HOUSE OF ASSEMBLY

Tuesday, 26 November 2024

The SPEAKER (Hon. L.W.K. Bignell) took the chair at 11:00.

The SPEAKER: Honourable members, we acknowledge Aboriginal and Torres Strait Islander peoples as the traditional owners of this country throughout Australia and their connection to land and community. We pay our respects to them and their cultures and to elders past and present.

The SPEAKER read prayers.

Parliamentary Procedure

SITTINGS AND BUSINESS

The Hon. A. KOUTSANTONIS (West Torrens—Minister for Infrastructure and Transport, Minister for Energy and Mining) (11:01): I move:

That standing and sessional orders be and remain so far suspended as to enable remaining private members' business set down on the *Notice Paper* for Wednesday 27 November to take precedence over government business on Wednesday 27 November after the completion of grievances and members' statements for one hour and 15 minutes, with Private Members Business, Bills, taking priority over Private Members Business, Other Motions, unless otherwise ordered.

Motion carried.

Bills

MOTOR VEHICLES (MOTOR DRIVING INSTRUCTORS AND AUTHORISED EXAMINERS) AMENDMENT BILL

Final Stages

Consideration in committee of the Legislative Council's amendment.

(Continued from 14 November 2024.)

The Hon. A. KOUTSANTONIS: I move:

That the Legislative Council's amendment be agreed to.

Motion carried.

STATUTES AMENDMENT (PARLIAMENT—EXECUTIVE OFFICER AND CLERKS) BILL

Final Stages

Consideration in committee of the Legislative Council's amendments.

(Continued from 14 November 2024.)

The Hon. C.J. PICTON: I move:

That the Legislative Council's amendments be agreed to.

Motion carried.

NATIONAL ELECTRICITY (SOUTH AUSTRALIA) (ORDERLY EXIT MANAGEMENT FRAMEWORK) AMENDMENT BILL

Second Reading

Adjourned debate on second reading.

(Continued from 13 November 2024.)

Mr PATTERSON (Morphett) (11:04): I take the opportunity today to speak in parliament about the National Electricity (South Australia) (Orderly Exit Management Framework) Amendment Bill.

The DEPUTY SPEAKER: I assume you are the lead speaker?

Mr PATTERSON: Yes, I will be the lead speaker. Do not fear: I will not be speaking for an onerous amount of time. In terms of this amendment, it is another one of those batches of reforms that come from the Energy Ministers' Meeting. In particular, this bill looks to make amendments solely to the National Electricity South Australia Act 1996.

The bill was, of course, brought into this house last sitting week. In between sitting weeks, the government gave me a briefing on this. I certainly thank the officers involved in that briefing. They went through the reasoning for this bill, the intention of the bill and then answered questions that arose out of that.

I was also advised during the briefing that the government wants to accelerate the bill through both houses, the House of Assembly and the Legislative Council, this week. Usually what happens is that it comes through the House of Assembly, it is investigated and if it does pass it then sits in recess between the houses between sitting weeks to give the Legislative Council time to look at it; but for whatever reason this bill needs to be put through.

Obviously there are pressures, and with Christmas coming, this may well be the last sitting week. At the briefing, the hope was that this bill could be passed. The energy ministers from around the country are meeting again in early December—I think 6 December—and they hope to have it passed by then.

I have explained previously with these national energy laws that, as South Australia is the lead legislator for the national energy laws, it means that what has been brought through and consulted on by those energy ministers (and their decision to go ahead with it) then comes into the House of Assembly in South Australia with the effect being that when it is passed it filters through to all the other states that are bound by the national laws.

The convention for such changes to these national energy laws is that these legislative amendments are supported by the opposition. As has been the case previously, I indicate that the opposition will be supporting this bill and will follow up in terms of moving this bill through expeditiously. The opposition is certainly not looking to delay the bill or draw out debate on this bill.

I will endeavour to keep my comments reasonably brief. I came down with a bit of a virus last week so that will inhibit me as well and will be another reason for me not to speak at such length as maybe I usually do on every issue. I also indicate we will look to go into committee—there is not an onerous number of clauses—to reinforce some of the issues that came up in the briefing.

We have this bill coming before us with the nomenclature, which a lot of these bills do, of 'orderly exit management framework', so maybe putting rose-coloured glasses on what is really happening in the energy space. Here in South Australia, we are at a time when South Australians are facing unprecedented energy costs. They have record-high power bills. There are warning signs from the market bodies around what the liability prospects of our electricity supply are going forward, so there are real issues there at that level.

In terms of this bill, I was informed that the real core part of it is around allowing governments to manage the early exit of thermal generators, seeking what the alternative options are to replace the capacity of a thermal generator that is leaving or, in most cases—certainly at the moment—seeking an extension to the closing date of the thermal generators because of the very real impacts that occur to energy reliability and security here. That is what the bill is about.

The genesis of the bill goes back to November 2023, I was informed at the briefing, when the energy ministers agreed to opt in to this orderly exit management framework that is then going to be part of the operation of the National Electricity Market. At the briefing, I was informed that the framework is designed to give government the tools to manage the early exit of thermal generators, as I said, to ensure that the exits do not destabilise the grid or leave customers exposed to blackouts.

As I said previously, what is the situation like on the ground? The market bodies are putting out information around that.

South Australia, as I said, is the lead legislator. It has this bill now coming before us in parliament, but the reality is: why would we need to? We have to really ask the question. Yes, while it is quite obvious in parts of the National Electricity Market that having this ability to keep thermal generation in the market is becoming more and more prescient, you really do have to ask why this is necessary in the first place. You would have to say it is actually a really true reflection and a direct result of what have been reckless and poorly planned energy policies by governments: the Malinauskas Labor government here in South Australia and, of course, their predecessor the Weatherill Labor government.

The chief cheerleader and ringleader as well is the federal Labor government, led by the hapless Prime Minister, Anthony Albanese. He has no grasp of detail and has just given this responsibility across to the climate and energy minister, Chris Bowen. You would have to say the actions of Chris Bowen put those things in order. He concentrates all on climate, and pigheadedly so, with the result being chaos in the energy markets.

Now we have the federal government doubling down on this aim to have a massive rush toward renewable energy. The most complicated electricity grid in the world, which is the Australian national energy market, is to be transformed by 2030, so that 82 per cent of it will be running on renewables. All the push for that has no consideration around let's do that push but make sure that energy remains reliable and affordable. No, it is all about that headline rate, and no detailed plan around how that is going to come about other than a promise that this can all be backed up with energy prices coming down in 2025 by $275.

We have the federal government pushing that, the state Labor government pushing that, and certainly the case here is that South Australia is pushing down that path too, really focusing disproportionately on emissions. We have this great race to go down there, and then of course all these dreams of energy ministers when they sat down back in November have been punched in the face, basically. Reality has mugged them, and they are saying, 'Actually, now we realise that base load generation is vitally important because it is so substantive.' It is not only the amount of energy it produces at a point in time—some of them are gigawatt scale; others are half a gigawatt—it is the amount of megawatt hours they produce over the course of a year as well and the implications that has on reliability and capacity generation.

The energy ministers have been mugged by reality, and therefore we now have this bill before us. The rush is on to get this bill through both houses this week so that the minister can return to the Energy Ministers' Meeting in early December. What is the rush? Is it to avoid scrutiny of what is a policy failure? Is it because they need to deal with another imminent shutdown? Who knows? We do not have that visibility before us. That is what we have before us now.

We have had a number of energy bills come through this place over the last two years. As they have come through, I have made points that for the vast majority of them the changes have been about giving the market bodies—the Australian Energy Market Operator or the Australian Energy Regulator or the Australian Energy Market Commission—increased powers to collect data for more transparency and not bringing power prices down by encouraging more supply-side generation and to have that in place before retiring base load generation.

At least with this bill there is a change in approach now. Maybe they have got the message. I am certain at the Energy Ministers' Meeting they would take these comments into account. Surely they have received the message that changes to these energy laws should not be about giving market bodies extra powers. Instead, here we have a bill that is now giving energy ministers in each of their jurisdictions more powers. You might say that there are things to be wary of, and energy market bodies have experts working there. However, what this bill does is give powers to these ministers to keep retiring base load generation in the market. It is not so much getting new supply into the market; it is just keeping the base load.

I suppose they heard the message I have been pushing around base load generation. The interesting thing here is—and it should be made a point of, and we will do so as we go through—that the ministers have that power to keep base load generation in the market, but, strikingly, it gives

ministers the ability to directly have charges involved passed on to households and small businesses for the privilege.

We need to be going into this with eyes wide open. Certainly, it cannot be emphasised enough that it would have to be a huge embarrassment for both this state's energy minister and the federal energy minister that we are even having to bring this into parliament, because it really does reinforce a huge policy failure that has occurred here in South Australia, and this contagion now is spreading to other parts of the network. That relentless rush to renewables is having an effect where base load generators are retiring early before there are cost-effective and reliable alternatives in place to take account of that base load generation.

The changes that we see before us, this instrument, the orderly exit management framework, is a direct result of governments and their policies, with the South Australian Labor government leading the charge. There is no question that they have allowed an unmanaged and government-subsidised flood of renewable energy into the market that has had the direct result that base load electricity generation is now having to retire because of age and economic reality.

However, you have the situation now that these same governments have spent wads and wads of taxpayer money on this policy of pushing very quickly and rapidly renewable generation into the market, and you have to ask the question: is there the technology around to enable that to happen? These same governments now realise that they require this base load generation to avoid blackouts because it then protects them from voter backlash.

That has gone and now, to add insult to injury, ultimately the costs incurred by these generators remaining open will be recovered from each applicable jurisdiction's electricity customers. We have subsidised at the front end, at the renewables end, and now customers are having to pay at the back end as well, all at the same as they are paying huge electricity costs, huge power bills—and I will certainly cover that a little bit further on.

You would have to say that these ministers, when I am talking about the risk of blackouts, are basically doing it to save their backsides. I think the name of the direction here in this bill is a 'mandatory operation direction' (MOD). It really could be like the MOD is a ministerial backside-covering direction because that is what is needed here, because we have seen the importance of base load generation in our electricity system.

Just recently in New South Wales that Labor government entered into a voluntary agreement for Eraring power station to stay open for longer to extend its life until I think 2027. It was due to close in 2025. It is a massive electricity generation, 2.8 gigawatts. That is huge; that is nearly South Australia's peak electricity demand. We are around the three-plus gigawatts, so that just puts it into perspective. Victoria has also entered into agreements for Yallourn and Loy Yang.

Of course, in South Australia we are familiar with the necessity of base load generation. We saw under the former Weatherill Labor government what the impact was when big base load generation units left the market. The Northern power station was allowed to close. There was the opportunity for a voluntary agreement, but that was ignored and the result was that once that exited the market wholesale prices went through the roof because there was not the replacement generation capacity, both in terms of instantaneous output but substantially in terms of the amount of megawatt hours produced over a year, to be able to recover this closure, when it could have been kept open.

Wholesale prices, when it was all said and done, unfortunately, people had to go through the impact of it and wholesale prices increased 25 per cent between the time that that power station was closed, and I think that was over the first year and a half, as the market tried to recover from that. That had a big impact on customers' bills, I think an estimated $250 extra per South Australian—they had an extra $250 added onto their customer bill because of this. That really emphasises the impact of these base load generations and what that means.

It is important. Certainly the former Liberal government, those on this side, understood the importance of dispatchable generation, and when in government set about to really work hard to address that situation: base load generation, dispatchable generation, basically effectively being able to put energy into the market independent of the weather conditions so it is there.

As I have said previously, these closures and the need for this framework really talk to the whole energy trilemma that people like to talk about: taking into account affordability of electricity, taking into account reliability of electricity, and then taking into account emissions reductions as well. If one is emphasised over the other two, it really does cause big effects. You cannot just push very hard in one direction and not expect there to be a counter-reaction with the others. What happened at Northern power station is a direct result of when you push emissions too quickly. You need to work these in unison and concentrate on each aspect of this, which is exactly what was done while we were in government.

Now, of course, we are talking through what the impact is on the situation. We have a government which took no plan to the election to ensure that electricity was affordable or reliable, and at the same time the current government, this Labor government, are pushing emissions targets with seemingly no concern for the impact of what it will mean for South Australians. We see the consequences of this being felt by South Australians and businesses every day.

It is worth considering what the situation is like in SA as we sit here in parliament talking about this orderly exit management framework. There is no doubt that the power bills and the prices that South Australians are paying for their power bill is a huge factor. Each year, the Essential Services Commission of South Australia puts out the average household electricity bill and the average small business electricity bill for the financial year for the periods of July of one year to June of the next. As I have said before in this place, the latest report that came out has shown that for South Australian households the average electricity bill has now risen to $2,621, which is the highest ever recorded in South Australia.

