, we have introduced legislation to establish a South Australian productivity commission tasked with helping drive economic reform to grow South Australia's economy. It will have the critical role of getting the state government's finances and the South Australian economy back on track, focusing on reducing regulations and improving service delivery.

This is all in keeping with the intent of the Payroll Tax (Exemption for Small Business) Amendment Bill. The new commission will provide advice about issues, including further cutting red tape, improving government service delivery and general economic reform for outcomes, such as increased public and private sector productivity, boosts in employment and alleviating cost-of-living pressures and imposts on the cost of doing business.

The new Marshall Liberal government is in the business of delivering on our promises, and that has been bleedinly obvious to all in South Australia throughout the first 100 days of our time in government. We are also in the business of reducing payroll tax, which is another of the promises designed to help businesses grow and employ more people. This support is needed now more than ever in regional areas. Small businesses are the engine room of country towns, keeping them alive and attractive for families to live in and for retirees to retire to.

Success for the state is underpinned by the success of small business owners, who spend money with each other, employ local people and generate wealth. The success of South Australia's small businesses means success for all of us, so any measures governments can implement to bolster their sustainment and growth must be provided. Well-known demographer Bernard Salt spoke recently at a forum hosted by Regional Development Australia Yorke and Mid North, where he made the point that a community with an entrepreneurial spirit was vital for success and to realise maximum potential regional growth. He said that growing population is one thing but that a targeted approach will yield better results.

To achieve this, communities need to cultivate a culture of entrepreneurship. He spoke about the right skills being needed as well as attracting and retaining young people in country areas, all of which are topics close to my heart and which I spoke of in my maiden speech. The role of government

must be to foster and support such a culture of entrepreneurship and to reduce the cost of doing business for our lynchpin small business. Reducing the burden of payroll tax is a part of that. Reducing power costs and transport costs are other facets of this, and the government is working hard on these areas, too.

It gave me great pleasure in question time to hear the Minister for Energy and Mining reply to my question about the benefits that the interconnector to New South Wales will have and the report that has validated our pre-election commitment to provide that interconnection and more base load power generation to South Australia. This will be well appreciated by the small business community, which has been absolutely crippled by the high and rising cost of energy in our state.

There are exciting things happening in the electorate of Narungga. Population growth in Wallaroo is at 26 per cent since 2011. Moonta is at 14 per cent, and the main street has never looked more full of business and there is not an empty shop to be seen. Bernard Salt recognised what he described as hotspots of small businesses across the Yorke and Mid North regions, namely, in construction, rental hiring and real estate, finance and insurance, wholesale trade, accommodation and food.

There are positive regional small business stories, and we must promote them and support them. A small business owner from Kadina came to visit me recently expressing concern about the payroll tax. He asked about what would happen in the scenario that he was just over the \$1.5 million threshold and whether that meant he should be encouraged to lay off workers to fall below the threshold. I said, 'No, we have thought of that. Do not worry.' Businesses between \$1.5 million and \$1.7 million will pay a tax rate that increases proportionally from zero per cent at \$1.5 million to 4.95 per cent at \$1.7 million in taxable wages.

This will ensure that businesses are not unfairly penalised if their payroll is just in excess of \$1.5 million, or the new threshold, and they will continue to employ more people and pay less payroll tax than they would have done otherwise. For example, a payroll of \$1.6 million would be at 2.475 per cent applied to the amount in excess of the former \$600,000 threshold. Businesses with annual taxable wages above \$1.7 million will continue to pay at a rate of 4.95 per cent.

These changes are expected to benefit around 3,600 businesses in reducing the payroll tax they pay by an estimated \$44 million per year, with individual businesses saving up to \$44,500 per annum. That is \$44 million in our economy, circulating through and multiplying throughout the economy, being spent in ways that consumers want to spend it and supporting businesses that need our support and providing a valuable service for good.

The phased-in program is an important one. We do not want to leave high and dry small businesses with a payroll just in excess of the new threshold. They will have a schedule which will allow them to continue to hire people and which will continue to benefit them with a smaller payroll tax than they had before. Around 39 per cent of current payroll tax payers will no longer have to pay payroll tax or will pay a lower tax rate. These are all businesses at the lower end of the spectrum. These are small to medium businesses that need our support after the cost imposts imposed on them by the previous government (and I have referred to them before, but I will do so again), be it higher electricity prices or the onerous red tape.

I found it bemusing to hear the member for Ramsay talk about the efforts they had gone to to remove red tape. When considered in the real world, the imposts are still out there, but nonetheless there are significant imposts on businesses. They need our support, and this is one step the Marshall Liberal government will take to ease that burden on business. There will no longer be a significant disincentive for business to create more jobs and employ more people. This will make South Australia a far more attractive place to invest and grow business in and, hopefully, will cultivate that spirit of entrepreneurship amongst our young people that will result in more businesses being started in our state with a long-term future and a viability going into the future.

In conclusion, I reiterate that this policy is one of my favourites made by the Marshall Liberal government prior to the election. To me, it signifies that this Liberal government will be a true Liberal government and govern for the people of South Australia and create jobs. This is a major tenet of what we are trying to do and a real reversal that needed to happen within South Australia, which has been struggling with unemployment for some time.

I am sure that this policy will benefit a great number of businesses, and we have already heard that \$44 million will be left in our economy for people to spend as they wish, on what they wish, and that can only be a good thing. The individual freedom to choose how you spend your money is a prize worth giving. I commend the bill to the house and congratulate all who did work on developing it. I look forward to seeing its implementation on 1 January, which will be the perfect time to implement such a bill.

Mr CREGAN (Kavel) (17:38): I rise to support the second reading of the Payroll Tax (Exemption for Small Business) Amendment Bill. Payroll tax is a tax on jobs. It represents a drag on the state's tax competitiveness and a real barrier to employment growth. There has never been a more important time to unshackle small business and to generate new jobs in our state.

I come from a generation that knows the real cost of low employment growth. Nearly all my peers left South Australia in search of employment elsewhere, not because they wanted to but because it was necessary for them to survive in the early days of their career. I left for a time, and I remember very well that experience. Nobody happily leaves South Australia. We left because the economy was weak and could not support us.

The previous government had 10 economic priorities for small business. I listened carefully to the member for Lee, and I cannot see in his remarks, or from the record of the previous government, how it was that those economic priorities were vindicated. In particular, I cannot see how they were vindicated for small business in this state.

They became a big taxing government. It was necessary, if you wanted to survive in this state, to get a grant from the previous government; that was nearly the only way. That is not a way to run the state, it is not a way to run an economy, it is not a way to treat small business, and it is not the way to give young South Australians the hope that their dreams can be realised in their home state without the need to leave.

We know that there are nearly 140,000 small businesses in South Australia—of course, that is an approximate number—and many of those are family businesses. They are on every street, in every community and in every industry sector. Small business is not only the backbone of the state economy but also the backbone of the Hills economy, and I recognise and thank every small business in my community for supplying the taxation revenue to this new government, and for going out every day—and it is a sad joke that some small businesses work a couple of days for the government before they can work for themselves because the taxation burden they face in this state is so significant.

We are doing something about that. Under the present Payroll Tax Act, payroll tax is applied on wages paid to employees at the rate of 4.95 per cent above a threshold of \$600,000. I have listened carefully to other speakers who have remarked on the technical way in which taxation is levied under the act, but the fact remains that it is a substantial burden on small business in this state. This bill will lift the threshold to \$1.5 million, with the result that around 39 per cent of current payroll tax payers will no longer need to pay payroll tax or will pay a lower tax rate.

In dollar terms our reforms will return about \$44 million to the real economy. This was money that belonged to small business before the state had in mind taking it off them, and I am sure they can do a great deal with it when it comes back to them. It is their money coming back to them. It is money that these small businesses were paying to the government just for the right to employ people, just for the right to go to the employment market and say, 'We need somebody to do a job for us and we would be grateful if you did it.' For that they pay us some tax. Individual businesses will save up to \$44,550 per annum under the reforms we are now bringing to the house.

There is no doubt that small business in South Australia pulls its weight, if you will allow me to put it in those terms, Mr Deputy Speaker. Small businesses contribute about 36 per cent of gross state product, and this is no small contribution. On this side of the house we understand small business. As a solicitor before coming to this place, I advised many businesses, large and small, sometimes at times of crisis, sometimes at times when they were looking to manage their legal and on occasions taxation affairs. At all times I recognised that if they were small businesses these were mum and dad businesses working incredibly hard to put a roof over their head and facing risks that, respectfully, we do not face.

It is hard in small business. When you turn up to work in the morning you are responsible for everything; absolutely every bill is met by you and every cost you incur are dollars you cannot divert to building your own business, employing people and ensuring that after you have paid all your outgoings you have sufficient money to put bread on your own table and put your own children through school. These are considerable worries that every person in small business faces every day.

The regulatory burden they face in this state is considerable, not just as a consequence of state taxation but also as a consequence of years of government failing to recognise that it is the real economy that supplies taxation, that when small businesses are doing well we all benefit. It is worth remembering that without wealth creation there is no money to redistribute to those who need it, and we believe in a fair and just society. We believe in it absolutely.

We know that when you run out of other people's money to spend—as the previous government did—when you are entirely dependent on borrowings, your interest rate blows out. What happens is that you cannot build roads and hospitals or employ teachers, police officers, nurses or doctors and meet other community expectations because the crushing interest bill you face sucks up all that money and all that hope, and all you can do is continue to bleat in this place about how you have a social justice mantra but you have no money to acquit for that purpose.

Payroll tax is from a species of opportunistic state taxes that have a very narrow base. If you were to design a tax that hurt real small businesses, this would be it. I am deeply proud to be a member of a new government that is giving South Australian small business real and immediate tax relief in the first days of our new government. As a government, we are focused on reducing costs not just for small businesses but for all South Australians.

We are reducing the ESL levy and have done so from 1 July, just a few days ago. We are capping council rates. We are focused on delivering more affordable and more reliable energy, and I note that power prices have already moderated just a little. There is a great deal more to do, and we are doing it. We are reducing land tax. We are offering free screening checks for volunteers. We are capping NRM levies. There will be no state bank tax. We are establishing an inquiry into water pricing.

We are addressing cost-of-living pressures head on, not just for small business but for everybody in our state, because we recognise that there was a crushing burden that faced people and still faces people after 16 years of a failed administration. There is an overwhelming need for real reform in this state, and we are a government committed to real reform. I commend the bill to the house, I commend the Treasurer and I commend the new government.

Mr DULUK (Waite) (17:47): I also rise to make a contribution ahead of the dinner break to this very important piece of legislation, the Payroll Tax (Exemption for Small Business) Amendment Bill 2018. I thought I might go through the main points of the bill first. It is a very important bill. It sets out our long-term agenda to reform business taxation in South Australia, which is so important and will always be the mantra of a Liberal government.