In particular, the report showed a number of things. That record high electricity price was the result of the average family seeing their average electricity bill rise by $411 between 1 July 2023 and 30 June 2024. As I said, these reports come out each year. This is the third report that has come out under the Malinauskas Labor government, and each of those reports shows that household electricity bills went up and continue to go up. This has a huge impact.

Look at what this does if you break it down into a quantifiable example. We have South Australians such as pensioner Rick Wahlheim, who explained that paying the power bill has been getting tougher and tougher, with his most recent bill rising from $900 a year to $1,400 a year. These are big increases and it speaks to what was shown in the ESCOSA reports, where electricity bills had gone up for the three reports in a row and that household power bills have increased by 44 per cent over these reports, or $798 a year. Those are massive increases there for households.

For small businesses, it is a similar result as well. The ESCOSA report showed that the power bills for the average South Australian business rose by a staggering $791 just in the last report period, 1 July 2023 through to 30 June 2024. That means the average power bill for a small business is now $5,364, the highest ever recorded by ESCOSA. Under this Labor government, we have seen small businesses have their power bills jump by $1,685. That is an increase of 45 per cent.

We know that the cost of doing business is going up in South Australia across multiple areas, with inflation driving a lot of this. Certainly, these skyrocketing power bills are having a big impact on South Australians, to the point where we are paying the highest prices for electricity. If you look at capital cities, between Adelaide, Melbourne and Sydney and Brisbane it is people in the South Australian capital, here in Adelaide, who are paying the highest price for their electricity, which is a real concern.

It is the same with business. We have had businesses come forward and talk through what the impact of this has been. I have spoken previously about Nippy's. They have had their energy bills doubled. Despite using less electricity than the year before, their electricity bill has doubled. The implication is that the factory cannot run at all times, because the power bills simply get too much. This could then, of course, with their products have a direct impact on everyone's grocery bills as well.

Another example is, of course, Vili's, who are famous for their pies, pasties and sausage rolls. They employ 350 people and they have been going for over 50 years here. It is a fantastic bakery and a great supporter of community sport as well. They sponsored Norwood when I was playing there, so there is certainly much affection from me towards this great company. They have

seen their power bills go up by 18 per cent compared to last year. This is going to result in them increasing prices.

In terms of people's grocery bills, Drakes employ 6,000 people and they have seen their energy bills increase too. Their 2023 bill was $10 million. They are estimating it is going to go up to $14.5 million this year. This is a supermarket that needs to compete with the big giants, such as Coles and Woolworths, and so there is a huge concern that the bill shock that is being felt by a lot of the agricultural food producers and supermarkets where we buy food will have a flow-on effect, a direct impact on everyone's bills here.

I think one of the quotes around this that was published was by Drakes, saying that one of the reasons for the spiralling bills is this rush to shift to renewables. I think this is the reason we are paying so much more for electricity, because we are trying to go to all renewables. This speaks to my comments earlier in the contribution around this push and now people realising there is a cause and effect. The effect is that some of the substantive reliable base load is leaving early. It is going to cause even more bill shock if they leave early, and hence the need for this reactive bill to come in to try to shore that up. That is important.

I talked about the effect of the Northern power station on wholesale power bills. When that closed, it took a long time for that to correct itself. I talked about the impact on bills. I think it was not until the second quarter of 2020 that the average quarterly wholesale power price that AER reports on came down to be at a level that it was before the power station closure in 2016. You can see a long lag time, but now we have wholesale prices in South Australia again surging.

The AER released their quarterly wholesale power prices, and the wholesale power prices here in South Australia for the third quarter, the July to September rate, were massive; it was $201 per megawatt hour on average. To put that in context, I think that is 42 per cent higher than the next state, so we are head and shoulders above other states here in South Australia. I think the next state was $142 a megawatt hour. This is hugely concerning.

Prices increased by 35 per cent between quarter 2 and quarter 3. The ESCOSA report said these are the power prices South Australians are paying up until June and now we have surges in wholesale prices in the three months afterwards. It is a real concern for both the households and the small businesses that are crying out for support here when only three months later we have found that wholesale prices have increased by 35 per cent. How this is playing out, of course, is South Australians are experiencing elevated energy debt that is growing, unfortunately because they are struggling to pay the bills.

The AER put out the 'State of the energy market' recently and it showed that the residential energy debt for South Australians has hit $1,379 per customer, the highest in the country. Further to that, to reinforce it, the precursor is also the customers on hardship programs. That has risen to be the highest proportion in the nation, too, at 2.4 per cent. That is a record high amongst the other states. That just shows more and more that customers here in South Australia are struggling under the way that the energy market is being rolled out here in South Australia, and now we have this bill before us as well.

While that is going on as well, pertinently to this point about orderly exit management as well, under this current Malinauskas government taxpayers did a similar thing. I have laboured the point about statistics but in terms of what these statistics bode for and what they represent, we have to always humanise it really, and I tried to do that through the families and the businesses. It represents families that are struggling to make ends meet, and small businesses fighting to survive, and ultimately a state economy that is being held back by poor energy policy.

There is a lot of discussion around economy. We really need to focus on what the effect is on the private economy here. A lot of the economic increase has been from government spending. We have to get to a stage where it is the business sector, private enterprise, that is pushing this—and a real handbrake on that is energy policy.

In this environment, we have seen this government do effectively something that is envisaged here in the framework where, under this government, taxpayers were forced to foot a $19.5 million bill to keep the Torrens Island power station operational, the B unit there. The costs, as

I said, have been passed on to consumers. This is an example of what has happened. Again, that, at the time, showed the pressures that these base load generators are under and should have been a warning to both this government and other governments around to be careful around how they roll out this whole energy transition. But, as I said before, we have the federal energy minister certainly leading the charge, just pushing recklessly towards an 82 per cent target for Australia wide, and that is having an impact.

At the time of the TIPS B, as its known, closing down, the energy minister has tried to blame the interconnector to New South Wales for that. But you would have to say the merits of the interconnector speak for themselves. I do not see the minister trying to actually stop the interconnector to New South Wales from happening because it is a vital piece of infrastructure that was championed by this side of the house that will ultimately, when it is in operation, provide a high level of energy security and reliability here because it allows South Australia to export excess renewables. It also provides for when there is a shortfall in South Australia for us to gain energy not only from Victoria, where we have an existing interconnector, but from the big New South Wales' market as well. So that will help us, and it will help keep prices down as well.

It also becomes critical by having redundancy in this interconnector if one of them goes down because of storm damage. We saw the storm damage that occurred in South Australia in November 2022 when the Victorian interconnector went down and the South Australian energy market was islanded. Straightaway, wholesale prices went up, which of course ends up landing on South Australian households' electricity bills.

It is a vital piece of infrastructure, and the interconnector is not in place at the moment. TIPSB was already having to battle through competing against the swathe of renewables entering the market. It also has to deal with the government's hydrogen power plant coming online. Keeping TIPSB spoke to the importance of gas and that is so vital to the underpinnings of this whole rollout.

Recently, we have seen that it seems the government's hydrogen power station is going to be heavily reliant on gas in the first years of its operation. The government put out a tender for that power station to be supplied for up to the first two years with substantial amounts of gas that will be trucked in by B-double diesel-powered trucks. It needs up to 7.2 terajoules a day to allow it to run for four hours and up to 1,100 terajoules a year, so it is not just, as has been proclaimed, to have the power station start and then kick over.

It really speaks to the fact that it is going to be backed up and heavily dependent on gas, which, as we have seen more and more, is going to become vital to the energy security of not only the South Australian energy market but also the Australian energy market as well. AEMO has said we are going to need 15 gigawatts of gas come 2050 to back up the electricity system here.

You have the ambitions that are there and then the cold hard reality. As I said, really the impetus for having this bill land here is the cold hard reality of the existing technology available now before us that is required to keep energy affordable and the lights on. That is certainly a further example of the need for an orderly transition here as well.

That is a bit of the circumstances we find ourselves in here where we see this orderly exit management framework to try to manage the retirement of thermal generators. Going through it, it does not address the root cause, though, of what is causing our energy crisis and that is the need for affordable and reliable power. As I said, it really is a reactive measure that is being caused by mismanagement of the system by prematurely forcing the closure of thermal generators without ensuring there is adequate replacement capacity available. Labor governments and their reckless rush have left South Australians exposed to these higher costs. So that is where we find ourselves.

In terms of the framework itself, it has been described that it will be opt-in. We will see in the committee stage what the minister's intentions are for each jurisdiction. When an operator says, 'This generator is going to close early,' this framework will allow for the minister to then investigate what is the impact of that and what are the alternative solutions, and then make a choice: is it the case that it closes, or is it the case that there is an alternative solution, or is it the case that there needs to be an arrangement made with the generator? I should also say that the aim would be, in this framework, that there is an attempt made for a voluntary agreement prior to any mandatory agreement being put in place.

In terms of stakeholder feedback, it is fair to say that a lot of the feedback would have been from the generators, which you would expect. Largely, you would have to say that the energy companies and the generation companies that would ultimately be subject to this law are certainly of the view that voluntary agreements are superior to having a mandatory operational directive imposed. If you look at Alinta Energy's submission, they made the following statement:

> Alinta Energy considers the orderly exit management framework unnecessary and that voluntary negotiations between the project operator and the jurisdictional government are superior to a mandatory mechanism.

Other stakeholders include the Australian Energy Council, the peak industry body for both electricity and downstream natural gas businesses. They are operating in the competitive wholesale and retail energy market. The submission from the Australian Energy Council noted that:

> There are practical challenges associated with regulating the ongoing operation of generators with bespoke operating requirements. It is therefore crucial that the OEM framework, if implemented, acts only as a last resort measure and that due regard is given to existing regulatory arrangements supporting an orderly transition.

Those are some of their comments.

It is interesting that a few other submissions touched on the potential for there to be an investment disincentive by having this in place. Usually when a generator closes, that would be a signal from the market that there is a need to replace that with generation; whereas if there is the potential that a generator is going to close and there is a question of whether it will or will not be extended, that may mean investors wait it out pending a decision on whether the generator is forced to extend its life. Potentially, also, you might have investors thinking, 'There is an alternative solution: maybe we could look to take advantage of the fact that customers will ultimately have to pay for an alternative solution, so instead of keeping it open, maybe we could look to get some customers to pay for it as mandated.' So there are a few comments around that.

Ultimately, what is required to ensure that this does not come forward to us is to have more dispatchable generation in the market and, certainly, we need to encourage that here. In conclusion, it is fair to say that South Australians, as I have said, are in a high-cost environment at the moment and they are feeling it. They deserve an energy system that works for them. As I said, South Australia is the lead legislator here, so the convention is for these changes to come into effect nationally by passing through the South Australian parliament. As such, the opposition will allow that process to occur for these amendments to the energy laws to pass through the South Australian parliament.

In so doing, it certainly should be made clear that these changes just reinforce the impact that a reckless rush to renewables is having on the energy markets in South Australia and Australia more broadly. Putting all our eggs in one basket, just going all in for having only renewables: this will be the result. In turn, the ones that ultimately have to pay for these policy positions of governments are not only paying for it in their current electricity bill but we know that they will now have to pay for it in their bill because it will be passed on to them via this framework.

Again, South Australians are having to pay for it, whether that is households, working families, pensioners on fixed income, small businesses or large businesses, through ever-increasing power prices. The fact that this bill is even in here just highlights Labor's policy failures of going all in on renewables. Having this here in this parliament is just a desperate attempt to manage the fallout of poor decisions, rushed closures and misplaced priorities. I made the point that the legislation is not targeting the real need for South Australian families right now, which is to bring down energy bills.

The government needs to be focusing on those measures because South Australians deserve affordable and reliable energy, yet they have been burdened with years of energy mismanagement by Labor governments, which has led to skyrocketing power prices and empty promises around where it is heading. The $275 energy bill reduction by the federal Labor government has been shown to be an empty promise; in fact, prices have gone up in South Australia by $798 in that time. The opposition is calling on the Malinauskas Labor government to focus on real solutions that will lower energy prices for South Australians during the cost-of-living crisis.

Mr PEDERICK (Hammond) (11:52): I rise to speak to the National Electricity (South Australia) (Orderly Exit Management Framework) Amendment Bill. It is good to follow such an excellent summation by the shadow minister, the member for Morphett, of why this has come in

place. Certainly, my view of the world is that it is at least 15 years too late. This sort of legislation should have been in place before the rush to knock down power stations, coal-fired power stations and gas power stations, with the headlong rush into heavily subsidised renewables.

What we have seen is a whole change of dynamic here in South Australia mainly, because we do have very good coverage of renewables. I think at times we can generate 100 per cent renewable electricity, but they are very rare and far between. The issue with renewable generation is that you have to overbuild the resource by about four times to get enough capacity. At night, obviously your solar panels are not going to work. If the wind does not blow, the wind farms will not operate—apart from the fact the proliferation of these types of technology is causing quite a bit of angst in rural communities.