I have been a member of the Liberal Party for quite a few years. At almost every meeting I have ever been involved with or any policy discussion I have participated in, whether it be at a branch level, in the community or talking to small business, there is a desire for small business operators in South Australia not to be burdened by payroll tax. It does not matter which business it is.

The Hon. V.A. Chapman: And get rid of the Labor government.

Mr DULUK: Indeed. It does not matter where the business is, who the business operator is or what field of commerce they undertake, every single one of them, every man and woman lets us know that payroll tax is a burden on their business, a burden on employment, a burden on reinvestment and a burden on their ability to reinject capital into their business, which is so important for them to stay viable. Through this legislation, this government will ensure that from 1 January 2019 businesses in South Australia with annual taxable payrolls below \$1.5 million will no longer be liable for payroll tax.

Businesses with annual taxable wages over \$1.5 million will continue to receive a deduction of up to \$600,000 from their taxable wages, consistent with the existing tax-free threshold. This allows a bit of scoping and movement in that scale. To smooth the transition to a standard rate of payroll

tax, businesses with taxable wages between \$1.5 million and \$1.7 million will pay a tax rate that increases proportionately from zero per cent to at \$1.5 million to 4.95 per cent at \$1.7 million in taxable wages.

The benefit of this change is expected to see some 3,600 South Australian businesses reducing their payroll tax, which is so important, with individual businesses saving around \$44,000 per annum. It is estimated that 3,200 of these businesses will be exempt from payroll tax, and 400 will receive a reduction in their payroll tax responsibility. We believe that these changes will remove a major disincentive for businesses and will create more jobs, employing more people. It is so important that this government is bringing on this legislation.

I am heartened that it is being supported by members opposite. It is good to see that in opposition, on their road to Damascus, the Leader of the Opposition is doing his listening post tour around South Australia. I am not sure if he has been to the Deputy Premier's electorate yet; he certainly has not been to mine. When he comes to my electorate—

Ms Bettison: He's been to mine.

Mr DULUK: He has gone to the member for Ramsay's electorate—no surprises there. But, when he does come to my electorate to meet with my small business operators—and I am really looking forward to when he does—they will actually say, 'Thank you, Leader of the Opposition, for getting on board with the government's changes in relation to payroll tax,' and quite a lot of our other initiatives.

South Australia is a transitioning economy, and one that is reliant on small and medium-sized businesses. There is no doubt about it: we are a small business state. We do not have the large corporations, we do not have large—

The Hon. V.A. Chapman: We used to until Labor got in.

Mr DULUK: Up until 2002, we had quite a lot more ASX listed companies than we do today, but it is the reality that we live in. You can only play the cards that you have been dealt, and we want to increase our hand. We want to ensure that the cards South Australians are dealt are full houses and royal flushes, not a seven of spades—

The Hon. V.A. Chapman: Or jokers.

Mr DULUK: Not jokers. That is why we are bringing in this legislation. It does not matter if you are the IGA in Cleve or Jacobs Tyres and More in Blackwood, which is one of my very good local small business operators. South Australians like supporting locals, and that is why it is important that the government supports local businesses, just as South Australians do. This payroll tax reform is our measure to ensure that we do not hold back economic growth.

As I said, the government's plan to increase the existing threshold from \$600,000 to \$1.5 million is an important reform to ensure employing people is not a burden to those who create so much of our economy. We want more South Australians employed and more small businesses in our economy. Reform is vital to ensure we change the direction of this state. Labor repeatedly used state taxation to grow the size of government and pursue, in my view, an agenda which does not sit well with me.

When you are a high-taxing, high-spending government, you squeeze out private capital and private investment. By squeezing out private capital and private investment, you are actually squeezing out new opportunities for jobs, growth, and that investment that is so often driven by private enterprise. It is not government that drives innovation: it is private enterprise. However, these days are no more, and I am looking forward to living in a state where private industry can come to South Australia, and South Australia can be known as a low-cost jurisdiction.

South Australia was historically a low-cost jurisdiction. During the Playford era of government in South Australia, we were a low-cost jurisdiction with low energy costs, low input and affordable housing. That was a huge opportunity for businesses to come, as did the businesses of that generation and of the heavy manufacturing industry of the fifties and sixties. Companies like Westinghouse, Holden and Kelvinator and others that used to line Port Road saw South Australia as a low-cost jurisdiction.

There is an opportunity in a new, modern era for South Australia to once again become a low-cost jurisdiction. Our reform of payroll tax makes us one of the most competitive payroll tax jurisdictions in the nation. This can only be a good thing in creating competitive tension within the federation. We have seen the Queensland example where, 20 or 30 years ago, governments made decisions to make Queensland an attractive place to invest. I read in the *Weekend Australian* that by 2050 Brisbane is going to become a mega city on the eastern seaboard as Australia continues to grow.

Thirty years ago, South Australia was bigger than Brisbane. So, in the 60 years to 2050, they will become a mega city on the eastern seaboard, with the investment that that will attract, while we will still be playing catch-up. We have had 16 years of hard Labor and now we are going to have 16 years of fantastic Liberal government, but that still will not be enough to get to where we should be, namely, at parity.

By providing this exemption in terms of payroll tax, the Marshall Liberal government will be removing a major disincentive to businesses, creating more jobs and employing more people, as well as making South Australia a much more attractive place to invest in and grow businesses. With this important reform, sole traders and small businesses will have the confidence to grow and reinvest in their businesses. Why should we tax a small business operator for employing honest, hardworking South Australians?

We need to stop kicking our small businesses in the guts. I am really happy that one of these reforms will actually remove the payroll tax payable on apprentices, which the Labor government refused to remove at any time when they were in charge of the treasury bench. In that instance, we had a proprietor taking on an apprentice whose wage was subject to a payroll tax. What a disincentive that is to bring on a young person to create a skill in a workshop: 'Come on board, but we are going to tax you. We are going to tax you for taking on an apprentice.'

We know how hard apprenticeships are at the moment, so this is a very good benefit. This measure and our reform measures will benefit thousands of small businesses with payrolls of up to \$1.5 million, as I said, as well as giving confidence to more than 130,000 microbusinesses and sole traders to create more jobs, knowing that they will not be hit with extra tax as soon as they employ additional South Australians. I think that is really important to note.

These reforms are not just about existing businesses that pay payroll tax, those between the \$600,000 and \$1.5 million threshold; they are about the tens of thousands of microbusinesses—the mum-and-dad businesses—that are maybe only turning over under \$1 million. Maybe their payroll tax threshold is \$100,000 this year because they are employing a couple of people, and then, as the business grows, they get up to \$0.5 million in the payroll tax threshold. That means you have mum and dad and maybe an admin person doing the books for three days a week.

You might bring on another sales rep, and all of a sudden you are creeping over the \$600,000 payroll threshold and saying, 'How do I make sure that I can continue to provide a good service to my client base without all of a sudden being kicked into that threshold where I need to start paying tax back to the government?' This happens for no other reason than that you have been a successful small business operator.

So the microbusinesses are actually the ones that will really benefit from this change in policy setting. This reform will remove the payroll tax burden for businesses employing an average of 25 employees, unleashing the growth potential of many of the fastest growing enterprises in our economy. It is businesses with under 25 employees that are, statistically, in the fastest growing segment.

South Australia's \$1.2 billion annual payroll tax take remains one of the most uncompetitive in the nation. The tax-free threshold on payroll was the lowest in the nation under Labor, and it came along with a complex regime for calculating liabilities. In budget after budget, groups like Business SA, of course the then Liberal opposition and other industry groups would come to the government and say, 'Can you reform the payroll tax?' and at no point was there any desire by the former Labor government to amend and reform.

The member for Ramsay sat there in cabinet, and I would be keen to see if she ever put up a submission to the treasurer to reform payroll tax, because I know she is a big supporter of small

business. I know she would have been one of the champions, but the ideologues opposite saw no reason to amend the most uncompetitive and complex regime of penalising employers in this state. The Liberal reform will reduce the payroll tax paid by small and some medium businesses by an estimated \$44.5 million per year, incentivising them to create thousands of extra jobs for South Australians.

Importantly, this reform will deliver broad-based changes to the state's economic settings by improving our competitiveness and investment attractiveness, rather than attempting to pick winners amongst individual businesses. After 16 years of a stagnant economy, reform in how South Australians employ and do business is critical to ensuring that our state can move forward to a lower unemployment rate and to being a more prosperous state.

Sitting suspended from 18:00 to 19:30.

Mr DULUK: Picking up from where I was, these reforms are so important because we are continuing the legacy of what we said we would do in opposition and delivering on our promises. We are fixing up 16 years of Labor mess, incompetence and a lack of understanding of small business, and that is what we want. The people of South Australia want a government that understands them and understands their needs, and they know they will not get that from those opposite; they will only get that from us on this side because we understand small business. The Liberal Party will always be the party of small business and we will always look after those who employ and those who want to create a more prosperous state.

In a state full of agriculture and small business, the flow-on effects can be huge. With low prices for primary produce such as cereal crops and milk, payroll tax places a huge burden on the ability to generate a sustainable income for so many people. Being at the beck and call of nature is one thing; this government wants to ensure that all South Australian small businesses can flourish and focus on their output rather than on countless taxes. The Rann and Weatherill Labor governments spent the best part of the last 16 years crafting a stifling state tax regime that rips \$4.5 billion from South Australian employers and consumers every single year.

In an economy that is reliant on small and medium businesses, we cannot expect employers to grow and create more jobs if government is constantly adding to their cost base, and especially to the cost of employing South Australians. I always keep coming back to this same theme: we understand that taxes such as payroll tax add to the cost base of doing business. We understand and believe that to help small businesses we need to do all that we can to remove that negative cost base.

Many small businesses are discouraged from employing an extra person if it means incurring extra tax liability and enduring the additional compliance costs that go along with it. In this period of stagnant wage growth, there would be no better way for government to boost wages and employment prospects for workers than to begin the gradual removal of payroll tax. On the one hand, this government is looking at removing gradually that burden of payroll tax and, on the other hand, we have legislation and we have a commitment to creating a productivity commission.

If we can increase the productivity of the people of South Australia through new policy initiatives from the productivity commission, as well as directly, from 1 January 2019, removing a payroll tax burden, on top of the fantastic achievements by the federal Coalition government in their personal taxation reform, I think we have a great opportunity in the coming months and years to really see a structural change in the nature of our business and taxation environment in South Australia, one that is generated towards growth.

When we see growth in the economy, we will see a growth in wages for ordinary mum-and-dad South Australians and Australians, and that can only be a good thing. A sensible way to do this would be to progressively increase the payroll tax threshold, and this is underway in South Australia. As I said before, this will create competition within the federation and stimulate hiring and growth across Australia. It will simplify a tax system that is far too complicated and has been far too complicated for too many years.