What we used to have in generation of power was the old J tariff, the night tariff, where you would want to run everything at night because we had base load humming away in South Australia, generator base load from either coal or gas. Because of the lack of industry operating at night and the lack of other demands, it was best placed to get a cheaper electricity rate by operating at night.

What has happened now and over the years is with the renewables that have come online we are encouraged to operate during the day. That is certainly what I have found and I have had solar on my farmhouse for many years now. I came in on the second round of the scheme. I missed the 44¢ per kilowatt-hour scheme.

What is interesting with the proliferation of solar panels, especially on household roofs, is that AGL have suddenly decided that they are going to reduce—and I think they may have already—the payment per kilowatt hour. It had dropped to 5¢ a kilowatt hour and now it is dropping to 4¢ a kilowatt hour. Obviously there is legislation in place due to the amount of solar now, and occasionally people may not be able to export that electricity from their properties.

It is a huge issue in this state and there should have been an orderly exit management framework, or something of its ilk, long ago—as I said, 15 years ago when there was a rush headlong into these renewable technologies. Mind you, when these renewable energy systems are not functioning anymore, when these technologies have reached their end of life, whether it is a wind turbine that has done its 30 or 35 years or whether it is a solar panel that has reached its end of life, essentially the waste will all be buried. Those were the answers I was given from the environment minister, the member for Port Adelaide, when we were discussing the bill earlier this year in regard to how the waste would be dealt with and she indicated that it would be dealt with like all other waste. Essentially, that is what is going to happen.

The issue we have is that probably up to two thirds of the power generated in the national energy market, which is essentially the eastern side of the country we are connected to, is still coal powered, and because of the demonisation of both coal and gas there are coal-fired power stations that, as they generating electricity, are literally falling apart.

We still need that power generation as we move forward and we certainly need gas. We have even seen the government now with their hydrogen plan, which I believe will not work because it is essentially going to be gas turbines and, if there is some way of generating hydrogen, there might be a little bit of hydrogen going through them. As the shadow minister indicated, that is after the gas is trucked in with B-double trucks and many, many tonnes of gas. That is hardly green energy.

Coupled with this hydrogen experiment is the fact that there will be thousands of wind turbines, thousands of solar panels and, from what I have been told, an 80 per cent loss of power from renewable energy to the hydrogen plant. It is totally experimental and you see people like Twiggy Forrest (Andrew Forrest) turning their back on it—he is at the forefront of trying to find energy solutions for his mining operations—and certainly Origin Energy.

That is what worries me: that we have a project that has been budgeted at $593 million, it has not had that budget expanded for three years, and obviously the costs for every other business operating in the state have gone up remarkably, one of those being the price of power, which is not only hurting domestic users of electricity but also putting businesses out of business because the power costs are just over the top.

We recently saw with Bestons' two factories at Jervois and Murray Bridge—and they are struggling at the moment and on a thread—that when the Japanese firm Megmilk were looking at investing in the factories they just looked at the power costs and said that it was just not viable to keep that operation going. With the troubles there I have certainly been working with the member for Finniss to do what we can to make sure that whatever happens with those two milk plants we can keep them operating into the future in a viable manner. It is not as if there is a lack of interest in the businesses, but it is a matter of getting there, and it is a matter of keeping jobs for South Australians and those 170-odd jobs in my electorate.

What we saw with this headlong rush—and we were sitting the day the power went out in September 2016. It was about 4.23 in the afternoon—I do not have the exact date—when we lost all power across the state. I have never seen anything like it. That was under the previous Labor government when the whole state just went out. We never saw anything like that, nowhere near it, in the time we were in government, the Marshall Liberal government.

The thing is we looked at what needed to be done into the future, especially in regard to EnergyConnect, the new interconnector into New South Wales. That is a vital part of the equation. But some of the stakeholder feedback in regard to this energy framework exit plan is that many of the people who are involved in this are of the view that voluntary agreements are superior to this plan. Certainly, Alinta Energy made the statement that they consider the:

> …Orderly Exit Management Framework (OEMF) unnecessary and that voluntary negotiations between the project operator and the jurisdictional government are superior to a mandatory mechanism.

The Australian Energy Council is the peak industry body for electricity and downstream natural gas businesses operating in the competitive wholesale and retail energy markets. The AEC noted:

> There are practical challenges associated with regulating the ongoing operation of generators with bespoke operating requirements. It is therefore crucial that the [Orderly Exit Management] Framework, if implemented, acts only as a last resort measure and that due regard is given to existing regulatory arrangements supporting an orderly transition.

Certainly, as I discussed, this instrument is a direct result of governments allowing an unmanaged and government-subsidised flood of renewable energy into the market that has had the direct result of base load electricity generation having to retire because of age and economic realities. Too many times we have heard in here, especially from the Minister for Energy, that it is the cost of bringing on gas-fired generation that is the issue. No, the issue is gas-fired generation is struggling to compete with the heavily subsidised renewable generation of electricity which, just by its very nature, does not work all the time.

We need base load, and economical base load, to assist in running this state. These same Labor governments require this base load generation to avoid blackouts and thereby protect themselves from voter backlash. Is that not interesting? Ultimately the costs incurred by the generators in remaining open will have to be recovered from the applicable jurisdictions' electricity customers, who are already struggling with the cost of power in this state.

The former Weatherill Labor government refused to enter into a voluntary agreement to keep the Northern power station open. Instead, the closure saw power bills skyrocket. The Malinauskas Labor government, in November 2022, reached an agreement with AGL to keep the Torrens Island B power station open, and the cost to do so was $19.5 million. That was passed on to South Australian consumers through an increased SA Power Networks network charge in their power bills, so there are more costs to South Australian consumers. We are seeing that at a time when the electricity bills in this state are the highest in the nation and as the Malinauskas Labor government adds another $19.5 million to this burden on families and businesses to pay more for their electricity bills.

What we need to see is orderly work. We certainly need to see it in regard to gas-fired generation, which will be needed until at least 2050, because we need some thermal generation to make sure this state and this country works. Certainly, we need to take a serious look at the federal Liberal and National parties' proposal of nuclear if we are going to go anywhere near net zero. If we are going to go anywhere near net zero with power generation in this state, in this country, that is

where we should be looking as a base load supplier working around all of these renewables that we certainly have in this state.

The shadow minister mentioned the Heywood interconnector. When that had a couple of towers blow down back in 2022, not far from where I live, up between Cooke Plains and Tailem Bend, it caused a major frustration. It essentially shut that interconnector down and left just one interstate connection of that underground interconnector, through the Riverland. It caused a massive issue in the market on this side of the country, and obviously there are issues with a lack of being able to not only export but import electricity on that interconnector, which is so vital.

That is why, prior to the 2018 election, it appeared that all sides were keen on the EnergyConnect proposal to build the interconnector through to New South Wales. I note that the South Australian side of the project has been built. When it gets completed, it will be a major support for the amount of renewable energy that we generate in this state, in that we can export it and then can also import thermal-generated energy to come back if we need it.

I want to talk about the EnergyConnect project a bit and note that construction of the South Australian component of Project EnergyConnect, the new high-voltage transmission line between South Australia and New South Wales, has been completed—these were statements made at the end of 2023. Project EnergyConnect is the largest transmission project ever delivered by ElectraNet. The transmission line covers 206 kilometres from Robertstown to the South Australia-New South Wales state border. It includes South Australia's first 330-kilovolt substation at Bundey.

ElectraNet Chief Executive Officer Simon Emms said that Project EnergyConnect is a transformational project for South Australia and the National Electricity Market. Project EnergyConnect is the latest in a series of major network projects delivered by ElectraNet in the past five years, essential to enabling South Australia's clean energy transition and net-zero goals. A quote from Simon is:

> The interconnector strengthens South Australia's position as a leader in the transition to a low-carbon economy and enhances our ability to export our abundance of renewable energy resources. As well as unlocking renewable energy developments, it strengthens South Australia's power grid, and will deliver price savings for consumers. Once in full operation the new interconnector is expected to deliver bill savings of $127 for a typical South Australian residential power customer and between $6,000 and $18,000 for business customers.
>
> Project EnergyConnect is already contributing to South Australia's clean energy future through new renewable energy developments in excess of 2 gigawatts including wind, solar and batteries that are now proposing to connect to the grid.

I note some comments at the time from the South Australian Minister for Energy and Mining, Tom Koutsantonis, who said:

> I congratulate ElectraNet for completing the South Australian side of Project EnergyConnect.

I further quote:

> The Malinauskas government now looks forward to final investment decisions being made by the many renewable energy companies which intend to use this link to the NSW market. South Australia has plenty of sun and wind resources which can be harnessed as energy for sale to NSW.

They were comments from the minister near the end of 2023. In question time last week we had some interesting comments from the minister. In answer to a question the other week on, 12 November, the minister stated:

> There are a number of factors in South Australia that are hard to overcome. One of them is the number of customers per line of transmission across the state and the distribution lines. We have one of the longest and skinniest grids anywhere in the world with the fewest customers on it. It makes up nearly half of our bill. Members—

and this is the interesting line—

> opposite forced South Australians, and the people of New South Wales, to pay an extra $2.6 billion, or more, I think, to put up a brand-new interconnector that is still not operational.

Here is a minister who a year ago was praising the building of this interconnector. He chops and changes with his view of it, but he knows as well as I do that this will be a vital connection link between our states to not only bring down power prices but stabilise the market because of the lack of thermal generation in this state.

I look forward to the discussion as we go into committee on this bill. One thing we need to do in this state is stop power prices going through the roof and look after the citizens of the state in their homes and their businesses.

The Hon. A. KOUTSANTONIS (West Torrens—Minister for Infrastructure and Transport, Minister for Energy and Mining) (12:12): I thank the house for consideration of the bill and I look forward to its speedy passage through this house and the upper house. I will make a few comments on some of the remarks I heard from both the member for Hammond and the shadow minister—an interesting revision of history.

The member for Hammond laments the amounts of thermal generation in the state, yet is passionate about greater interconnection—the two are linked. Every time you interconnect you lose thermal generation. It was part of the regulatory investment test the government, of which the member for Hammond was a member, championed. In their regulatory investment test the previous government championed the fact that this would displace gas-fired generation in the state.

He talks about chopping and changing. The danger of having a little bit of knowledge, and what you say and understand what you have put in print and what you have submitted to the regulators to pass a regulatory investment test—the member for Hammond, in the government he supported, said, 'Build the interconnector to displace gas, to displace thermal generation in the state.' Yet, he gets up in this house and purports to tell the people of South Australia that the interconnector will give us more thermal generation.

Mr Pederick interjecting:

The Hon. A. KOUTSANTONIS: Here we go, the member for Hammond just said, 'Yes it will,' despite the fact that we know that when Heywood was built it displaced Port Augusta. We also know that when—

Mr Pederick interjecting:

The Hon. A. KOUTSANTONIS: Congratulations, and usually from some of the bigger jurisdictions to the smaller ones. Hence the regulatory investment test that members opposite put their names to.

The other part that I wanted to talk about as well was the shadow minister talking about this government's push to put subsidised power, renewable energy, into the system that has displaced thermal generation. What subsidised power did we put into the system? What subsidised grid-scale power did we put into the system that displaced thermal energy? I am trying to think of the subsidy scheme. Could it be the subsidy scheme that the Greens and the Liberals supported and amended, that the solar feed-in tariff was meant to be for five years and they made it for over decades long, because there is no grid-scale subsidy at a state level; this was commonwealth subsidies. I am just trying to look and think about what scheme he is talking about.

Perhaps when we get to the committee stage, he can inform the house of this subsidy scheme that the state government supported. The only subsidy we put in place was to build two gas-fired generators, which members opposite promptly sold. That is not fact. Let's not let facts get in the way of a good story here. This is an important piece of reform. This reform will allow the orderly exit of generation caused by gradient to connection, caused by the transition that is occurring. It is not caused by anything else other than market conditions. Because members opposite privatised this system and we do not own the generation that we have anymore, it is important that we have a regulatory process in place to make sure that we can have an orderly exit of generation because the system is a physical one and it relies on the laws of physics.

We need to have sufficient generation in place to meet demand. Renewables can do that, they need to be firmed and they can be firmed by either interconnection or thermal generation, and there needs to be an adequate mix of both. So I thank the member for his support of this legislation. What is the rush? There is no rush. In terms of the humiliation he was talking about, I will let the Liberal members on the energy ministers' council know what his views of them are when I host them in December and I read out his remarks in *Hansard* to the assembled Liberal energy ministers who are ringing me and asking me when this is going to pass. Again, it is not draughts; it is chess. I look

forward to the passage of this legislation and I look forward to the informed questions of my colleagues opposite.

Bill read a second time.

Committee Stage

In committee.

Clause 1.

Mr PATTERSON: Can the minister give an overview of some of the cost considerations, and how the costs keep a power station that is subject to one of these mandatory operations directions, how those cost considerations will be arrived at and will they take into account capital upgrades, maintenance, fuel costs, insurance, and also other costs that may be incurred along the way? I think there was discussion in the framework around paying the market bodies for some of their research, so if you could elaborate on that, please.

The Hon. A. KOUTSANTONIS: Any generator wishing to access, who has given notice of an exit and who is subject to this framework, will be required to provide information to the Australian Energy Regulator about costs: operational costs, insurance costs. The AER will then make an independent determination and that determination will then go to the jurisdictional minister about what level of cost can be passed through to consumers to keep the generator operational. Those costs will be determined by the AER and the AER will then make a recommendation to the minister. Subdivision 3 provides:

> (2) A payment order may specify the payments a MOD generator is to receive for the following:
>
> (a) the reasonable costs directly related to operating and maintaining the relevant MOD generating unit and, in accordance with the Rules, a fair margin on those costs;
>
> (b) a risk management margin, including risks associated with the relevant MOD generating unit being inoperable for 1 or more periods of time;
>
> (c) other costs prescribed by the Rules.

The payments must be determined by the AER in accordance with the rules. The minister will then take into account the cost of AEMO and the AER in making these determinations and then make a decision about what can be passed through.

Mr PATTERSON: Thank you for that response. In terms of these costs, there are two parts to that. Firstly, will these costs overall be made public or will it just be a final figure? Will there be a breakdown and will it take into account, when you talk about operational costs, the fact that some of it may be variable as well? How will that be put through into the costings so that it is transparent?

The Hon. A. KOUTSANTONIS: Once the Australian Energy Regulator makes a contribution determination, it must be made publicly available as per statute and it must be published in the *Gazette* or in other ways determined by either the Australian Energy Regulator or the relevant minister. I am assuming the AER will give the minister a recommendation on how to publish those in the *Gazette*, and I am assuming that is what will be followed, and then that contribution and determination will be passed on to the distribution networks for collection.

The CHAIR: Any further questions?

Mr PATTERSON: Yes, I have one more on this one. So I take it that it will be overall, and I am assuming it will be broken down and transparent and not just a big lump sum. You said that it is then given to the distribution network provider. Can you talk through how that process then follows for customers? Ultimately, as it appears to me and as has been explained to me in the briefing, the distribution network provider gets charged as prescribed by the AER and then that distribution network provider then on-charges that to every customer who touches the distribution network, which is effectively all electricity customers. Maybe if you could explain the process and how it takes into account the operational cost and the risk margins. Is there a flat fee or if it is a variable fee, how does that get estimated so that it appears as a charge? Is it an annual fee, ongoing, etc.?

The Hon. A. KOUTSANTONIS: I suppose the easiest answer is one that members opposite will have the most familiarity with, which is when you decided to build Project EnergyConnect and

those costs were passed on to consumers; it is exactly the same process. To pay for the half a billion dollars' worth of ElectraNet cost to build Project EnergyConnect, which was passed on to consumers and which they will be paying for once that is operational, it is exactly the same process. Section 118AZC provides:

> 118AZC—Orderly exit management payments by distribution network service providers
>
> (1) The financial vehicle may, by written order, [which is basically a contribution order] direct a distribution network service provider to make payments to the orderly exit management fund…in accordance with the contribution determination applying to the distribution network…provider.
>
> (2) A contribution order must specify…
>
> (a) the distribution network service provider required to make the [orderly exit] payments;
>
> (b) the amount of each payment;
>
> (c) the date by which each payment must be made;
>
> (d) the way each payment must be made;
>
> (e) that each OEM payment must be made to the financial vehicle for payment into the orderly exit management fund;

Basically it is the same as prescribed in the rules now for any other mandatory contribution, whether it be for infrastructure or any other determination.

Mr McBRIDE: First of all, thank you to the government and probably really parliament: I think they recognised the importance of this legislation, these amendments, and looked at it on a national front. My questions to you, minister, will not be to say you have done anything wrong, they are about whether we are really being looked after here in South Australia into the future as best we can be in this unpredictable energy area.

In all that this stands for in South Australia, would you agree that the infrastructure that is left over in South Australia is now only small in generational terms and the real issues belong to Victoria, New South Wales and Queensland because of their coal-fired, old, power stations?

The Hon. A. KOUTSANTONIS: Yes. This framework has been brought in place mainly to deal with Queensland, New South Wales and Victoria. South Australia is the lead legislator. Those states have requested that this legislation be passed quickly to allow them to have an orderly exit framework in place and that is why the ministerial council has determined this to be done at this time.

Mr McBRIDE: Thank you, minister, for that answer. It is exactly as I sort of anticipated. I have to say that I was privileged enough to have a briefing from your staff and really appreciated the time that I was given. The concern came up that these states and this legislation is rolled out to allow the states of Victoria, New South Wales and Queensland around these ageing coal-fired power stations to make a deal that works for those states. What I thought might be missing, minister, is South Australia was not in that conversation, yet we do depend on Victorian power, for example, with the interconnector from Victoria coming across into the Limestone Coast.

We might not be able to participate in making sure this infrastructure is kept going even though it still belongs in Victoria, New South Wales or Queensland. If we are dependent on some of this infrastructure, we are not around the table to convince those states, or even help those states, to keep this infrastructure going for our needs when we do call on that power to come across our borders. Can you tell me what sort of role the government does have in playing at that table, and if we can shore up our power needs from other states when they do provide in our time of need?

The Hon. A. KOUTSANTONIS: There are pain-sharing arrangements in place between Victoria and South Australia for load shedding if necessary to protect the system in the south-eastern district, but you are right: I am not party to a Yallourn arrangement or any other coal-fired power arrangement, but nor is the Victorian government in any way aligned or responsible for what might occur at Torrens Island or at Moomba for gas production, and they had no say in the ban on fracture stimulation in the South-East either which caused a loss of a lot more gas too.

Just remember, generation of electricity is a state-based responsibility, so it is not a commonwealth responsibility. What this framework will do is it will allow the AER and relevant

jurisdictions to bring in an orderly exit framework that will allow the market bodies to keep generation that it thinks is necessary in the system without those costs being borne by the taxpayer, but rather by consumers.

You might argue they are the same people, but this is a fairer way of doing it and therefore it is not reliant on the individual initiative of individual jurisdictions to keep these types of plants in place. For example, for a large coal-fired power station in Victoria, an early exit would not only be devastating for Victoria but could also have implications here in South Australia, as you said. This framework gives the market bodies, which are independent, the opportunity to make recommendations to say that if one of these large, coal-fired power stations or large generators, or even a large renewable power station, decided to shut abruptly, this framework could apply and therefore the market bodies could keep them operational while the system has time to adjust.

It actually does deal with the substance of your question. It does put us around the table. In fact, who it puts around the table are the people who actually manage the market, the Australian Energy Market Operator, so it deals exactly with what the member for MacKillop is asking. It actually wraps us around and interlinks us a lot more than it did previously, because previously we were entirely reliant on other sovereign governments making decisions that would also benefit us. This now allows more collective thinking about jurisdictional needs and regional needs.

That interconnector between South Australia and Victoria is vital, not just for us, it is also vital for Victoria, so it is important that we have this more regional view rather than jurisdictional view, and that is exactly what this legislation deals with to answer the exact question that you raised.

Mr McBRIDE: Thank you, minister, for that excellent answer. This is just a straight-out sort of topping off what I have to say was a good answer. Minister, do you have confidence with this legislation that our South Australian interests will be looked after around a Victorian piece of infrastructure and that, when it comes to the crux around keeping a power station going, our interests will be considered as equally as Victoria's interests?

The Hon. A. KOUTSANTONIS: Without this legislation, there is no way of us having any say. What this does now is it allows AEMO to do a body of work to say, 'That generation closes, and it has impacts in this area,' and the borders mean nothing. I think it does exactly what the member is asking for it to do. It thinks about this as an entire system, as a National Electricity Market should be, rather than discrete jurisdictions working on their own.

Clause passed.

Clause 2.

Mr PATTERSON: Picking up on that, because I have a similar line of questioning around jurisdictions, you have explained how the market operator looks at it and says, 'This might have a flow-on effect.' Can the costs that are incurred in one state then be spread over multiple states if the stability of electricity in multiple states is affected by the closure of a particular generator? You made the point that we are getting the power.

The Hon. A. KOUTSANTONIS: No. One of the key policy decisions in this legislation is that only the people in that jurisdiction will pay. If there is a determination made on Yallourn, only the jurisdiction in which Yallourn resides will pay for the orderly exit framework. You might say, 'That's unfair.' I do not think so, because there are other frameworks that are going to be applied here that would allow the benefit to grids as well, so it is done on a basis of who will benefit the system as a whole. I think it is a good compromise and an important policy improvement. Otherwise, there is a very real chance that this legislation will not occur and we would have continued disorderly exits from the market. So we are preserved.

Mr PATTERSON: Thank you for that answer. It seems like at least each jurisdiction can have a say, not just a particular jurisdiction. Neighbouring affected jurisdictions can say, 'Actually, I am concerned about this too. Bring it to the market bodies,' and ultimately that particular jurisdiction pays for it, and it is a bit of quid pro quo. That is a positive answer there.

If I can talk about when this bill commences, part of the bill refers to where it can also take into account voluntary agreements that were entered into, I think, as far back as December 2020.

While they were voluntary and they were entered into prior to the commencement of this framework, this framework can actually apply to them. Maybe you can talk through what that entails. Does that mean that the voluntary agreement can be opened up and changed, or is it more around the fact that there are the transparency mechanisms in place, the closure dates as well? Maybe if you could just talk through that a tiny bit.

The Hon. A. KOUTSANTONIS: If you look at new section 118AB—Application of Part to jurisdiction:

(1) This Part does not apply in a participating jurisdiction unless a regulation, made by the Governor of the participating jurisdiction acting on the recommendation of the Minister, is in force specifying for the jurisdiction—

(a) the date from which this Part applies; and

(b) the extent to which this Part applies; and

(c) the way the financial vehicle is to be established.

(2) An agreement made between the Minister and a Registered participant before this Part applies in the participating jurisdiction may be prescribed by a regulation made under this section as a voluntary agreement.

What that means in short is, if there was some bilateral arrangement in place, you can prescribe that, or you can choose to go down another path. It gives maximum flexibility to the jurisdictions.

Mr PATTERSON: In terms of this framework, it is opt-in, so could the minister say whether South Australia will be participating in the framework and also whether there is an ability for each jurisdiction to fine-tune? It says something about there being some ability for each jurisdiction to try to tailor things, but maybe the minister can talk through what the extent of that is and how much uniformity there is. Is it just around dates, etc., or is it more around, 'We'll take this part of the bill but not another?'

The Hon. A. KOUTSANTONIS: It is both. It is parts of the bill and dates. My instincts are to accept all of them for this jurisdiction, because I want to have every piece of weaponry in my arsenal possible to maintain system security and have an orderly transition to net zero. It is very important that we have this in place. But yes, some jurisdictions may not wish to participate. That is a matter for them, which I think is something that every jurisdiction will very quickly embrace. My guess is that New South Wales and Victoria will be the first to embrace this ASAP, followed by Queensland and South Australia.

Mr McBRIDE: I am going to reiterate: good answer, minister, on that last question. I fully understand where you are coming from and support what you are trying to achieve here. Minister, if I can just tell you that what you are rolling out here in legislation terms deals with people, and people who know how to make money. Those people are the owners and shareholders of these power resources, coal-fired power stations, that have a limited life in front of them.

I am going to tell parliament a little bit of history about our own personal experiences around movement from the old windmills on our pastoral leases to solar. We said the silliest thing to our workforce: we said, 'As your windmills fall apart and don't work we'll replace them with solar panels.' Well, guess what? Within one or two years every windmill was then broken, never repaired and we went to solar panels on every bore very quickly.

Windmills are dangerous and they are time-consuming. They work—they have worked for 100 years—but they are no longer relevant in today's age where you have a six by 10 foot 356 solar panel with a submersible pump. You can pull it out by hand and do not have to get in the air. There are no safety issues—really good. Now we are talking about a once billion-dollar power station that is running out of its legs and running out of its use-by date.

'It is tough to make money out there on the electrical grid at the moment, minister. Solar eats away at our profits, wind eats away at our profits, other alternatives are eating away at our profits and getting us into their grid. They are all beating us when the sun shines and the wind blows, but they need us when there is no battery and there is no wind and there is no sun. They need the coal, all the old sources, but our infrastructure has 10 years to roll and it is getting harder to make money, so we'll shut it early. Guess what? We've got a new piece of legislation here—geez we can make a

deal here, minister. I can talk to the Victorian Premier and the Victorian Minister for Energy. The Minister for Energy in South Australia, he'll be there because he needs our power and we're going to make our last 10 years the most profitable 10 years that we can find.'