I remember the days when I worked in accounting and then in banking for a big bank. In accounting, one of the big issues was payroll tax reconciliation at the end of each financial year and

the compliance costs that went with that, and then the return to be lodged a couple of months after you worked out what your wage and compliance costs were going to be for any rebate as well. Going forward, that is a compliance cost that South Australian businesses will not have to endure any more. That is a compliance cost that bookkeepers on a Friday leading up to 30 June will not have to do anymore, and they can spend their time adding value to their clients in a more efficient way, which is really important.

It is not just about a dollar figure that is the actual payroll tax levy but it is about the ability to remove red tape and regulation across the private sector. At a time when South Australia needs more jobs, greater investment and stronger growth, an uncompetitive payroll tax regime only serves to undermine confidence and make the situation harder for businesses to create jobs and employ more South Australians. South Australians need a simple tax system that is easy to understand and enticing for business. We need to tell Australia that we are open for business and that our economy has the ability to grow and thrive.

I was talking to the manager of the Torrens Arms Hotel on Friday at an electorate drinks with the member for Elder where we were talking to small businesses about what removing payroll tax is going to do. Sam McInnes was telling me that removing payroll tax on his business is going to go a long, long way to their employing more people, especially young people, in the hospitality sector. It is so important for young people to have jobs in the hospitality sector.

South Australia is a state abundant in smart and innovative businesses. We need to keep them here for others to learn from. How can we grow our state if small businesses have to leave due to high costs? We have certainly seen that over the preceding 16 years where jurisdictions, businesses and capital have been moving to lower cost jurisdictions across the federation.

In the strong plan that we brought to the 2018 state election, the Liberal Party highlighted the need to keep young people here to build our future. Our future cannot be built from Sydney, Melbourne or Perth; it can only be built here in our streets, in our suburbs and in our towns. By letting businesses flourish, so can our state. We need to get out of the way of business and let them grow and build. The previous Labor government failed to look after small business and failed to understand just how rising taxes affect them and, in turn, affect the whole state.

This government is passionate about creating a better environment in which to live, work and play. Relieving the stress of payroll tax is just one way that this Liberal government can help our struggling small business sector prosper. After 100 days of solid governance, the Marshall Liberal government is committed to continuing to lower costs for all South Australians. Of course, from 1 July, several days ago, we saw a reduction in ESL bills and, in time, we are hopefully going to see councils come to the party, through our council rate-capping regime, and pass on savings to households in South Australia.

As the Minister for Energy and Mining reminded us in question time today, reforms to the energy market and our policy setting are also going to bring a saving of approximately \$301 per year for the average South Australian energy bill. Together with savings on the ESL, savings on energy, savings on council rates through rate capping and savings for South Australians through payroll tax regime, we are listening and, more importantly, we are delivering. We are going to deliver a growth regime in South Australia that will see us become one of the best and most competitive places to live in the federation.

Ms LUETHEN (King) (19:37): I rise to support the Payroll Tax (Exemption for Small Business) Amendment Bill 2018. I am proud that the Marshall Liberal government is taking this action to drive real change in our South Australian economy. South Australians living in my electorate are giving me feedback that, after many years of not believing politicians can be trusted, they are so pleased to see us delivering on our promises.

With the bill, we propose that small businesses in South Australia with taxable payrolls of up to \$1.5 million will no longer be subject to payroll tax. This was an election promise and this is what we propose to deliver. We are focused on people. We are focused on small business and we are making this change to deliver more jobs and lower costs for all South Australians. The legislation exempts the state's 3,200 businesses with taxable payrolls of up to \$1.5 million from payroll tax. As

our Premier, Steven Marshall, said, 'At long last the economic handbrake is coming off for small businesses'—

The SPEAKER: It is 'member for Dunstan', member for King. Please refer to members by their electorate name, thank you. Continue.

Ms LUETHEN: —the member for Dunstan, thank you—'so that small business people in this state, who will soon have more money in their pockets, can reinvest in their operations to drive growth'.

Businesses with payrolls between \$1.5 million and \$1.7 million are also set to benefit with a proposed reduction to the current regime. Under the new plan, businesses with a payroll of \$1.6 million would pay \$24,750, as opposed to the current \$49,500. It is a further tax concession for small businesses in SA, the people we want reinvesting in their business, creating further investment and, most importantly, employing more young people, who have been leaving this state.

The proposed changes, which lift the current payroll exemption from \$600,000 to \$1.5 million, will come into effect on 1 January 2019. A Marshall Liberal government has been elected on a platform of business-friendly reforms, promising to cut the emergency services levy, cap council rates, deregulate shop trading hours and reduce tax for small business. It has been reported that about 98 per cent of businesses in South Australia are considered small, employing fewer than 19 full-time equivalent staff. This government wants small businesses to grow into medium businesses and medium businesses to grow into large businesses. One of the biggest constraints to this growth is payroll tax—a tax on jobs and a handbrake on employment.

I have many small businesses in King, and I spoke to them about their challenges. They told me that they were finding it too difficult for many reasons to hire more staff. One of these reasons was the unnecessary and outdated regulation and taxes. This legislation, which will provide payroll tax exemptions for small businesses with a payroll of up to \$1.5 million, will be welcomed by thousands of businesses and will benefit all South Australians. It will fuel investment, employment and growth.

It is no secret that payroll tax is a handbrake on employment. South Australian businesses have consistently stated that this tax discourages them from hiring additional workers. For businesses close to the payroll tax threshold, the decision to hire a new employee or increase employee wages exposes the business to a new tax liability—a significant disincentive. South Australia's unemployment and youth unemployment rate has been too high for too long. These changes will directly decrease the cost of hiring additional workers and make it easier for employers to offer pay rises.

This government has been listening to local businesses. I have been listening to local businesses for many years. My background is in the banking and finance industry, supporting small business and South Australians. I started my career in this state in commercial banking, helping small businesses to start up, to grow and to thrive. Payroll tax is charged to businesses on the total wages of their employees. This effectively penalises businesses from hiring workers. It penalises businesses for raising wages. It is important to understand that payroll tax is a tax on employment. It is an impediment to wage growth.

Since the tax is directly linked to the wages of employees, businesses need to take it from the budget that would otherwise be allocated to employee wages. We need to do all we can to make South Australian businesses competitive and to drive employment opportunities in South Australia. A tax on wages means fewer jobs and lower wages for employees. We are not happy with lower wages for employees in South Australia. We are not happy with struggling South Australians who are working hard. I met many people when doorknocking who told me they have good jobs but are still struggling to pay their bills.

I met people, too, who were not happy in their jobs but who were too scared to leave just because there are not enough jobs in South Australia. That is why this change is good for businesses and hardworking South Australians. We are introducing this change to stimulate hiring and growth across all South Australia. Unlike company tax, which is charged on profit, payroll tax is charged on a business's largest expense: payroll. Payroll tax actually works against workers' interests.

The RBA has noted that less frequent wage increases have been occurring since 2012. In this period of stagnant wage growth, there would be no better way for government to boost wages and employment prospects for workers than to begin with the removal of payroll tax. We are introducing this change to stimulate hiring and growth across South Australia. Businesses in King told me that they are too regulated and that we are too regulated in South Australia. They told me that they are weighed down by unnecessary rules. King businesses have asked us to simplify a tax system that is far too complicated, and that is what we have promised to do and that is what we are delivering.

In summary, this bill amends the Payroll Tax Act 2009 to exempt small businesses from payroll tax. The changes in this bill will mean that businesses with an annual taxable payroll below \$1.5 million will no longer be liable for payroll tax from 1 January 2019. Businesses with annual taxable wages above \$1.5 million will continue to receive a deduction of up to \$600,000 from their taxable wages consistent to the existing tax-free threshold.

To smooth the transition from standard rates of payroll tax, businesses with taxable wages between \$1.5 million and \$1.7 million will pay a tax rate that increases proportionately from 0 per cent at \$1.5 million to 4.95 per cent at \$1.7 million in taxable wages. For example, at a payroll of \$1.6 million, the tax rate will be 2.475 per cent applied to the amount in excess of the \$600,000 threshold. Businesses with annual taxable wages of \$1.7 million will continue to pay a rate of 4.95 per cent. The good news is that these changes are expected to benefit around 3,600 businesses, reducing the payroll tax they pay by an estimated \$44 million each year, with individual businesses saving up to \$44,550 per annum.

It is estimated that 3,200 of these businesses will be exempt from payroll tax and that 400 will receive a reduction in their payroll tax liability. This represents around 39 per cent of current payroll taxpayers who will no longer need to pay payroll tax or who will pay a lower tax rate. These changes will remove a major disincentive to businesses, creating more jobs and employing more people as well as making South Australia a much more attractive place to invest in and grow business.

To provide certainty for business, the government will continue to implement the small business payroll tax measure introduced by the former government administratively until 31 December 2018. The measure reduces the effective tax rate payable to 2.5 per cent for businesses with taxable wages up to \$1 million per annum. I encourage all small businesses to inquire about how these new savings will benefit their business to decide how best to reinvest their savings in South Australia.

I look forward to continuing to work hard in this new government that keeps delivering what it has promised. We have been listening to small businesses in South Australia. We are focused on delivering sustainable change. We will create jobs for South Australians as well as for those young people who have been leaving South Australia for work. I thank the members who have worked on this bill and I commend the bill to members.

Mr McBRIDE (MacKillop) (19:49): I rise today to speak on the Payroll Tax (Exemption for Small Businesses) Amendment Bill 2018, an exciting and significant move that will benefit many individuals and their businesses across South Australia. As we all know, this bill amends the Payroll Tax Act 2009 to exempt small businesses from payroll tax, providing them with the opportunity for their businesses to grow and flourish in a state that is notoriously unfruitful for family and smaller businesses.

According to the existing act, payroll tax is levied on taxable wages at the rate of 4.95 per cent above an annual tax-free threshold of \$600,000. If the changes outlined in the bill are put forward, businesses with annual taxable payrolls below \$1.5 million will no longer be liable for payroll tax from 1 January 2019.

Only businesses with annual taxable wages above \$1.5 million will continue to receive a deduction of up to \$600,000 from their taxable wages, which is consistent with the current tax-free threshold. Further to this, the changes will be implemented slowly and methodically, introducing measured increases in the standard rates of payroll tax for businesses with taxable wages between

\$1.5 million and \$1.7 million. The rates will increase proportionately from 0 per cent at \$1.5 million to 4.95 per cent at \$1.7 million.

I realise I am throwing around a lot of numbers here, so I will put it plainly. The changes that this bill will introduce will benefit around 3,600 businesses across South Australia. That is an estimated \$44 million saved overall on payroll tax paid by small business and roughly \$44,550 saved by each of those businesses per annum. That is a savings value higher than many South Australians earn in a year. That is not even accounting for the estimated 3,200 businesses that will be exempt from payroll tax and the subsequent 400 that will receive a reduction in their payroll tax liability. This equates to a whopping 39 per cent of current payroll tax payers who will no longer need to pay payroll tax or will see deductions in the rate that they will need to pay.

At its core, this bill will enact incredible changes that will eliminate a major disincentive to South Australian businesses and will potentially create more jobs as these business owners will be able to afford to employ more staff. Essentially, this bill makes South Australia a much more attractive state in which to invest and grow business. It would be an injustice to all those dedicated citizens not to help them grow and develop in the state they call home, a place they have stood by despite the growing financial pressures that small business owners face every day under the current measures of this act.

I was absolutely delighted to hear a few aspects from the other side of the chamber when they got to speak on this bill. The greatest thing for me is that they are actually going to support this bill. I have not heard any reason to suggest that they would do otherwise. What I think is most important is that they have helped in the sense that, while they were in government, they did not make the situation worse but they recognised that they had to move. From this side of the chamber, and from the perspective of the small business sector of South Australia, I think we would say that they probably did not move fast enough.

We have heard from a number of members on the other side who have spoken in favour of this bill that some of them have experience in small business and have turned down the small business opportunities that they could be working on today to be in parliament and go into a political career. If they have the small business element and know the way small businesses have to strive and thrive, compete with other small businesses, not only in South Australia but all around the country, and then on a world market in some cases, they would know that everything we can do to help these businesses thrive is about taking away the costs, taxes, impositions and regulations.

Although I can see that it is wonderful they have made some inroads, I think that one of the things that moves into a government—and I will do my damndest to make sure that we are never part of this—is to become complacent. I think complacency brings about laziness and a rationale where you end up thinking everything becomes too hard. In the end, for the people we represent out there beyond the walls of this chamber it is hard every day, competing against each other, other competitors in the state and other competitors around Australia and, if they are fortunate enough on a world basis, with world competitors.

It is a competitive industry and I liken it to one of the sayings I learnt in my teachings in business management through TAFE. We had an Olympic hero called Kieran Perkins and he won the first gold medals for Australia in the 1,500 metres and did it very well. If he were to swim in the Olympics today, he would not even make the finals if he swam the same times as he swam back then.

That analogy was used in business. The bar is always set higher year to year. It always keeps changing and we always have to keep innovating. We have to become more and more competitive in business if we are going to thrive and survive in the changing world we work in. This is one of the reasons why I think that if we are in government we must not allow ourselves to become complacent, which I could nearly accuse members on the other side of the chamber of. All credit to them in the sense that they do move, but to move with haste and understanding is different from saying we are doing something. Something can be very small and minor and really does not help much at all, and you leave the hurdles in place and you leave the hurt in place and you make it harder than it need be and then you are still part of the problem.

I absolutely give great credit to this government. One of the things we are trying to do is implement this 100-day plan. We have not been lazy about it. We have been methodical and we have tried to do as much as we can in the first 100 days. Here we are, about 102 or 103 days into our time, and we are moving bills such as this to help small business, and we are implementing it in 2019. Some in this chamber would say, 'Why aren't you doing it straightaway?' I think we need to be methodical and rational. We still have to make sure that we manage the state and be responsible, and we have to do it in a timely fashion.

It is not taking us 16 years to make these moves: it is taking us less than 12 months to put these processes in place. Another thing that we are very wary of is that we are really not sure what our financial situation will be and we have to be responsible in these areas as well, making sure that we can afford to make the changes and implement what we need to do.

To bring it back, one of the things I note is how we now see ourselves when we compare ourselves with Victoria. Before we bring in our changes today, Victoria has a rate of 4.85 per cent and a threshold of \$650,000. So they are about 0.05 per cent cheaper, but you have to turn over above \$650,000 before any tax is paid. So it is more competitive to do business in Victoria today. Another thing I learned was that, in Victoria, if you have a business that is 85 per cent rurally based you get a 50 per cent discount on top of that.

You would then ask yourself, 'Why would the government make it easier to do business in rural/regional Victoria and give them a 50 per cent discount over \$650,000 if it is a level playing field right across the state?' The fact is that it is not. It is actually harder to do business out in regional areas of Australia. You suffer the pitfalls of travel. You suffer the pitfalls of time. Sometimes infrastructure and technology are not as good out in the regions. You find it hard to find the people to work for you in business. You might have to pay more to get those people to move out into the regions. There are usually fewer services. People usually have to hone their expertise towards city centres.

In one of the speeches I heard from the member for Kavel, who was speaking about the bill, he said that he had to go interstate, like many of our fellow South Australians who had to move interstate, to seek jobs of the expertise they were looking for. This suggests that if a state is floundering, if we do not have the job creation that we want—like regional areas across Australia—people have to go to where the jobs are. These city centres do have it. City centres like Sydney and Melbourne are thriving. I believe Melbourne is growing at nearly 10,000 head per month, yet this state and some of our regions have been shrinking in population for the lack of opportunity.

One of the things that the bill does is give South Australia a more competitive edge to compete with other Australian businesses, other state jurisdictions, and makes sure that South Australia and the current government, representing South Australian business, can compete with other national businesses and be profitable so that they can stand the test of time.

Another thing that I would like to touch on that has just been alluded to is the cost of business. They talk about a rack rate for WorkCover. In South Australia, we find ourselves being a 1.4 per cent dearer than Victoria again. I am not saying that we have to emulate everything across other states, but we have to be competitive. I think the steps we are taking with the amendment bill to the payroll tax is a step in the right direction, recognising that we want to look after small businesses and make it as cheap and affordable as possible for these businesses to operate and function within South Australia.

There are a lot of regional small businesses in my seat of MacKillop. I have recently phoned a couple of local businesses that will benefit from this amendment to the Payroll Tax Act. One is owned by the Tidy family, a second-generation family business in seed sales and marketing. They started a business called Naracoorte Seeds. It has grown over its entire life but exponentially in the last two or three years. It has expanded into Mount Gambier as well.

The current manager is Jamie Tidy, and I know him very well. He is a very good community supporter of the business sector. He is growing his business. He has children. He looks to the long haul, and he would hope that his children will follow suit and he will pass the business down to the next generation, which would be a third generation Tidy running a small seeds business in Naracoorte. He personally told me that this bill will help him. This bill will make him more profitable.

It will help him be more competitive around Australia with seed sales. He is not just a South Australian rural seed trader; he trades seeds interstate and overseas on international markets.

The changes we implement, such as the payroll tax, will make it a little bit easier. It will make small businesses more profitable. It will mean they will have more confidence. They can reinvest and grow their businesses, like Jamie Tidy has over the last two or three years by building storage sheds and creating more holding capacity for seed production and seed purchases, and then all in all it flourishes. Businesses like this flourish in towns like Naracoorte and Mount Gambier, and it has a snowball effect. The towns become wealthier and richer for it.

Another business I will touch on is an earthmoving business that is a great supporter of mine and the Liberal Party, owned by the Bull family. It is a third-generation business and is run by David and Robert Bull now. David Bull has children coming through and already working through the business. They are the fourth generation. They are into earthmoving, they have already told me, too, that this bill is going to benefit their business. Their costs are going to be less, they are going to be more profitable, and they are going to be more competitive.

One thing I would like to see happen with earthmoving businesses in my region, and not just with the Bull's business, is for them to have the opportunity to be able to compete and do government-type jobs on roadways, building new roads and infrastructure. If these small businesses are not allowed to grow and they remain small, then they seem to miss out on government contracts such as large shoulder reconstructions, kerb building and all those maintenance jobs that you would think small businesses in local towns would be allowed to be part of. But if they do not have the size to start out with, they can never come out and put in a contract or a quote for a government job if they are not allowed to grow or if they are not allowed to participate.

We might not have changed the act yet, but we heard about a job under the previous government where a new school building was to be built in Bordertown. They had a \$700,000 quote to build a new technology studies building. The principal said, 'Just check to see if local business could do this.' So they went out to the local builders and got a quote, and it was going to cost \$400,000. However, the builder did not meet the stipulated building criteria, so it had to be quoted and built by a city-based business.

Of course, what did the city-based building contractor charge? \$700,000. There was going to be a \$300,000 saving if that local builder in Bordertown could have fulfilled that education building construction. But the red tape was so thick: the paperwork was two inches thick. There were so many rules and regulations in place that they never got the opportunity to partake in that quote, and it was never given consideration. The school principal had to do the right thing and go through the right channels.

I also have a local school at Kingston that has been given the opportunity to construct more infrastructure and buildings. The cost of the design and the planners was absolutely fascinating. Again, local businesses cannot participate in the building and construction of these buildings and developments. They have to come from Adelaide. They charge massive, exorbitant fees. They have to move down and build in my local area, and our small businesses do not get the opportunity to do that.

Coming back to the bill, it is so important to be able to support small businesses, to help them grow and be able to be substantial enough so they can compete and get those sorts of government contracts that come by our way, and are all up to speed with as minimal cost as possible, growing in a fashion they can cope with. It is so important to make business as easy as possible.

If this bill is later passed through the house and we have a clear way to introduce it, this saving between the \$600,000 and \$1.5 million threshold amounts to about 20 extra staff, as it is anticipated that 20 staff at the average wage of \$73,000 would total \$1.5 million. Really, any business with 20 staff is a small business; it is not considered to be huge.

This incremental step from \$600,000 to \$1.5 million is a good move by the state government. It is a starting point and I know this state government will not sit on its hands. We will not just stop at this but will consider all the other factors that come into operating small businesses around this state, to make sure that they can flourish.

I would also like to mention that the state government will continue to implement small business payroll tax rate measures introduced by the former government administratively until 31 December 2018 so as to ease businesses smoothly into the new measures that the bill puts forward. This is not a kneejerk response or quick fix that will fall apart in due course. This bill is methodical and allows for businesses to progress with ease into these new measures that will ultimately mean a better and more productive small business sector for South Australia with fewer financial pressures on some of the hardest-working individuals. It has been my pleasure to introduce the bill and, on that note, I commend it to the house.

Dr HARVEY (Newland) (20:05): I am very pleased to rise today in support of this bill to scrap payroll tax for small business. Our plan to scrap payroll tax for small business is a very important part of our economic reform agenda, which is about creating more jobs and opportunities for the people of South Australia by reducing the cost of doing business. It is also an important part of our plan for our first 100 days in government, which is an important plan that demonstrates to the people of this state how serious we are about delivering on the commitments that we took to the election.

Payroll tax is unequivocally a tax on jobs. It is a tax paid on money that is paid on wages even before a single dollar is earned by the business. It is very much a disincentive to employ people. Not only that, it also contributes to reduced wages and can impact on consumer prices by increasing them. In a perfect world, such a tax would not exist at all. Unfortunately, that is not practical, given revenue streams available to state governments.

More broadly, unemployment in South Australia has been a problem for a while now. Particularly over the last term or two of government, we have consistently seen some of the highest rates of unemployment in the country. These are very much lost opportunities for so many people. Youth unemployment, in particular, is a very big problem. In the state at the moment, it is around 15.9 per cent but increasing to almost 20 per cent in some parts of our state.