How do you avoid a power station going down that route to say, 'Our costs are going up, our coal has got more expensive, it's not 10 ks away now, it's 100 because we just want it to be. We're not employing 10 people, we're going to employ 20. We're not producing as much power as we used to but we're going to have to shut the door because we're really not profitable. But no, we're going to make the last 10 years really pay and we're going to make some money for our shareholders.' Can you help me out on the way that this could work?

The Hon. A. KOUTSANTONIS: Bodies have extraordinary power, especially the Australian Energy Regulator, to look deeply into the cost structures of these companies. I am not as au fait with the share market as the member for MacKillop may be, but I would hazard a guess that the record profits reporting by Origin and AGL mean that these ageing assets are doing quite well, thank you very much. They are extracting the same amount of rent they have always extracted, just over shorter periods of time, which is having a spike impact.

The AER has the ability to dive deeply into these books. There are severe penalties in place for misleading or hiding information from the Australian Energy Regulator. I have no concerns or qualms about the way Clare Savage conducts herself. She is a very, very talented individual who understands business as an employee of the Business Council of Australia. This is someone who is highly regarded in the business community and who understands the operational aspects of these companies. She does an exceptional job in the default market offer which looks at a lot of the operational costs of these generators.

These generators have nowhere to hide in terms of their costs. Their bidding is done out in the open. Their costs are scrutinised by the Australian Energy Regulator. Their profit margins are seen on the ASX. There is multiple reporting, multiple levels of transparency, multiple levels of enforcement and fines. I do not think this is going to be an issue at all, and I have complete faith in the market bodies to get the right costings.

What I am more concerned about, and the reason this framework is so important, is that when governments do do bilateral arrangements, without the same powers of the Australian Energy Regulator and AEMO, they are doing these bilateral agreements that the taxpayer is funding, and there is no transparency, and they are having market implications. That is why this legislation is so important, because of the transparency and because, once it is determined that you are essential, it is not voluntary, so I think it covers every part of what your concerns are.

The concern I have is when you ask governments to do a bilateral arrangement with a company without the powers to determine what the actual operating costs are, what their margins are, what their insurance costs are, what their position is, how far the coal is, how far the gas is, what their industrial arrangements might be—the AER has every tool it needs to understand those costs and recover those costs and get access to the actual costs so that we can get a proper determination. This is one part I think the member for MacKillop has nothing to worry about.

Mr McBRIDE: Minister, might I say that it is a very good answer, but I am going to be the devil's advocate a little because I do not want you to fail, I do not want the state to fail, and I am going to give you an example of that transparency that you tell me that is going to be there—which I believe—but there is no point in having transparency and people looking but not even understanding what they are looking at.

When you say that AGL and these power producers are making record profits, do you know what they do next? They make more record profits, they make even higher record profits. They do not stop and say, 'That was a bit high for us, we had better come back down again now.' They do not think like that. I will give you one example, with parliamentary privilege, and this is known in commercial terms and you can see this: a simple little business, but it is not little, called Ventia, is doing government contracts out there in the wider world.

We know these contracts they are doing for the South Australian government are expensive compared to the private world. They are making record profits. We know that the big superannuation

companies are investing in these record profits. We know that Ventia is even buying back their own shares because they have to report that sort of behaviour. That behaviour only happens because there are record profits.

Minister, I know you have already given an answer, and you say that there is transparency, but one of the things that I want the minister to be aware of is that one sector, the private sector, knows how to make money for shareholders. They are experts at it, hence why they are in the job of doing it. The other sector we are talking about that is going to come along, like the AER or AEMO or a corporation that belongs to government as a watchdog, as we might call them, and a management that looks after the best interests of Australians and, hopefully, South Australia as well: would they have the insight and the power and the will to really call out mismanagement, corporate stealing, as you might call it, if they were allowed to do so, at the expense of consumers on a national level?

It is going to take some really powerful and good individuals to be able to call out a billion-dollar company that is making profits for everyone, including the Public Service that is actually calling it into question, because they have superannuation schemes, and they are connected to some of these big businesses that make these record profits. Sometimes they get a bit blinded by asking: 'Which one do we want to bat for here, my superannuation scheme making a record profit while I work for the Public Service, while the private sector over here is ripping off the taxpayers or electricity users?' It takes a bold person to actually call that out, and I question whether there are enough people in our society with the stomach and the integrity and the skin to be able to do that—I really do.

I have not seen it anywhere yet, and I really do worry that this will happen over something like this. I know the intent here is about electricity and continual production of electricity so the lights do not go out, but the problem we have is that electricity has got bloody expensive. We also know it is making some really good profits for some businesses, and I have a feeling that this is going to increase those profits. The question to you, minister, is: do you just have blind faith or do you really know that we are going to have our interests looked after?

The Hon. A. KOUTSANTONIS: In my experience, public servants are exceptionally well trained and exceptional at their job. I have heard a number of times from the member for MacKillop and other people that we do not have the expertise in government or in these market bodies to understand the work that private companies do in getting around them.

The ASX, AEMO, the Australian Energy Regulator, the Office of the Technical Regulator and my department are exceptional at understanding, because they have come from this industry. They are trained individuals. If I had the attitude that the member for MacKillop does—and I say this politely and with love—I would not trust a DPP, because they prosecute criminals. Police are good people; they find bad guys and lock them up. The ATO is very good at uncovering fraud. I do have complete faith, and it is not blind; it is through past experience.

I know that our public sector and our market bodies are governed by some of the best and brightest people in the country. They are exceptional public servants and they do exceptional work. Daniel Westerman at AEMO is a breath of fresh air. He is an exceptional public servant, who works very hard and understands the National Electricity Market better than most. Clare Savage is one of the most remarkable public sector employees I have ever met, someone who never planned to have a life in the public sector, who probably took a massive pay cut to go off and do this public good, who could have made millions and millions in the private sector. She worked for Energy Australia and the Business Council.

I have complete faith in Anna Collyer as well at the Australian Energy Market Commission and the work that they do in making the rules. These are people who have devoted their life and their expertise, who are extremely well credentialled. I have faith in our institutions, I have faith in our public sector. I am not despondent about the future. I do not think this will increase costs. This will stabilise the system. This will deburden the taxpayer from having to do this bilaterally with companies. This will create more transparency. I think it is exactly the type of framework that gives us good governance, good outcomes and a good system. I know that members are keen to ask lots of questions, but I feel I needed to attack that properly.

Clause passed.

Clause 3 passed.

Clause 4.

Mr PATTERSON: Just talking around the rule-making powers and how they are going to roll out and the mechanisms in place for if there is a notice that the generator is closing early, one of the investigations as part of the process is to look at alternative solutions to the shutdown of a generator and potentially choosing that solution over the generator itself. That may well be the more cost-effective or economic option. Can the minister explain how this process will work and also, if there are costs as part of that alternative solution, how will they be arrived at and are they passed on to the customer as well?

The Hon. A. KOUTSANTONIS: Basically, it allows the minister in the jurisdiction to ask one of the market bodies, AEMO, to look at alternative options, to do a desktop study of what could be an alternative, rather than keeping said generator in the system. Those costs and the alternative solution can also be cost recovered.

If AEMO come up with something else that is potentially cheaper or more advantageous or faster, or whatever other benefit it may have to the grid, the minister can consider that. So it is a good option to have in place here. Rather than saying, 'Do we just shut down this generator?' what are some of the alternatives? It could be grid-scale batteries, it could be augmentation of the grid, it could be something else that comes up. Those costs as well can be used through the framework.

Mr PATTERSON: This is a similar question: can I just confirm then that, as you have said, they will work out the costs and then that will be passed on through the customers?

The Hon. A. KOUTSANTONIS: Yes.

Mr PATTERSON: Talking about some of the stakeholder feedback, it is interesting to hear the commentary around the current situation where there are negotiations in place and maybe the imbalance of information. Of course, generators have said that voluntary agreements should be a first option, which, again, is one of the solutions provided for in the framework prior to a mandatory directive, and that that should be used as a last resort. Could you talk about how you see this operating in terms of the intention for a voluntary agreement?

Do you see that as more likely to occur now because the market bodies will have more information available to them and therefore it is quite likely that there is less of an imbalance in terms of information available and that will help with good faith negotiations, as opposed to saying, 'Actually, yes, I know that voluntary agreement process is there but the most expeditious route as a minister is to go straight to a mandatory directive'? Maybe you could talk a little bit about where you see the pitfalls but also the opportunities in having these voluntary agreements.

The Hon. A. KOUTSANTONIS: The legislation does also first require me to try to get a voluntary agreement with a potential generator. What the legislation wants is, rather than all stick, it actually compels every minister in every jurisdiction to attempt in good faith to come up with a voluntary agreement, and that voluntary agreement can also be cost recovered. So it does give us the ability to do what you are asking, and, as long as we have all the tools we need to be informed well enough to get that voluntary agreement, that would be the preferred option.

But of course there are some scenarios where it is just not feasible to have a voluntary option, because it is not in the commercial interests of the proponent to keep the generation in because they may be doing so, let's be frank, despite prices. Their book might be big enough and they can cover their book through interconnection, especially with the good work of the member for Hammond in closing as much thermal generation as he could through a massive extension cord to New South Wales, given his opposition to gas.

Mr Pederick interjecting:

The CHAIR: Order, please! We have 30 seconds before the bells ring.

The Hon. A. KOUTSANTONIS: So, yes, we have the opportunity to do so.

Progress reported; committee to sit again.

Sitting suspended from 13:00 to 14:00.

FAIR WORK (REGISTERED ASSOCIATIONS) AMENDMENT BILL

Assent

Her Excellency the Governor assented to the bill.

RETURN TO WORK (EMPLOYMENT AND PROGRESSIVE INJURIES) AMENDMENT BILL

Assent

Her Excellency the Governor assented to the bill.

STATUTES AMENDMENT (PERSONAL MOBILITY DEVICES) BILL

Assent

Her Excellency the Governor assented to the bill.

INDEPENDENT COMMISSION AGAINST CORRUPTION (MISCELLANEOUS) AMENDMENT BILL

Assent

Her Excellency the Governor assented to the bill.

CRIMINAL LAW (HIGH RISK OFFENDERS) (MISCELLANEOUS) AMENDMENT BILL

Assent

Her Excellency the Governor assented to the bill.

CRIMINAL LAW CONSOLIDATION (SECTION 20A) AMENDMENT BILL

Assent

Her Excellency the Governor assented to the bill.

Parliamentary Procedure

VISITORS

The SPEAKER: I would like to acknowledge some people in the gallery today and welcome them back to parliament in most cases and a welcome to parliament for other people who are here. Firstly, we have former Premier Dean Brown. It is always good to see you, Dean, and great to have you back in here. We have the Hon. Neil Andrew AO, former federal Speaker of the House of Representatives. It is great to have you here as well, Neil. I see Joe Scalzi, the Lion of Hartley, hiding up the back there. Joe, it is good to have you here. And we have John Quirke, former member of this place, as well as former senator. Welcome, one and all.

Condolence

ARNOLD, HON. P.B.

The Hon. P.B. MALINAUSKAS (Croydon—Premier) (14:03): By leave, I move:

That the House of Assembly expresses its deep regret at the death of the Hon. Peter Bruce Arnold, former member of the House of Assembly, and places on record its appreciation of his long and meritorious service, and that as a mark of respect to his memory the sitting of the house be suspended until the ringing of the bells.

I stand to pay tribute to the Hon. Peter Bruce Arnold, who passed away on 23 October at the age of 88. Peter's entire life was dedicated to the betterment of South Australia's agriculture sector inside as well as outside of the state parliament. Following his education at St Peter's boys, Peter soon established himself as a farmer and a viticulturalist at Cobdogla in the heart of the Riverland, a place that he would forever call his home.

As the Barmera president of the Liberal and Country League, Peter first ran as the member for Chaffey at the 1968 election that ended the first premiership of Don Dunstan and ushered in the Liberal and Country League government of the Hon. Steele Hall. He was subsequently ousted at the landslide 1970 election that returned Dunstan to power; however, this of course proved to be a very

brief pause in what would become a proud 24-year parliamentary career. He was returned as the member for Chaffey at the 1973 election, and by the time of his 1993 retirement had turned the electorate from a hard-fought marginal seat into one of the safest Liberal seats in South Australia.

Peter's political career was marked by a particular focus on South Australia's vital water resources, work informed by his substantial experience on the land. He was appointed as the Minister for Water Resources, Minister for Lands and Minister for Irrigation in the Liberal government of David Tonkin, as well as holding the portfolios of repatriation and Aboriginal affairs, and was one of the key architects of the Murray-Darling waters agreement, which he considered one of his proudest achievements and most significant parliamentary achievements.

After leaving politics, Peter returned to his agricultural interests in Cobdogla; however, his fierce spirit of advocacy for the people of regional South Australia never dimmed. As recently as February, he was on our national broadcaster to raise awareness of the challenges being faced by grapegrowers in his region, continuing to promote our state's vital primary producers and shine a light on the Riverland and its concerns.