Small businesses often employ people in their very first job. Those first opportunities are so important to getting a start in the workforce, getting that first experience in working for someone and setting people up for the rest of their working life. Small businesses are very often family businesses, also often taking people in almost as if they were part of the family. These people often work incredible hours.

I can remember, back in a previous life, that I used to teach piano on the side while I was studying. There was one particular student whom I would go and visit once a week and do about a 45 minute lesson with them. They had a small business; it was a small shop. We would have the piano lesson at about 7.30 at night, running through until almost 8.30. What used to always strike me, particularly as I was quite young at that point, was that she would come straight from the shop to have her lesson. We might have had a chat for another 10 or 15 minutes, and then she would go back to the shop to do all the reporting for the rest of that day—incredible hours just to keep the show going.

Small business owners also take on so much risk. All the bills that come in are theirs. Their future and their retirement are often completely wrapped up in their business. What we want to do is empower these small business owners to enable them to put people on. In a previous government, those people might be described as the employer class. We would see them as opportunity creators, people who are actually out there giving people a go. We want to make that as easy as possible for them.

Small business is also very important to the economy of South Australia. There are estimated to be more than 140,000 small businesses—that is, a business with 19 or fewer full-time equivalents—and that is roughly 34 per cent of the South Australian workforce. A rough calculation is that if every small business in South Australia put on one extra person for one extra day, that would be the equivalent of almost 30,000 additional full-time jobs. This highlights that even small changes in business conditions and business confidence can have a dramatic impact on the state's economy. Ultimately, success in the small business sector means success for the South Australian economy.

When the former government were not disparaging small business owners, they would often talk about them as being important, and there were quite a lot of pledges and promises about how

they were going to do so much to make things better for them. The reality, of course, was that growth in the small business sector in South Australia in 2016-17 was about 1.6 per cent, which compared with the previous government's target of 5 per cent and which again is an example of rhetoric over actual action. That 1.6 per cent of actual growth is compared with 3.1 per cent across the nation.

Moreover, the Sensis Business Index, a national survey of small business owners looking at individual states, showed that, of all the states, South Australian small business owners had the worst opinion of state government policy and the impact it would have on their business. The two main reasons that were raised were too much bureaucracy and the cost of business being too high.

Of course, too much bureaucracy is very much an issue that has been raised with me a number of times by many constituents. In fact, just last week I was in a room of people who were essentially saying that out of a seven-day working week, as often they have, they may spend what would seem like two to three days on paperwork, not actually contributing to the productivity of the business but just complying with things in a very inefficient way. Of course, we have other plans to reduce that red tape and reduce that unnecessary regulation that really bog them down and prevent them from doing their job. Another issue was the cost of doing business, and that is very much what the bill is about.

As I said, we are going to abolish payroll tax for small businesses. South Australia currently collects \$1.2 billion in payroll tax and is amongst the lowest tax-free thresholds on payrolls in the nation—\$600,000. Under the current arrangements, payroll tax is levied at a rate of 4.95 per cent on taxable wages above that \$600,000 tax-free threshold. Employers with taxable payrolls up to \$1 million pay an effective rate of 2.5 per cent on wages above \$600,000 that incrementally increases to the legislated 4.95 per cent on wages up to \$1.5 million.

The bill abolishes payroll tax on businesses with an annual taxable wage up to \$1.5 million. Importantly, we are also phasing out that exemption for businesses with a payroll of \$1.5 million up to \$1.7 million. That is important to ensure that those businesses, when they grow, as we want them to, and grow beyond that \$1.5 million threshold, are not suddenly hit with a brick wall and that we gradually scale up that rate between the threshold and up to \$1.7 million. The last thing we want to do is provide a disincentive to grow even further and to employ even more people.

As I mentioned before, the cost of doing business in South Australia is a major complaint that is frequently raised with me by businesses in Newland. Abolishing payroll tax for small business will benefit many local businesses. In particular, in the last day or so I have spoken to an important local business owner, Peter Howell of the Inglewood Inn up at Inglewood, a beautiful establishment as you are going up through the Hills—with very nice food, by the way—and one that is very active in the community. He, amongst many others, was very pleased that they will no longer be required to pay payroll tax. That is a very important aspect in being able to put on more employees.

This is a very important step, but of course there is a lot more work to do. This is not the end, and we are going to continue to work to improve business conditions in this state, to continue to reduce the cost of doing business. Coupled with this are those other measures we have talked a lot about, such as cutting the emergency services levy back down to a rate similar to what it was before the previous government jacked it up straight after the 2014 election—without any warning before the election. We will also be capping the NRM levy, capping council rates and implementing our plans to reduce the cost of power, as well as having an important inquiry into water pricing in this state.

Another very important thing we have been doing on the business front at the skills end is the enormous investment we will be putting into ensuring we have enough people with the skills required in our state, investing in additional apprenticeships and traineeships—more than 20,000—and really ensuring that we have the people here to take up the jobs that will be coming in the future. Ultimately, this bill will take the brakes off the engine room of our economy that is the small business sector, allowing it to grow and create more jobs and more opportunities for South Australians. I commend the bill to the house.

Mr BASHAM (Finniss) (20:16): I also rise to speak on the bill that amends the Payroll Tax Act 2009. I am very excited by this bill and by the opportunity it gives businesses across South Australia, particularly those in Finniss.

Payroll tax has been a very negative tax to employment, and I have seen that firsthand in Finnis in the past with some very close colleagues in the dairy industry personally affected. They decided they wanted to grow their business and bought a third dairy farm, but suddenly that required another four staff who were previously in another business to be in their business. It took their whole business over the threshold, and that was something they were not anticipating in the process. This occurred back in about 2009, and at the time the dairy industry was going through very tough period. To have a penalty on employment hit them as it did was something they were not expecting. It put enormous pressure on their business and actually led to them laying off a staff member to try to manage the cost their business.

I think this is a great thing that the government is putting in place by bringing this bill forward. Increasing the tax-free threshold to \$1.5 million, rather than the \$600,000 it has been, will make a big difference to businesses and we will see a huge change. Currently, we are talking about probably 10 to 12 employees to hit that threshold, and we are effectively going up to over 20 to 25 employees—and at reasonably low wage rates as well. We are not talking about high salaries being paid to people to get over that level at that number.

These are small businesses, and they are often businesses that are very much service businesses putting a lot of things into the economy and delivering for the community, so it is certainly something we need to encourage. I think it is a great initiative that we are also looking at having the phase-in between \$1½ million and \$1.7 million, which will allow people to transition as they reach that limit. I think that will also allow the businesses to grow rather than hitting that threshold suddenly and being impacted.

One of the interesting experiences I have had in the last couple of days is that I had an opportunity last night to meet with a group of businesses in Victor Harbor at the Business Victor Harbor forum, which they held at one of the real estate agent's properties where they have annual meetings and where they get together and network, etc. This was one of the things that was very much discussed in the room last night. It is intriguing how many businesses fit into this category. The real estate agents themselves, under their structure of having four or five offices spread across the Fleurieu, most of them in Finnis but some over in Normanville, outside the electorate, were also going to benefit due to this payroll tax change.

Probably the most pleasing was when I was talking to one of the local builders. He is certainly a big employer. He is very much local; he has based his business on the South Coast but is a big employer, and his instant reaction was, 'That will allow me to employ one more person.' So he was seeing the immediate benefit—that he could put another staff member on just as a result of the savings due to not having the payroll tax up to that \$1½ million. I am sure that business is hitting that threshold, so he will be in that sort of range. I think it is fantastic that we are able to see that benefit to our community.

The interesting thing is how many businesses are affected. When you look at it across the South Coast, we estimate that there are probably about 100 businesses that are smack bang in this category. If only half of them decide to do what the building company said it was going to do, we are going to see 50 new jobs created just like that out of this. I think that is a fantastic outcome. Those people are going to feed that money back into the system, and it will flow round and we will see the benefits for the whole community, not just for those businesses and the people who are employed. It is very much something that the Business Victor Harbor group were very pleased to be hearing about, and I think that is a great outcome.

Small businesses are very much the backbone of our regional economies. Down along the South Coast and through Finnis there are not many businesses that would be described as large businesses, if any. We have a few medium-sized businesses, but small business is what drives our economy down there. We certainly have many retailers, we have many builders and tradespeople, and all these people are going to benefit from this sort of change in the legislation. For us to go there is, I think, a fantastic outcome.

To see a large part of the income coming into a business having a tax charged on it for employing people is a very negative sort of tax. It does stop companies wanting to take that next step and employ and get themselves into that threshold of having to pay, so I certainly think this is a

great thing. I think the opportunity to save up to \$44,550 per annum is a great benefit to industry and encourages us to see great investment in our community.

With this, I feel that the community is gaining in confidence, not just around this change but generally. The small business community is certainly seeing a change in attitude in how they are operating. The vibrant feel around the meeting last night in that small business community was a pleasure to be a part of.

To see their confidence going forward and that they see opportunities for their businesses is fantastic. So these sorts of changes we are making in removing that red tape, removing that cost to business, allowing those businesses to operate in an effective and vibrant way, means we are giving an opportunity to see great growth in this state over the next few years. I commend this bill to the house and I am very pleased to see these changes.

Mr TEAGUE (Heysen) (20:25): I also rise to commend this bill to the house. It is a sensible and measured reform in the right direction, and if I may say without entering into too florid terms, it moves further away from a number of businesses a tax burden which strikes at the heart of enterprise and in an ideal world would be gone altogether. As other speakers in the debate so far have indicated, a payroll tax strikes at the very heart of enterprise in that it taxes the very employment that employers would otherwise seek to do to grow their business and provide opportunities for people to participate in the workforce.

We on this side of the house are all delighted that this is a reform that we are able to bring as a matter of priority. It is consistent with our principles and it is a measured and responsible step in line with budget constraints. I would hope that over time we can progress it further, but importantly it has been brought before the house at an early stage in the new government, and I think we can all be very pleased about that. I welcome the opposition's support, as it should.

Payroll tax is a problem for at least three key reasons. Firstly, and perhaps most importantly, as the Henry review found, payroll tax, in the long run at least, is a tax burden that is borne by workers. The Henry review indicated that in the short term possibly an argument might be made that the burden of a payroll tax might be borne by the owners of capital in terms of reduced profits, but in the long term it is a tax that is borne by workers and ultimately employment, full stop. That is the number one problem that a payroll tax causes.

Secondly, the problem of a payroll tax is that it unduly shifts the burden, irrationally shifts the emphasis away from employment of workers and in favour of automation, so the existence of a payroll tax tends to shift an enterprise away from the deployment of employed workers towards automation—again, an anti-employment, anti-worker tax. Thirdly, and importantly, a payroll tax has the effect of skewing the economic environment around employment by tending to shift workers from a taxed environment into a non-taxed environment in circumstances where that may well be less than the optimal deployment of that worker's skills.