We offer sincere condolences to Peter's wife, Valerie, his children Andrew and Kristina, and his extended family, including his grandchildren and great-grandchildren who adored their beloved Poppa. I move that this motion be commended to the house.

The Hon. V.A. TARZIA (Hartley—Leader of the Opposition) (14:06): I rise today to support the condolence motion in recognition of the Hon. Peter Arnold, who passed away on 23 October this year at the age of 88. Peter Arnold was born on 21 December 1935 in Berri, South Australia. He attended Cobdogla state school and St Peter's College before working as a fruit grower, viticulturalist and horticultural machinist in the Riverland. It was no doubt these experiences that helped to shape his dedication to the region and its people, ultimately leading to his election to the South Australian parliament.

Peter was first elected as the member for Chaffey in 1968 under the banner of the Liberal and Country League. Although his initial term ended in 1970, he returned in 1973 where he remained as the member for Chaffey for the 20 years to follow, retiring in 1993. Throughout his parliamentary career, Peter was a tireless advocate for the Riverland, focusing on water resources, agriculture and community development. One of his defining moments came during the Chowilla dam debate. Peter opposed the proposed dam, arguing it would flood wetlands and raise salinity levels in the Riverland, harming local agriculture and the environment as well. His background as a horticulturalist gave him a deep understanding of these issues, and he fought to have the dam scrapped. It was on this issue that Peter lost his seat in 1970 to Labor member Reg Curren, but it was also the ground on which he beat Reg and returned to parliament in 1973.

Peter became an instrumental figure in negotiating South Australia's water allocations. His advocacy earned him a promotion to the cabinet in 1979 when he became the Minister for Water Resources, Irrigation, Lands and Repatriation. In 1982, he also served as Minister for Aboriginal Affairs. Peter's contributions extended beyond his ministerial roles. He served on the Parliamentary Standing Committee on Public Works and later on the Environment, Resources and Development Committee as well. His work on these committees demonstrated his focus on practical solutions to the challenges faced by South Australians, particularly those in regional areas.

Peter's dedication to the Riverland and its people has left a lasting legacy. From championing sustainable water use to improving agricultural opportunities, Peter Arnold was a relentless advocate for the region's growth and its prosperity as well. His passion, expertise and tireless efforts will not be forgotten. On behalf of the state parliamentary team, I extend my deepest condolences to Peter's wife, Val; his children, Andrew and Tina; and his family and loved ones as well. Peter Arnold was a hardworking and respected servant of his community and state, and his legacy will be remembered by all who had the privilege of knowing him and benefiting from his service. May he rest in peace.

Mr WHETSTONE (Chaffey) (14:09): Peter Bruce Arnold, born 21 December 1935 in the Berri hospital, attended the Cobdogla state school and spent time in the national service as an ordinary seaman in the Royal Australian Navy. Eventually he returned to his roots in the Riverland as a successful fruitgrower, viticulturist and machinist before deciding to enter politics. Upon entering

politics, his local upbringing, background and knowledge put him in the best position to fight for our region in the parliament.

He became the member for Chaffey in 1968 under the Liberal and Country League banner, defeating Labor's Reg Curren, but he stood for what he believed in and was prepared to lose an election to Reg Curren on the Chowilla dam project in 1970, after just two years. The good people of Chaffey realised the detriment it would have on the South Australian landscape and the Riverland, and they made the right decision to re-elect Peter in 1973. Their decision was clear, with a 13.4 per cent swing, and he went on to serve Chaffey for another 20 years.

He was a champion of integral water policy. He remained a fierce defender of our river system. He was a minister in the Tonkin government through water resources, irrigation, lands, repatriation and Aboriginal affairs. He also served on the Public Works Committee and later the Environment, Resources and Development Committee. Peter's first deputation as a minister was at Coffin Bay with the proposed yacht club. He met with Peter Blacker, the local member, and Val, who later became his wife. His solution through that meeting was to issue a permanent title or knock the building down. Today, the Coffin Bay Yacht Club is considered one of the best yacht clubs in South Australia.

Despite the responsibilities in the ministry, he never lost sight of his electorate, successfully elected no less than seven times. It was a testament to the high regard in which he was held by his local community. Peter and I do have some similarities. He mentored me as a father figure coming into politics, and we both served as the member for Chaffey. He was a machinist; I was a toolmaker. We both lived on the Sturt Highway, we were both horticulturalists, we both had a love for wine, and we both had a love for cars. He still has a 1950 Jaguar Mark V; I had a Monaro.

We shared a passion for water: our love for fishing on Eyre Peninsula; his love at Coffin Bay, and his house on the high point overlooking the bay; and my love for Eyre Peninsula at Elliston. We both had a passion for waterskiing. I was a waterski racer, and he was a yacht racer. Peter loved crayfishing, particularly launching his tinnie to put in a pot at Avoid Bay. He was a yachtsman and used to race the RL24, particularly having Lake Bonney on his front doorstep, allowing him to live the dream every day. Of course, water politics and the Chowilla dam are how this place best remembers Peter.

I base a lot of my approach to politics and being accessible to people on the model of Peter Arnold: being visible, proactive, having the listening ear. As Peter said and as my grandfather said, 'You have two ears and one month; twice as much listening, half as much talking.' He took on what he stood for. He carried his legacy for the river. Post politics, his passion and his advocacy for the river and our region did not end. After he retired, he was a forward-thinking man. He would say, 'Good policy can never be trumped, no matter how good you think your politics are.'

His water policy was focused on the future of the Murray, and his solutions remain true today for the water-sharing arrangements across the catchment. Today, South Australia enjoys that 1,850 gigalitres of entitlement that was negotiated between himself and Steele Hall as the architects of great water policy. The ripples of his dedication are still felt around the electorate today. He continued to be an active member of the Chaffey community. He remained a mentor, as I continue in his footsteps. Thirty years after his retirement, our community is better today for his courage and his strong leadership.

His passing was a private affair at the Barmera hospital, but we later celebrated his life with family and friends at the Cobby Club. It was well attended by many community people and I was privileged to speak to that group to share some of Peter's impact and involvement in my life and what he meant to the community.

My thoughts are with Val. We have Andrew and Tina in the gallery today. Over lunch today Tina recalled riding her bike through the corridors of Parliament House when Peter was an MP. Peter was a loving husband, father and grandfather, a mentor and a fierce advocate for the electorate of Chaffey and particularly for our river. He was an exemplary example of an outstanding member of parliament. He will be greatly missed. Vale Peter Arnold.

Motion carried by members standing in their places in silence.

The SPEAKER: The house will stand suspended until the ringing of the bells.

Sitting suspended from 14:16 to 14:26.

ROSSI, MR J.P.

The Hon. P.B. MALINAUSKAS (Croydon—Premier) (14:26): By leave, I move:

That the House of Assembly expresses deep regret at the death of Mr Joseph Peter Rossi, former member of the House of Assembly, and places on record its appreciation of his meritorious service and that, as a mark of respect to his memory, the sitting of the house be suspended until the ringing of the bells.

I rise to pay tribute to Mr Joe Rossi, former member for Lee, who passed away on 24 October at the age of 76. Joe's time in this parliament was short but few would deny that it was memorable.

Giuseppe Rossi was only four years old in 1952 when his family emigrated to South Australia from the village of Anzano di Puglia in south-east Italy. His father, Carmine, found construction work for the Adelaide to Mount Gambier railway, with Joe's early years punctuated by constant moves from one tin shed to another along the line until the Rossis moved to a more stable life in Adelaide in 1961. After completing year 11, Joe worked on production lines and would drive buses, before entering the Public Service. At 18, he joined the Army Reserve, St Johns and the Liberal and Country League.

While Rossi was active in Steele Hall's Liberal Movement in the 1970s, it was not until 1993 that he ran as a state candidate for the Liberal Party. The Labor government of Lynn Arnold knew it would be a challenging election, to put it mildly, after the dramas surrounding the State Bank. However, the Division of Lee—born out of the abolishment of the seats of Albert Park and Semaphore—was confidently predicted to provide Labor with a safe haven in Adelaide's metropolitan north-west. Rossi proved that assumption wrong.

The landslide electoral victory of the Liberal Party under Dean Brown catapulted Joe into the House of Assembly, defeating the longstanding former member for Albert Park, Mr Kevin Hamilton. Lee had the smallest margin of victory in the entire election, at 1.1 per cent—but, as everyone in this chamber well knows, a win is a win.

Perhaps sensing that his parliamentary career would likely be somewhat shall we say concise, Joe wasted little time in making his presence felt, often to the consternation of his parliamentary colleagues. He was a vocal advocate for greater action on perpetrators of domestic violence but also advocated strongly against drink driving. He called for the removal of pokies from pubs and was a champion for the need to improve regional resources for better bushfire defence, alongside some more colourful, indeed controversial on occasions, legislative proposals.

Joe also has the honour of being the only MP to be ejected from parliament for entering the chamber while still eating a meat pie—an achievement that is yet to be repeated. In 1997, John Olsen led the Liberals to victory, with 23 of 36 government members returned. Joe Rossi, however, was not among them. He made one final foray into state politics in the 2010 election, running in Lee as an Independent candidate but, unfortunately for Joe, lightning did not strike twice.

We express our condolences to his wife, Annette, his children Josephine, Belinda, Robert and Marianne, and his beloved grandchildren Ethan, Bella, Liarna, Mikaela, Jason and Jessica. I commend this motion to the house.

The Hon. V.A. TARZIA (Hartley—Leader of the Opposition) (14:29): I also rise today to pay tribute to Mr Joseph Rossi who was elected to the South Australian parliament in 1993 and served his electorate of Lee until 1997. Mr Rossi was born in Foggia, Italy, and moved to Australia in 1948 when he was just four years old. Prior to his election to parliament, Joe served on what today would be called the multicultural committee of the South Australian Liberal Party, where they organised diverse food and culture festivals. The committee aimed to bring people together where they could build relationships and share their cultures, something that is still reflected and celebrated here in South Australia.

At age 45, Mr Rossi ran as a Liberal candidate in the once safe Labor seat of Lee. To the surprise of some, he won the most marginal seat of the time, which was only a 1.1 per cent margin. Mr Rossi was a passionate member of the parliament, who strongly believed in a free democracy

and individualism. He held an unwavering stance that people should be treated as individuals and governments should operate to support this. Perhaps it was for this reason that he was drawn to stand for the Liberal Party, sharing those fundamental beliefs that those on this side of the chamber hold dear: the inalienable rights and freedoms of all peoples, to work towards a lean government that minimises interference in our daily lives, and which maximises individual and private sector initiative.

Mr Rossi had a particular focus on high unemployment rates in South Australia, but also raised issues around trade, crime and education. On that point, Joe believed students who were already excelling should be pushed further to help them reach their full potential; an ambition I am sure we all share in this place. Joe was not known for abiding by parliamentary convention, as we have heard. A popular story of Joe's time in parliament is, of course, the day that he did enter this chamber mid-way through enjoying that pie. Of course, we saw him immediately ejected from this place.

Joe was a strong-minded person and a forceful advocate for what he believed in. He could be controversial at times, but at his heart everybody who knew him knew that he was a generous family man. Joe's values were shared by his wife, Annette, who was a councillor in the city of Hindmarsh. Together, they shared a home that was unlike any other, as politics does not allow them to be. They had four children: Josephine, Belinda, Robert and Marianne and many grandchildren as well. I pass my sincere condolences to each one of them.

Mr Rossi was a hard worker and when he was not representing his community in the parliament, his breadth of skills allowed him to work in a range of fields. During his career outside of parliament, he worked as a supply officer, a subcontractor, a director of real estate and also an orchardist. We thank Joe for the work he did for the community of Lee and for the Liberal Party, and on behalf of the state Liberal team, I send my best wishes to Joe's family and friends. May he rest in peace.

The Hon. A. KOUTSANTONIS (West Torrens—Minister for Infrastructure and Transport, Minister for Energy and Mining) (14:33): Giuseppe was controversial. That was certainly an understatement about his time in this place. He was part of a generation that was swept into office by what is probably inarguably the greatest election victory by any leader, by any political party, in South Australian history: 37 out of 47 seats. The then Liberal opposition took on a government that did not deserve to be re-elected. The then Leader of the Opposition, the Hon. Dean Brown, stunned his political opponents and set a state record that would not be matched until it was surpassed by a Queensland election.

The difference is that that government went on to be re-elected. Unfortunately, the then Premier was unable to recontest that election. I do not think that Giuseppe would have been re-elected. I think Giuseppe was elected on the basis of that landslide. He was independent thinking, is the best way of putting it. He did cause some concerns for the leadership of his party, which obviously we encouraged. We are grateful for his independent thought processes, which I see continue to this day.