While a worker might be most usefully and productively employed in a taxed environment, because of the existence of the payroll tax the employment available to the worker may be, paradoxically and surprisingly, found in a non-taxed yet less productive environment. Those are at least three key reasons why it has been observed over time, including in the course of the Henry tax review, that payroll tax is a problem.

In my view, to the extent that we can, we ought to take practical steps where possible to relieve the burden of payroll tax. That is particularly the case in respect of this bill, which focuses on exempting small business from liability for that tax. Clause 9 of the bill fundamentally and quite simply amends schedule 1 of the Payroll Tax Act 2009 to change the threshold amount (TA) from \$600,000, as it presently stands, to \$1.5 million. It then brings about a smoothing process to ensure that there is relief up to that new threshold of \$1.5 million.

As I have said, in my view it would be a good thing if that could be extended further over time. This is a good start. It is not just me saying it, and it is not just the Henry tax review that has found that a payroll tax is generally a burden on enterprises that we ought to find ways to relieve. I want to refer to and note observations made recently by David van Gogh, who in March this year commended the South Australian government for this very move. It is a pleasant change, if I may

say so, to see commentators in a national space inviting a business audience to look to South Australia for economic leadership. It is a welcome change and one that I read with interest.

It is an analysis that stands up to reason. In remarks published in the ABC news recently, Mr van Gogh observes, as I have been saying, that a payroll tax is fundamentally a tax on employment and it is effectively penalising enterprises for hiring workers. For those observing the debate who may have been unaffected by payroll tax directly in their business but who are otherwise curious about the nature of the tax regime, this is not any more complicated or deeply principled than I have just stated. It is unfortunately a means by which revenue is obtained at the expense of employment, so in my view we ought to continue to take steps to reduce that burden.

In this context, I briefly observe that by comparison around Australia there are varying thresholds at which the payroll tax liabilities commence and varying rates that apply once payroll tax is payable. Suffice to say, with the reform that is the subject of the bill, South Australia will move from the back of the pack, where, unfortunately, over the better part of the last 16 years we have progressively found ourselves. It moves us relatively towards the front of the pack, towards leadership in relation to the introduction to the threshold and the introduction of the liability.

It is far from completely ideal. It is far from a leap into a utopian payroll tax environment in which we banish this source of revenue once and for all, but it is a measured and responsible step and it takes us towards leadership nationally. In that sense, we can now once again start to feel in South Australia as though we have some concrete reasons to be proud of the steps that we are taking and the position that we are occupying in relation to our economic structures here in this state relative to other parts of the country.

Company tax is a topic of debate presently in the federal sphere, as we are all aware, and the rate of tax might be open to debate vis-a-vis a global trading environment, and views will differ about the appropriate rate. As I have observed earlier, the fundamental difference is that company tax is charged on profit, whereas payroll tax is charged on the business's largest expense, being its payroll.

So even an unprofitable company is going to be finding itself hindered by a payroll tax, if it is employing sufficient numbers of people. As I have already observed, one of the three key problems caused by a payroll tax is that such businesses are likely to skew their deployment of capital in favour of automation, rather than the employment of workers, if it is going to avoid this pernicious tax liability, and in other ways workers are going to find themselves in less than fully productive environments.

It is a good reform. It will have positive effects on small business statewide. This is the sort of reform that, as we see time passing, will pay dividends year on year on year as enterprise is freed of tax burdens and feels able and empowered to employ more people doing more productive work, creating more income and productivity in our state, and that very much includes businesses in my electorate of Heysen, the greatest parts of this great state. It takes in any number of the most exquisite locations anywhere in the state, and this evening I highlight just one: in particular, the very good work of its local business association.

The Stirling Business Association has more than 150 members, all of which are small businesses of varying kinds and various shapes and sizes. These businesses are excellent examples of the kind of mixed enterprise that is going to benefit from the new pro-business, pro-enterprise culture of this new Marshall government. Not all those businesses will be immediately impacted by this reform or other specific reforms. What is clear, however, is that they will all collectively benefit from a culture that relieves cost from business. I encourage all honourable members to visit these businesses when they visit Heysen, and Stirling in particular.

Among the over 150 members of the Stirling Business Association, within the confines of Stirling there can be found businesses as diverse as the local Bakers Delight, run by the President of the Stirling Business Association, David Clarke; Cleveland Nursery, which is one of the great nurseries of our state; and Matilda Bookshop, which I have had the pleasure to speak of, on not only its wonderful selection of published material but also its wonderful capacity to bring literature closer to us all.

Stirling is also home to financial and business services, professionals such as architects and legal practitioners, and a business that I am very proud to frequent: Stirling Hire. Stirling Hire provides

access to some of the best machinery that can be deployed for those who are doing their own work in their garden and around their home, especially some of those machines that one would not quite get away with purchasing and keeping in the shed full time.

Stirling Hire has also provided me with one of the best line trimmers that I have ever had the good fortune to use, as well as some of the best advice that you ever might want to come across. That is just a picture of the diversity of local businesses in my area, and in particular I wanted to shine a light on the good work of the Stirling Business Association. Those businesses, one and all, are going to benefit from this new enterprise environment—a new dawn that has commenced with the advent of this new government. This bill is key among those reforms.

In the short time that is still available to me, I wish to note that while we are presently in the middle of winter, and at times one dwells upon the cold and the need to stay indoors, it will not be long before the season of Stirling Laneways will commence once again. All the businesses I have just described will be on full show at the commencement of spring and all the way through until April. The regular program of laneways in Stirling will be back in full swing, so I encourage all honourable members to visit, particularly the laneways, and support local businesses. I commend the bill to the house.

The Hon. R. SANDERSON (Adelaide—Minister for Child Protection) (20:45): I rise to speak on the Payroll Tax (Exemption for Small Business) Amendment Bill. It is with great pleasure that we were elected on a platform of more jobs, lower costs and better services for South Australians, and this is part of our key platform. It is wonderful to be delivering on that in our first 100 days. South Australia is a small business state, with 98 per cent of businesses in 2016 being considered small businesses; that is, they employed fewer than 20 people. This amendment will directly help those small businesses to move on to build bigger businesses.

South Australia's current unemployment rate of 5.7 per cent is trending down with the new government. This will further benefit businesses in South Australia as, from 1 January 2019, businesses will have extra money and room in their payroll to hopefully either put on extra employees or buy more services or goods for their businesses, such as computers, or even just spend the money in our economy. No matter where they spend the money, it is money available that can be spent to grow other businesses and the economic wealth of our state.

Under the existing act, payroll tax is levied on taxable wages at a rate of 4.95 per cent above the annual tax-free threshold of \$600,000. The changes in this bill will mean that businesses with annual taxable payrolls below \$1.5 million will no longer be liable for payroll tax from 1 January 2019. These changes are expected to benefit around 3,600 businesses, reducing the payroll tax they pay by an estimated \$44 million each year, with individual businesses saving up to \$44,550 per annum. It is estimated that 3,200 of these businesses will be exempt from payroll tax, and 400 will receive a reduction in their payroll tax liability. This represents around 39 per cent of our current payroll tax payers who will no longer need to pay payroll tax or will pay a lower tax rate.

These changes will remove a major disincentive to businesses, creating more jobs and employing more people, as well as making South Australia a much more attractive place to invest in and grow a business. To provide certainty for businesses, the government will continue to administratively implement until 31 December 2018 the small business payroll tax rate measure introduced by the former government. The measure reduces the effective tax rate payable to 2.5 per cent for businesses with taxable wages of up to \$1 million per annum. The rate then progressively increases to 4.95 per cent for businesses with taxable wages above \$1.5 million.

I had my own business for 18½ years. In many small businesses, you always need that extra staff member before you can actually afford them, so people do overtime or they work back. You work extra hard, and you might work weekends or evenings as the business owner because you just cannot quite afford the next staff member when you really need them to expand your business. So this is a wonderful opportunity that will save up to \$44,550 for some businesses. It is a great opportunity to take on even a part-time staff member and really relieve the pressure and allow the business to continue to flourish. There are pinch points in a business, and often that is employing extra staff. Reducing the payroll tax burden will go a long way to helping small businesses expand and take on extra staff.

Small business is incredibly important in South Australia. They really are the backbone and the major employer. We know that although we have a lot of people employed in the Public Service, it is businesses paying the tax that allows us to pay for all the people who are in the Public Service, so we need to support small businesses and help them grow so that they pay more taxes and employ more people who pay taxes and it all gets spent back in our economy.

This really is a wonderful step and I am very proud to be part of a Liberal government, led by Steven Marshall, that is implementing such a positive policy that will help businesses. This is a step in the right direction, and it shows the Liberals' commitment to more jobs, lower costs and better services. As the member for Heysen also pointed out, this is a tax that was paid whether you made a profit or not, so there are businesses that could be paying thousands in payroll tax that actually make a loss that year, or make a very small profit. This legislation is a great way to help businesses and it can only be seen as good news. I commend the bill to the house.

The Hon. V.A. CHAPMAN (Bragg—Deputy Premier, Attorney-General) (20:50): I rise to speak on the Payroll Tax (Exemption for Small Business) Amendment Bill 2018. I, too, am proud that Premier Marshall and the team of the government of South Australia have presented this initiative for consideration. I welcome the opposition's indication that they will support it. I thank and congratulate members in the whole of the parliament on their contribution to this debate and the helpful addition of material to support it.

I am particularly keen to ensure that the value of work and employment endures, as that will have the effect of ensuring that many more young people in South Australia will stay in South Australia and undertake the enterprise necessary for the recovery of our state and our restoration as a serious player in the national team. I commend the bill and indicate I will support the same.

Debate adjourned on motion of Mr Pederick.

**CRIMINAL LAW CONSOLIDATION (DISHONEST COMMUNICATION WITH CHILDREN)
AMENDMENT BILL**

Final Stages

The Legislative Council agreed to the bill without any amendment.

At 20:52 the house adjourned until Wednesday 4 July 2018 at 10:30.

*Answers to Questions***MINISTERIAL STAFF**

58 Ms HILDYARD (Reynell) (30 May 2018). What are the names, titles and salaries of ministerial staff working for the minister at any stage between 18 March 2018 and 15 May 2018?

The Hon. V.A. CHAPMAN (Bragg—Deputy Premier, Attorney-General): Between 18 March and 15 May I have had 1 ministerial adviser employed in my office, Selena Maddeford, salary of \$109,000.

MINISTERIAL STAFF

59 Ms HILDYARD (Reynell) (30 May 2018). What are the names, titles and salaries of departmental staff working in the minister's office at any stage between 18 March 2018 and 15 May 2018?

The Hon. V.A. CHAPMAN (Bragg—Deputy Premier, Attorney-General): The Minister for Human Services has provided the following advice:

Title	FTE	ASO Level	Salary
Office Manager	1	AS07	\$96,459
Parliament & Cabinet Officer	1	AS05	\$75,430
MLO	1	AS07	\$96,459
MLO	1	AS07	\$96,459
MLO	1	AS06	\$87,384
Briefing Officer	1	AS04	\$67,635
Executive Assistant	1	AS05	\$75,430
Administration Assistant	1	AS02	\$50,815
Administration Assistant	1	AS02	\$50,815

MINISTERIAL STAFF

64 Mr KOUTSANTONIS (West Torrens) (5 June 2018). What are the names, titles and salaries of ministerial staff working for the Premier at any stage between 18 March and 15 May 2018?

The Hon. S.S. MARSHALL (Dunstan—Premier): I have been advised:

Details of ministerial staff located in the Premier's Office at any stage between 18 March 2018 and 15 May 2018 as follows:

Name	Position	Salary
James Stevens	Chief of Staff	\$205,212
Alexandra May	Deputy Chief of Staff	\$168,000
Richard Yeeles	Principal Adviser	\$180,000
Paul Armanas	Communications Director	\$158,000
Courtney Morcombe	Policy Director	\$158,000
Ashton Hurn	Senior Press Secretary	\$137,000
Jonathon Wotton	Executive Assistant	\$108,000
Angelina Cooper	Media Monitoring Service Manager	\$134,012
Nicholle Buntain	Principal Monitor	\$87,463
Vicki Foote	Media Monitor	\$72,867
Shelley Mohottige	Media Monitor	\$72,867
Kaye Moloney	Media Monitor	\$72,867
Laura Priestley	Media Monitor	\$72,867
Jennifer Thompson	Media Monitor	\$72,867
Daniel Willson	Senior Economic Adviser to the Premier	\$150,000
Greg Charter	Senior Media Adviser	\$132,000
Simon Halliwell	Media Adviser	\$116,000
David Franchitto	Media Adviser	\$116,000
Selga Tucker	Digital Content Manager	\$125,000

Name	Position	Salary
Anton Radosevic	Digital Content Producer	\$109,000
Ruth van Den Brink	Ministerial Adviser	\$109,000
Scott Kennedy	Ministerial Adviser	\$109,000
Haley Welch	Ministerial Adviser	\$109,000

MINISTERIAL STAFF

65 Mr KOUTSANTONIS (West Torrens) (5 June 2018). What are the names, titles and salaries of departmental staff working in the Premier's office at any stage between 18 March 2018 and 15 May 2018?

The Hon. S.S. MARSHALL (Dunstan—Premier): I have been advised:

Details of departmental staff located in the Premier's office at any stage between 18 March 2018 and 15 May 2018 as follows:

Position	Salary
Receptionist	\$60,681
Executive Assistant	\$72,262
Project Support Officer	\$86,297
Senior Project Officer	\$94,543
Team Leader, Records Management	\$106,507
Briefing Coordinator	\$64,868
Cabinet Officer	\$80,115
Ministerial Liaison Officer	\$91,863
Cabinet Officer	\$72,262
Senior Administrative Officer	\$94,543
Senior Administrative Officer	\$94,543
Office Manager	\$72,616
Project Manager	\$106,507
ICT Business Partner	\$106,507

MINISTERIAL STAFF

68 Mr MULLIGHAN (Lee) (5 June 2018). What are the names, titles and salaries of ministerial staff working for the Treasurer at any stage between 18 March 2018 and 15 May 2018?

The Hon. S.S. MARSHALL (Dunstan—Premier): I have been advised by the Treasurer:

Details of ministerial staff located in the Treasurer's office at any stage between 18 March 2018 and 15 May 2018 as follows:

Name	Title	FTE	Salary
Gino De Gennaro	Chief of Staff	1.0	\$160,000
Julian Robertson	Senior Ministerial Adviser	1.0	\$132,000
David Siow	Ministerial Adviser	1.0	\$109,000
Cristalle Vandenberg	Ministerial Adviser	1.0	\$109,000

MINISTERIAL STAFF

69 Mr MULLIGHAN (Lee) (5 June 2018). What are the names, titles and salaries of departmental staff working in the Treasurer's office at any stage between 18 March 2018 and 15 May 2018?

The Hon. S.S. MARSHALL (Dunstan—Premier): I have been advised by the Treasurer:

The following information outlines the titles, classification and salaries of departmental staff working in the office of the Treasurer at any stage between 18 March 2018 and 15 May 2018.

Title	FTE	Classification	Salary
Office Manager	0.9	ASO8	\$99,455
EA to Minister	1.0	ASO6	\$94,543

Title	FTE	Classification	Salary
Ministerial Liaison Officer	1.0	ASO6	\$94,543
Ministerial Liaison Officer	1.0	ASO6	\$94,543
Senior Business Support Officer	1.0	ASO4	\$72,616
Correspondence Officer	1.0	ASO2	\$52,315
Correspondence Officer	1.0	ASO2	\$52,315
Correspondence Officer	1.0	Trainee	\$33,856

An FOI application was received by the Treasurer from yourself on 1 June 2018 requesting similar information. This has been provided in a response dated 6 June 2018.

SUBMARINE PROGRAM

70 Mr MALINAUSKAS (Croydon—Leader of the Opposition) (7 June 2018). What is the estimated number of direct and indirect jobs from Naval Group's contract to design and build Australia's 12 Future Submarines; how many of those jobs are expected to be based in South Australia and have these estimates reduced since Naval Group's original bid claim of 6,900 jobs?

The Hon. S.S. MARSHALL (Dunstan—Premier): I have been advised:

In addition to the workforce already engaged in the sustainment of Collins, the Future Submarine Program is expected to generate an annual average of around 2,800 Australian jobs (1,100 direct (Adelaide shipyard) and a further 1,700 in the supply chain). Naval Group's original bid documentation cited 2,900 jobs.

Naval Group are yet to select their supply chain partners, so it is therefore unknown how many of these 1,700 jobs will be based in South Australia. The South Australian government is committed to maximising local industry participation.

The Naval Group workforce has grown to 89 at their Adelaide headquarters in Keswick and is expected to grow to 155 by the end of this year. The Future Submarine Program aims to deliver Australia a regionally superior submarine capability, which will be built, operated and sustained with sovereignty.

GLENTHORNE NATIONAL PARK

77 Dr CLOSE (Port Adelaide—Deputy Leader of the Opposition) (20 June 2018). What is the estimated cost for the Liberal government's election commitment to establish Glenthorne national park?

The Hon. D.J. SPEIRS (Black—Minister for Environment and Water): I have been advised:

\$10 million has been committed by the government to establish the Glenthorne national park.

GLENTHORNE NATIONAL PARK

78 Dr CLOSE (Port Adelaide—Deputy Leader of the Opposition) (20 June 2018). Has the minister been briefed on the associated costs to purchase Glenthorne Farm from the University of Adelaide?

The Hon. D.J. SPEIRS (Black—Minister for Environment and Water): I have been advised:

The state government and University of Adelaide have been working together to finalise the transfer of ownership of Glenthorne Farm.

GLENTHORNE NATIONAL PARK

79 Dr CLOSE (Port Adelaide—Deputy Leader of the Opposition) (20 June 2018). What are the estimated costs to purchase Glenthorne Farm from the University of Adelaide?

The Hon. D.J. SPEIRS (Black—Minister for Environment and Water): I have been advised:

The state government and University of Adelaide have been working together to finalise the transfer of ownership of Glenthorne Farm.

GLENTHORNE NATIONAL PARK

80 Dr CLOSE (Port Adelaide—Deputy Leader of the Opposition) (20 June 2018). Has the minister met with the University of Adelaide to discuss a potential sale of Glenthorne Farm? If so, when?

The Hon. D.J. SPEIRS (Black—Minister for Environment and Water): I have been advised:

Yes. Both my department and I have held numerous discussions with the University of Adelaide between April and June.

GLENTHORNE NATIONAL PARK

81 Dr CLOSE (Port Adelaide—Deputy Leader of the Opposition) (20 June 2018). Has the University of Adelaide given approval or in-principal approval to sell Glenthorne Farm to the state government?

The Hon. D.J. SPEIRS (Black—Minister for Environment and Water): I have been advised:

The state government and University of Adelaide have been working together to finalise the transfer of ownership of Glenthorne Farm.

SA WATER

82 Dr CLOSE (Port Adelaide—Deputy Leader of the Opposition) (20 June 2018). Has the minister requested and received a briefing from SA Water on any additional cost associated with the Liberal government's policy of opening South Australian drinking water reservoirs?

The Hon. D.J. SPEIRS (Black—Minister for Environment and Water): I have been advised:

The government has established a cross-government task force to plan and coordinate the opening up of a number of reservoirs for recreational activities.

SA WATER

83 Dr CLOSE (Port Adelaide—Deputy Leader of the Opposition) (20 June 2018). Has SA Water briefed the minister on any additional risks to public health as a result of opening up drinking water reservoirs?

The Hon. D.J. SPEIRS (Black—Minister for Environment and Water): I have been advised:

The government has established a cross-government task force to plan and coordinate the opening up of a number of reservoirs for recreational activities. Ensuring ongoing quality of water supply is an important part of the work this taskforce will be looking at and it will seek advice from SA Health where appropriate.

SA WATER

84 Dr CLOSE (Port Adelaide—Deputy Leader of the Opposition) (20 June 2018). What new facilities or infrastructure will be constructed for public use as part of the Liberal government's policy to open drinking water reservoirs to the public?

The Hon. D.J. SPEIRS (Black—Minister for Environment and Water): I have been advised:

The government has established a cross-government task force to plan and coordinate the opening up of a number of reservoirs for recreational activities.

SA WATER

85 Dr CLOSE (Port Adelaide—Deputy Leader of the Opposition) (20 June 2018). Will reservoirs opened for public use be patrolled?

The Hon. D.J. SPEIRS (Black—Minister for Environment and Water): I have been advised:

The government has established a cross-government task force to plan and coordinate the opening up of a number of reservoirs for recreational activities. The security of the reservoirs will be an issue looked at by the task force, as will any new facilities or infrastructure required.

SA WATER

86 Dr CLOSE (Port Adelaide—Deputy Leader of the Opposition) (20 June 2018). Will the minister assure South Australian SA Water customers won't be paying more for water to offset the costs of opening up reservoirs for recreational activities?

The Hon. D.J. SPEIRS (Black—Minister for Environment and Water): I have been advised:

Opening up of the reservoirs for recreational activities is an election commitment and will not impact the price of water.

CLIMATE CHANGE

87 Dr CLOSE (Port Adelaide—Deputy Leader of the Opposition) (20 June 2018). Can the minister advise if the Liberal government intends to dismantle the climate change directorate within the new Department for Environment and Water?

The Hon. D.J. SPEIRS (Black—Minister for Environment and Water): I have been advised:

Taking practical action against the changing climate will be a focus of the state government and the Department for Environment and Water.