However, Giuseppe did achieve something remarkable. He was a migrant who got elected to the House of Assembly, which in itself is a remarkable achievement for anyone who sits in this parliament, to be elected by their community to represent them in the parliament. No matter what the circumstances, he served in the House of Assembly. The Italian community of the western suburbs would be exceptionally proud to know that one of their own had made it to this place. No matter how he served, he was one of their own. Even though he had been defeated and recontested again, his picture will remain forever in this parliament, and his family can be proud of his contribution in those four years.

I had very limited dealings with Joe, other than to say it was polite and cordial. I did get to know him a little bit after he left the parliament, not while he was in parliament. When he was out of the parliament, he was not as sympathetic to his former colleagues as he was while he was here, but he was a good man.

In speaking to my good friend Mr Giuseppe Scalzi, who is in the gallery today to honour someone he served with, he said it best when he said, 'Joe had his heart in the right place,' and he did. No matter his political views, no matter his controversies, he served the people of South Australia

and he served the House of Assembly. For that reason, may God rest him and comfort those who loved him.

The SPEAKER (14:36): I would like to place on the record the house's thanks to Joe Rossi for his contribution to this place. As a journalist of the nineties, I would also like to place the press corps' thanks on the record as well, because Joe was always a fertile ground for great stories—very controversial stories and, I am sure, stories that quite often wrecked the media plans of Dean Brown and his media unit back in those days. It is great to have you in here, Dean and Joe, to recount some of the stories of Joe's contribution to this place.

Motion carried by members standing in their places in silence.

The SPEAKER: The house will stand suspended until the ringing of the bells.

Sitting suspended from 14:37 to 14:48.

Petitions

VICTOR HARBOR MOUNTAIN BIKE PARK

Mr BASHAM (Finniss): Presented a petition signed by 2,016 residents of South Australia requesting the house to urge the government to take immediate action to work with stakeholders and provide leadership, commitment and funding to develop a mountain bike park in the Victor Harbor region, capable of catering for recreational riders and national mountain bike competitions.

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 Minister for Industry, Innovation and Science (Hon. S.E. Close)—

Regulations made under the following Acts—
Adelaide University—Transitional

By the Minister for Climate, Environment and Water (Hon. S.E. Close)—

Native Vegetation Council—Annual Report 2023-24

By the Minister for Infrastructure and Transport (Hon. A. Koutsantonis)—

Infrastructure and Transport, Department for—Port Operating Agreement for Narungga between Minister for Infrastructure and Transport and T-Ports Pty Ltd
Regulations made under the following Acts—
Harbors and Navigation—Harbors and Ports—Narungga, Port Adelaide and Wallaroo
Heavy Vehicle National Law—Miscellaneous—2024

By the Minister for Tourism (Hon. Z.L. Bettison)—

Annual Reports 2023-24—
Adelaide Venue Management—
Tourism Commission, South Australian—Annual Report 2023-24

By the Minister for Multicultural Affairs (Hon. Z.L. Bettison)—

Multicultural Commission, South Australian—Annual Report 2023-24

By the Minister for Health and Wellbeing (Hon. C.J. Picton)—

Coroners Act 2003—Coroner's Finding into the death of Lynne Patricia Fisher—
SA Health—Report on actions taken—September 2024
Health Advisory Council Annual Reports 2023-24—
Balaklava and Riverton
Berri Barmera District
Bordertown and District
Coorong Health Service
Hawker District Memorial
Keith and District
Kingston Robe
Lower North
Loxton and Districts
Mallee Health Service
Mannum District Hospital
Mid North
Naracoorte Area
Northern Yorke Peninsula
Penola and Districts
Veterans'
Local Health Network Annual Reports 2023-24—
Barossa Hills Fleurieu
Central Adelaide
Limestone Coast
Yorke and Northern
Preventive Health—Annual Report 2023-24

Parliamentary Committees

NATURAL RESOURCES COMMITTEE

Ms WORTLEY (Torrens) (14:59): I bring up the sixth report of the committee, entitled Inquiry into Environmental, Social and Governance (ESG) in Primary Production.

Report received and ordered to be published.

PUBLIC WORKS COMMITTEE

Mr BROWN (Florey) (14:59): I bring up the 108th report of the committee, entitled emPowering SA Community Batteries Project.

Report received and ordered to be published.

Mr BROWN: I bring up the 109th report of the committee, entitled Moana Growth Project.

Report received and ordered to be published.

Mr BROWN: I bring up the 110th report of the committee, entitled Adelaide Women's Prison New 40-Bed Secure Accommodation and Supporting Infrastructure.

Report received and ordered to be published.

Mr BROWN: I bring up the 111th report of the committee, entitled Yatala Labour Prison New 312-Bed Redevelopment and Supporting Infrastructure.

Report received and ordered to be published.

Mr BROWN: I bring up the 112th report of the committee, entitled Onkaparinga Valley Road, Nairne Road and Junction Road Intersection Upgrade.

Report received and ordered to be published.

Mr BROWN: I bring up the 113th report of the committee, entitled Eyre Peninsula Desalination Plant.

Report received and ordered to be published.

CRIME AND PUBLIC INTEGRITY POLICY COMMITTEE

Ms THOMPSON (Davenport) (15:01): I bring up the eighth report of the committee, entitled Inquiry into the Performance of Functions and Exercise of Powers by the Ombudsman.

Report received.

Question Time

GOVERNMENT ADVERTISING

The Hon. V.A. TARZIA (Hartley—Leader of the Opposition) (15:02): My question is to the Premier. Can the Premier provide a brief job description for the new role of executive director of government advertising in DPC currently being advertised? With your leave, sir, and that of the house, I will explain.

Leave granted.

The Hon. V.A. TARZIA: On 22 November, the Department of the Premier and Cabinet advertised a position for executive director, government advertising and insights hub, with a salary range of up to $429,104.

The Hon. P.B. MALINAUSKAS (Croydon—Premier) (15:02): I would be very happy to provide a bit of detail for the Leader of the Opposition on this question. The government is leading a bit of change within the public sector in the way that government advertising occurs across agencies. Everyone here present knows, and I think most South Australians would appreciate, that the South Australian government expends money on government advertising for a range of purposes. It is not just the ads that tend to cause a degree of consternation from the opposition of the day, it is also advertising for recruitment for jobs, public health messaging, what we do around road safety, police messaging—you name it.

The way most of those activities occur is that individual agencies have a group of people within their department who are responsible for public communications, including government advertising. Each of those agencies having their own resources to develop that is an approach that we have done a review on internally, and we have formed the view that we can actually rationalise the volume of resources by having a consolidated effort within government to do that piece of work.

Rather than every agency having their own public relations, communications and advertising expertise, instead you would consolidate that, and then agencies would in effect have to bid in to government centrally to be able to utilise the resources of that consolidated government communications exercise. That is the process that is in train. It is about making sure that the amount of dollars we spend is done as effectively and efficiently as possible.

Without wanting to be pejorative towards any effort that occurs within government, which undoubtedly always commences with good intent, the type of advertising that sees us having public messaging that hot water comes out of hot taps—this sort of over-the-top trying to find an excuse for a public campaign where it might not be necessary—I think just invites an inquiry of examination, which the government has undertaken, and now we are bringing in a consolidated effort. I think it is a responsible course of action. I think it is a reasonable course of action, and that is what we are implementing.

GOVERNMENT ADVERTISING

The Hon. V.A. TARZIA (Hartley—Leader of the Opposition) (15:05): My question again is to the Premier. Does the Premier know the average market salary for an advertising executive in South Australia, and how does it compare with the advertised salary of the Premier's new executive director of government advertising?

The Hon. P.B. MALINAUSKAS (Croydon—Premier) (15:05): It is fair to say that that is not a figure that I have off the top of my mind. I do not know the average salary of people who run—

The Hon. D.G. Pisoni: Did you sign off on it?

The Hon. P.B. MALINAUSKAS: I welcome the member for Unley's interjections. We are going to miss them. I will get to your interjection in a second.

The SPEAKER: Member for Unley, you are on your final warning.

The Hon. P.B. MALINAUSKAS: I do not have that figure of what the market pays for advertising executives in the state of South Australia. With respect to the member for Unley's interjection, which I always welcome, the member for Unley, being a former minister, presumably has a degree of consciousness that the Premier of the state or an individual minister does not employ bureaucrats. That is done by the CEO of a department.

They are decisions that are made by the CEO of a department. I have complete confidence in the current CEO of DPC. I might add that at another point in time I will express my gratitude to the CEO of DPC for his extraordinary service to the government and the people of South Australia. I have complete confidence in the current CEO and I have complete confidence in the incoming CEO, Mr Rick Persse.

GOVERNMENT ADVERTISING

The Hon. V.A. TARZIA (Hartley—Leader of the Opposition) (15:07): My question again is to the Premier. Will the Premier rule out hiring a former or current member or candidate of the Labor Party for the position of executive director of government advertising?

The Hon. P.B. MALINAUSKAS (Croydon—Premier) (15:07): The appointment of a person to that role will be done on the basis of merit and merit alone because that is required in any recruitment of a senior executive in the public sector. More than that, it is a matter of law, under the Public Sector Act. The Leader of the Opposition, being a former minister himself, would also be aware that those appointments are made by department CEOs and are free of political interference.

The Hon. D.G. Pisoni: Like Rik Morris?

The Hon. P.B. MALINAUSKAS: The member for Unley yet again interjects. They are always welcome.

The SPEAKER: Not by me they are not. They are actually unparliamentary, so if you wouldn't mind, stop being so enthusiastic about the interjections. It would probably help me do my job.

The Hon. P.B. MALINAUSKAS: The interjections from the member for Unley are always welcomed by the parliamentary Labor Party. His interjection was: 'Well, how about Rik Morris?' Mr Rik Morris is a cabinet appointment, which of course is very distinct from this position here.

SMALL BUSINESS

Mr TELFER (Flinders) (15:08): My question is to the Minister for Small Business. Is red tape killing South Australian small business? With your leave, sir, and that of the house, I will explain.

Leave granted.

Mr TELFER: The South Australian Business Chamber's quarterly Survey of Business Expectations found that the impact of government regulations went from the fifth biggest issue to the third in the last 12 months. One respondent said they believed more small and medium businesses would decide it was not worth running a business in South Australia with the amount of red tape.

The Hon. A. MICHAELS (Enfield—Minister for Small and Family Business, Minister for Consumer and Business Affairs, Minister for Arts) (15:09): I want to thank the member for the question. I am aware of the Business Chamber's recent report, where there has been a slight increase in the confidence of South Australian business owners in that quarter. We are certainly seeing increases in the time taken to undertake some regulatory compliance. Of course, that is always a balance. I understand that some of the comments related to some of the federal government's initiatives which, of course, are being balanced.

We are offering significant support to small business. We have a $14 million Small Business Strategy. We have an economy that is going incredibly well in South Australia, leading the nation either first or second on most metrics, and we can see from the Business Chamber's recent report that the increase in confidence is certainly something that we should be very proud of our small business sector.

We are a small business state. We are certainly as a government supporting small businesses. We have had over 6,000 businesses engage in some level of support through our Small Business Strategy. So to see that confidence is certainly moving in a positive direction. Our economy is strong and is supporting our small businesses to expand and to export. We are certainly doing a lot in that space, including with the Minister for Trade and Investment. We have certainly seen improvements in South Australia in the last two years.

DROUGHT ASSISTANCE

Mr McBRIDE (MacKillop) (15:10): My question is to the Premier. How will today's drought funding announcement help farmers in my electorate? With your leave, Mr Speaker, and the leave of the house, I will explain.

Leave granted.

Mr McBRIDE: The state government has announced an $18 million package to assist farming communities.

The Hon. P.B. MALINAUSKAS (Croydon—Premier) (15:11): I thank the member for MacKillop for his question. The member for MacKillop obviously represents a highly productive agricultural industry—in fact, one of the most productive not just in this country but anywhere in the world—in his community of south-eastern South Australia. One of the reasons why—

Mr Telfer: Anywhere in the world.

The Hon. P.B. MALINAUSKAS: Okay. Maybe you can take up the mantle for the member for Unley when he finishes. The member for MacKillop, having a home or living and being a participant in the agricultural sector in his own part of the state would be well aware that it is highly unusual for a lack of rainfall to occur in the South-East of South Australia—in fact, it is the last place you would expect to see evidence of drought-like conditions, yet that is exactly what is occurring. That became very clear to me when I sat down and met with a group of primary producers in the South-East when I was most recently in Mount Gambier.

Following that, the Minister for Primary Industries, myself and the Treasurer put our heads together, along with a range of officials, as to what more the state government can do beyond the existing package of support that exists. That is why earlier today I was very pleased to announce a package of new money and new resources for regional communities.