MURRAY-DARLING BASIN PLAN

88 Dr CLOSE (Port Adelaide—Deputy Leader of the Opposition) (20 June 2018). Will the minister advise if the state government will be supporting the proposed changes to the Murray-Darling Basin Plan's Sustainable Diversion Limit Adjustment Projects?

The Hon. D.J. SPEIRS (Black—Minister for Environment and Water): I am not aware of any changes to the 36 listed Sustainable Diversion Limit projects endorsed in 2017.

The South Australian government supports the implementation of the Sustainable Diversion Limit Adjustment Mechanism, and is committed to delivering the basin plan.

NATURAL RESOURCES MANAGEMENT

89 Dr CLOSE (Port Adelaide—Deputy Leader of the Opposition) (20 June 2018). I refer to the Liberal Party's election commitment to issue instructions for the repeal of the Natural Resources Management Act within its first 30 days in office. Has the minister issued that instruction?

The Hon. D.J. SPEIRS (Black—Minister for Environment and Water): Yes.

NATURAL RESOURCES MANAGEMENT

90 Dr CLOSE (Port Adelaide—Deputy Leader of the Opposition) (20 June 2018). Will the Department for Environment and Water continue to administer NRM policies and the NRM Act?

The Hon. D.J. SPEIRS (Black—Minister for Environment and Water): Yes.

NATURAL RESOURCES MANAGEMENT

91 Dr CLOSE (Port Adelaide—Deputy Leader of the Opposition) (20 June 2018). Will those responsibilities for NRM be moved to PIRSA?

The Hon. D.J. SPEIRS (Black—Minister for Environment and Water): No.

NATURAL RESOURCES MANAGEMENT

92 Dr CLOSE (Port Adelaide—Deputy Leader of the Opposition) (20 June 2018). Has the minister made any new appointments to an NRM board since March 2018?

The Hon. D.J. SPEIRS (Black—Minister for Environment and Water): Yes.

Since I have taken the portfolio, the following Presiding Members have been appointed:

- Fiona Rasheed – Presiding Member of the South East NRM Board from 26 April 2018 until 13 April 2019
- Mark Whitfield – Presiding Member of the Eyre Peninsula NRM Board from 4 June 2018 until 13 April 2019
- Felicity-ann Lewis – Presiding Member of the Adelaide and Mount Lofty Ranges NRM Board to commence 1 July 2018 until 23 February 2019

The following members were appointed/reappointed to an NRM board from 14 April 2018. Note that these were appointed by the former minister prior to the election.

Adelaide and Mount Lofty Ranges Natural Resources Management Board

- Rachael Louise Siddall – reappointed member from 14 April 2018 until 13 April 2021
- Alison Judith Cusack – new member from 14 April 2018 until 13 April 2020
- Vicki-Jo Russell – new member from 14 April 2018 until 13 April 2019

Alinytjara Wilurara Natural Resources Management Board

- Deborah Hansen – reappointed member from 14 April 2018 until 13 April 2021
- Kristy Marcella Richards – reappointed member from 14 April 2018 until 13 April 2020
- Peter Phillip Miller – reappointed member from 14 April 2018 until 13 April 2019
- Julie O'Toole – new member from 14 April 2018 until 13 April 2020

Eyre Peninsula Natural Resources Management Board

- Mark Kennett Whitfield – reappointed member from 14 April 2018 until 3 August 2019
- Justine Louise Sampson Major – new member from 14 April 2018 until 13 April 2021

Kangaroo Island Natural Resources Management Board

- Annette Juat Siew Florance – new member from 14 April 2018 until 13 April 2021

Northern and Yorke Natural Resources Management Board

- Peter Alfred Stockings – reappointed member from 14 April 2018 until 13 April 2021
- Irene Ruth Whittle – reappointed member from 14 April 2018 until 13 April 2021
- Natalie Pauline Paimelle Sommerville – reappointed member from 14 April 2018 until 13 April 2021
- Kaylene Matthias – reappointed member from 14 April 2018 until 13 April 2021
- Kristin Louise Murdock – new member from 14 April 2018 until 13 April 2020
- Lynette Joan Thomas – new member from 14 April 2018 until 13 April 2020

South Australian Arid Lands Natural Resources Management Board

- Murray Hal Tyler – reappointed member from 14 April 2018 until 30 November 2019
- Richard Raymond Barratt – reappointed member from 14 April 2018 until 30 November 2019
- Glenise Maxine Coulthard – reappointed member from 14 April 2018 until 13 April 2021
- Janice Dawn Ferguson – new member from 14 April 2018 until 13 April 2019

South Australian Murray-Darling Basin Natural Resources Management Board

- Rodney Layton Ralph – reappointed member from 14 April 2018 until 13 July 2019
- Gioia Small – reappointed member from 14 April 2018 until 13 July 2019
- Peter James Duggin – reappointed member from 14 April 2018 until 4 December 2021
- Deana Kathleen Mildren – reappointed member from 14 April 2018 until 1 November 2020
- Lian Elizabeth Jaensch – new member from 14 April 2018 until 13 April 2021

South East Natural Resources Management Board

- Michael Harvie Bleby – reappointed member from 14 April 2018 until 13 August 2019
- Graham John Gates – new member from 14 April 2018 until 13 April 2021
- Faith Siobhan Coleman – new member from 14 April 2018 until 13 April 2021.'

NATURAL RESOURCES MANAGEMENT

93 Dr CLOSE (Port Adelaide—Deputy Leader of the Opposition) (20 June 2018). Has the minister met with all NRM presiding members since becoming Minister for Environment and Water? If so, when?

The Hon. D.J. SPEIRS (Black—Minister for Environment and Water): I have held numerous meetings with the presiding members of the NRM boards since becoming the Minister for Environment and Water.

NATURAL RESOURCES MANAGEMENT

94 Dr CLOSE (Port Adelaide—Deputy Leader of the Opposition) (20 June 2018). Will the minister advise what the future of the feral cat eradication program, managed by the Kangaroo Island NRM Board, will be under the proposed repealing of the NRM Act?

The Hon. D.J. SPEIRS (Black—Minister for Environment and Water): The program is funded by the Australian Government with in-kind support from the Department for Environment and Water and further contributions and support from Agriculture KI, PIRSA, Nature Foundation South Australia and other private philanthropic donors. Programs that address issues of pest control will be a focus of the new landscapes SA act.

NATURAL RESOURCES MANAGEMENT

95 Dr CLOSE (Port Adelaide—Deputy Leader of the Opposition) (20 June 2018). What is the time frame for the Liberal Governments election commitment to repeal the NRM Act?

The Hon. D.J. SPEIRS (Black—Minister for Environment and Water): I have been advised:

The state government's commitment is to have new legislation before the parliament by March 2019.

NATURAL RESOURCES MANAGEMENT

96 Dr CLOSE (Port Adelaide—Deputy Leader of the Opposition) (20 June 2018). What contingency arrangements will be in place to ensure continuity of programs and projects delivered, funded or managed by NRM boards across South Australia as the Liberal government repeals the NRM legislation?

The Hon. D.J. SPEIRS (Black—Minister for Environment and Water): I have been advised:

NRM Boards will continue in their current form until the new landscapes SA act takes effect.

NATURAL RESOURCES MANAGEMENT

97 Dr CLOSE (Port Adelaide—Deputy Leader of the Opposition) (20 June 2018). What is the total funding allocation for all NRM boards in South Australia?

The Hon. D.J. SPEIRS (Black—Minister for Environment and Water): I have been advised:

Total income for NRM boards in 2017-18 is \$81.9 million.

GRANTS AND SUBSIDIES

98 Dr CLOSE (Port Adelaide—Deputy Leader of the Opposition) (20 June 2018). Has the minister identified programs or projects that will no longer be funded as part of the Liberal government's policy to 'focus on practical programs and on-ground works'?

The Hon. D.J. SPEIRS (Black—Minister for Environment and Water): No.

MURRAY-DARLING BASIN PLAN

99 Dr CLOSE (Port Adelaide—Deputy Leader of the Opposition) (20 June 2018). Will the minister rule out using the Adelaide Desalination Plant as part of the efficiency savings measures required as part of the Murray-Darling Basin Plan?

The Hon. D.J. SPEIRS (Black—Minister for Environment and Water): As stated publicly, the state government would only ever consider using the Adelaide Desalination Plant as part of the efficiency saving measures if there was no impact to water prices.

MURRAY-DARLING BASIN PLAN

100 Dr CLOSE (Port Adelaide—Deputy Leader of the Opposition) (20 June 2018). Has the minister sought a briefing on the cost of producing water as part of the efficiency savings measures required as part of the Murray-Darling Basin Plan?

The Hon. D.J. SPEIRS (Black—Minister for Environment and Water): No.

DESALINATION PLANT

101 Dr CLOSE (Port Adelaide—Deputy Leader of the Opposition) (20 June 2018). Has the minister had any discussions with the Department for Environment and Water and/or SA Water regarding the privatisation of the Adelaide Desalination Plant?

The Hon. D.J. SPEIRS (Black—Minister for Environment and Water): No.

QUAD BIKES

In reply to **Ms BEDFORD (Florey)** (16 May 2018).

The Hon. S.K. KNOLL (Schubert—Minister for Transport, Infrastructure and Local Government, Minister for Planning): I have been advised of the following:

1. According to Safe Work Australia statistics, since 2011 South Australia has recorded four fatalities on quad bikes. Two of these occurred while the devices were being used for recreational purposes and two during work. It is not known whether these accidents occurred on roads or on private land.

In South Australia road access for quad bikes is granted under very limited circumstances to primary producers for agricultural purposes and to government departments and authorities for duties directly associated with the department or authority's function. Permission to access the road network for these purposes is under a Gazette Notice issued under section 163AA of the *Road Traffic Act 1961*. Quad bikes registered under this Gazette Notice operate under restricted conditions, including speed restrictions. The Department of Planning, Transport and Infrastructure (DPTI) is currently reviewing this notice to ensure that the conditions continue to adequately address safety risks.

In relation to age restrictions, as the operation of a motor vehicle on roads or road related areas requires the driver to be the holder of a driver's licence, the *Motor Vehicles Act 1959* prescribes that the driver must be at least 17 years of age.

2. In reviewing the Gazette Notice that sets out the conditions for quad bikes to access the road network, DPTI is reviewing whether wearing a helmet should be a condition of quad bikes accessing the road network.

NATIONAL RECONCILIATION WEEK

In reply to **Ms BEDFORD (Florey)** (29 May 2018).

The Hon. S.S. MARSHALL (Dunstan—Premier): As the member well knows, Reconciliation Action Plans (RAPs) are a fantastic opportunity for government departments and organisations to achieve reconciliation in a practical way.

To date it is not something that the South Australian parliament has considered. I have taken the liberty of writing to my colleague, the Member for Flinders, who sits on the Joint Parliamentary Service Committee recommending that he raise it there in the first instance to determine whether that committee can progress the development of a RAP.

I look forward to their consideration of this and I will keep you updated on any advice I receive back.