Just to give a snapshot of some of those items which make up an $18 million package of drought relief across the state, we have $5 million for On-Farm Drought Infrastructure Grants for rebates of up to 75 per cent that assist with projects to manage drought conditions and strengthen drought preparedness; $2 million to assist charities with freight costs to transport donated fodder to assist farmers with feeding livestock—and I note that there have been federal MPs from the Coalition who have already been quick to tweet and announce their support of this announcement—$1 million for additional health and wellbeing support through the Rural Financial Counselling Service and Family and Business Support Program; $100,000 grants for the Connecting Communities Events Program; and a $4.4 million budget commitment to Family and Business Mentors and Rural Financial Counsellors, who will provide free confidential and independent services that link people with appropriate assistance; and $5.5 million funding provided to the state and federal government's Future Drought Fund.

We announced this package today in the presence of a farmer from the upper South-East, up at Pinnaroo in your electorate. Robyn Verrall is a farmer in MacKillop and she articulated quite thoughtfully and succinctly to the awaiting media the challenges that are currently being experienced. She quite aptly pointed out that farmers aren't the type to look for a handout but a hand up. That's why we have calibrated the package in the way that we have.

In particular, the most significant part of the package is that capital funding program, with a statement or map to provide funding that requires a matching contribution from primary producers themselves on the type of infrastructure that makes them more resilient to drought-like conditions. With the prospect of climate change having a more real-world impact than ever before—and we know that it will only continue—these are the types of policy initiatives that we think will have the most enduring impact rather than just a cash handout.

Our agricultural sector in South Australia punches above its weight. It has contributed enormously to the state's economy in recent good years. We have a duty to support them in tougher years, and that's what this package seeks to achieve.

COP31

S.E. ANDREWS (Gibson) (15:15): My question is to the Premier. Can the Premier update the house on his recent travel to support South Australia's bid to host COP31?

The Hon. P.B. MALINAUSKAS (Croydon—Premier) (15:15): I thank the member for Gibson for her question. The member for Gibson, in a way that reflects in no small part her local community, has a great interest in making sure that the world confronts the challenge of climate change and acknowledges science, which is now not in question—at least not in question on this side of the house—and makes sure that the world has a comprehensive global policy to address these challenges.

To that end, the state government has an interest in what happens at COP generally, but we also have a more parochial interest around the opportunity for Australia hosting COP and what that means for our state and for our country. There are two elements to this that represent substantial economic opportunity for South Australia. The first, obviously, is the state government's bid to host COP. This is a policy that I think has bipartisan support. It certainly has had in the past. In fact, there have been keen advocates on the opposite side of the house for South Australia to host COP, and I might come back to that in a second.

COP in Azerbaijan, and Baku, had 70,000 registered participants. The economic boon it meant for Azerbaijan was very substantial. That would be profoundly true in South Australia. It would make Gather Round, LIV Golf, the Fringe and the Festival—all those things combined—look like small beer. It lasts for two weeks and it would be a nice big windfall for the state, and so many people would win if we hosted COP. That is the more transactional element that is real and worthy of pursuit.

The more substantial long-term element of the prospect of South Australia hosting COP is it would very much put South Australia at the forefront—at the centre—of the economic opportunity associated with the global decarbonisation of industry. We have more to offer than most other jurisdictions around the world in that regard.

In South Australia, we have economic opportunity in copper, we have economic opportunity in magnetite and green iron production—even, potentially, green steel production—and we have an economic opportunity that transcends from the advanced position that South Australia has in a decarbonisation of our energy sector versus other jurisdictions.

If Australia were to win the rights to host COP, which is not guaranteed—far from it—and this event ended up being in Sydney, it would be just another event. But more than that, when people turn their lights on in a hotel room in Sydney it is more than likely that that power will be coming from a coal-fired generator. In South Australia, we know that mathematically it's far more likely—

Mr Patterson interjecting:

The Hon. P.B. MALINAUSKAS: In Azerbaijan, it was coming from fossil fuels. That's exactly the point.

Members interjecting:

The Hon. P.B. MALINAUSKAS: Yes, yes—thank you. That's exactly why we believe—

Members interjecting:

The Hon. P.B. MALINAUSKAS: That's right. That's exactly why we believe COP should be placed here in Adelaide. That's a real opportunity and we think it's worthy of pursuit and support. I think it has bipartisan support. The one thing I would add to that, though, is that at a federal level it is important that hosting COP has bipartisan support as well because Turkey is in the race. We would not want to see Turkey weaponise a lack of bipartisanship for Australia hosting COP that would deny South Australia that opportunity.

With absolute respect, I invite the opposition to continue its advocacy for hosting COP with their federal colleagues because it actually aids the cause of South Australia having an opportunity.

SMALL BUSINESS

Mr TELFER (Flinders) (15:19): My question is to the Minister for Small Business. What red tape, if any, will the minister commit to remove for small business in the next six months to ease small business concerns?

The Hon. A. MICHAELS (Enfield—Minister for Small and Family Business, Minister for Consumer and Business Affairs, Minister for Arts) (15:20): I invite the member, as I invite most of my small business round tables that I host, to give me three ideas of what we can do to reduce red tape. I certainly invite the member to sit down and have a conversation about specific examples. I am very happy to sit down with the member and for him to give me specific examples and I will take that on board. Any time; my door is open.

SMALL BUSINESS

Mr TELFER (Flinders) (15:20): My question is to the Minister for Small Business. Will the government cut payroll tax for small businesses? With your leave, sir, and that of the house, I will explain.

Leave granted.

Mr TELFER: According to the latest South Australian Business Chamber Survey of Business Expectations report, one respondent in the transport, warehousing and logistics industry employing 20 to 49 employees said and I quote:

> Payroll tax and Return to Work is a nightmare, over $220k for a 5.5m business, it's not sustainable.

The Hon. A. MICHAELS (Enfield—Minister for Small and Family Business, Minister for Consumer and Business Affairs, Minister for Arts) (15:21): I certainly, and this side of the house supported the former government's increase in the payroll tax threshold which, quite frankly, actually carves out most small businesses from payroll tax. Yes, small businesses throughout South Australia are largely not paying payroll tax and I commend the former government for those changes.

SMALL BUSINESS

Mr TELFER (Flinders) (15:21): My question is to the Minister for Small Business. Have business failures hit their highest level since the COVID pandemic? If so, what is the Minister for Small Business doing about it?

The Hon. A. MICHAELS (Enfield—Minister for Small and Family Business, Minister for Consumer and Business Affairs, Minister for Arts) (15:21): Could the member repeat the question. I didn't quite hear it.

Mr TELFER: Sorry, your colleague was being obtrusive.

The SPEAKER: Member for Flinders, I think that may have been the fault of the Minister for Trade, who is on his final warning. No yelling out.

SMALL BUSINESS

Mr TELFER (Flinders) (15:22): My question is to the Minister for Small Business. Have business failures hit their highest level since the COVID pandemic? If so, what is the Minister for Small Business doing about it? With your leave, sir, and that of the house, I will explain.

Leave granted.

Mr TELFER: The latest CreditorWatch report indicates that business failures have hit their highest level since October 2020.

The Hon. A. MICHAELS (Enfield—Minister for Small and Family Business, Minister for Consumer and Business Affairs, Minister for Arts) (15:22): I thank the member for the question. I don't have the report in front of me but my recollection is that South Australia has one of the lowest rates in the country for business failures. I think Norwood, from my recollection—I will correct it if it's not right—has the lowest rate of failures in any suburb in the whole country.

Mr Telfer interjecting:

The SPEAKER: Member for Flinders, if you want another question, you will stop interrupting the answer to your previous question.

The Hon. A. MICHAELS: From the stats that are coming through, this state is actually doing quite well economically. Our small businesses are doing well. We are certainly providing supports to small business owners at various stages of their journey to make sure they are not only surviving but growing. We are seeing very much reduced rates of insolvencies here in South Australia.

REGIONAL ROAD MAINTENANCE

Mr ELLIS (Narungga) (15:23): My question is to the Minister for Infrastructure and Transport. When will the works on Highway 1, between Port Wakefield and Lochiel, be finally complete? With your leave, sir, and that of the house, I will explain.

Leave granted.

Mr ELLIS: People who live in towns like Lochiel and around and who use that road regularly have been inconvenienced for literally years and are eager to see the completion of this project.

The Hon. A. KOUTSANTONIS (West Torrens—Minister for Infrastructure and Transport, Minister for Energy and Mining) (15:23): It's always good to get a question from a regional member who cares about their local community, actually fights for them, asks questions about them in parliament. It is quite rare. So it's good that the crossbench actually care about the communities they represent. As the member is well aware, work is underway on an important upgrade, which has a cost of $260 million, funded in partnership with the Australian government on an 80:20 basis.

This project will provide dual two-lane carriageways, including appropriate intersection treatments between the Augusta Highway intersection with the Copper Coast Highway and Lochiel. Once completed, the duplication of the Augusta Highway between Port Wakefield and Lochiel will result in significant safety improvements for all road users, productivity improvements for freight travelling on the Augusta Highway and reduction in travel times.

I have been advised by the Department for Infrastructure and Transport that the project will be completed in quarter 1 of 2025. I know it has been inconvenient for the member's community. It is the great burden of building infrastructure in regional communities when the roads that are often being built are the only roads people can use. It is becoming increasingly frustrating when people see day in, day out roadworks. Often weather inhibits roadworks, and it increases that frustration for local communities.

What I can try to assure the member is that we are working at pace. We are pushing the contractor to deliver the project and complete it. I know that often communities that have work completed are then often frustrated once the work is completed about speed limit restrictions that remain in place. One of the big frustrations of a lot of regional communities is seeing speed restrictions or traffic restrictions in place when they see no work being undertaken at all.

What I can say to the member is that there are good reasons for all these things that occur, and I ask a bit of patience from those local communities. We are trying to improve the amenity of their freight network and their roads. We are spending vast amounts of treasure on roads that directly impact them. I know the member is a great advocate for local regional roads and has got some good outcomes on Yorke Peninsula. This is one of many that he has fought and advocated for, and there are others that he has done as well.

It is often the case with these infrastructure programs that they are incredibly popular when they are announced, very, very unpopular while they are being built, and then people forget quickly once they are completed what they went through. All I can say is it will be worth the wait. I am happy to meet with local communities and businesses that he may wish me to, to reassure that we are working at pace to get this done.

The frustrating part about roadworks and infrastructure works is they take time—they do take time. Because they take time, often morale gets hit in these local communities, so I do apologise to the member, but the delays are unforeseen. The work is going quickly. We are going as fast as we possibly can. We want a good outcome for his local community. It is an important section of road. They have been long-suffering. The deserve this upgrade. It is coming their way—just a little bit longer.

PASSENGER SERVICE ASSISTANTS

The Hon. A. PICCOLO (Light) (15:27): My question is to the Minister for Infrastructure and Transport. Can the minister inform the house of the history of passenger service assistants and their role in the public transport network?

The Hon. A. KOUTSANTONIS (West Torrens—Minister for Infrastructure and Transport, Minister for Energy and Mining) (15:27): I can. I thank the member for Light for his question and his keen interest in the public transport network. He is one of the fiercest advocates for the electrification of the Gawler line and for extensions beyond it.

We are indeed celebrating an auspicious milestone. It is the 30th anniversary of the establishment of the PSAs (passenger service assistants) across our public transport network. In fact, it was a Liberal minister for transport who introduced these PSAs into the network, and that was the Hon. Diana Laidlaw, who was a passionate supporter of public transport. It was during a time when there was more bipartisan support for the public in public transport.

These PSAs provide a vital service across our public transport system, delivering day-to-day, effective, efficient public transport services. They deliver friendly customer service in a manner to ensure that customers enjoy a high level of punctuality on their services. Safety is important. Their mere presence creates a feeling of safety in our public transport system. Most importantly, there is someone—a real person—people can speak to about what is happening on their public transport system. They are at the forefront of providing advisory services to the public about our public transport system, and we thank them for their service.

Their main role isn't about the old hands on the public transport system who know their way around; it's for the first-time users, it's for the new people who are getting on public transport for the first time—people who are realising that a safe, affordable system that is frequent, has good amenity and is safe is a great way of saving money. PSAs are a great way of introduction—that friendly smile—to the public transport system.

Fast forward from the heady days of the bipartisan support for public transport and the PSAs to the privatisation of our train and tram networks—dark days indeed when members opposite dramatically reduced vital services, including those of PSAs. Shame on them for doing that. In efficiency measures modelled and mooted as part of the then government's initial negotiations towards the outsourcing of our train services, the number of PSA roles in the network was reduced from 93 to 63—30 gone straightaway in a bid to defray costs for the potential incoming contractor who was going to now take up the network.

It would have removed fixed security officers from each train instead of replacing this requirement with mobile teams across a network. It would have removed the requirement for PSAs to be on services after 7pm each night. This is one of the many reasons why we are returning our trains to public hands and our trams to public hands—trains by January 2005 and trams by July. Public transport is an essential service. It is not a 'nice to have'; it is a 'need to have'. It is an essential. That is why you see this government investing in rail infrastructure, like our $2 million investment into the Marino Railway Station—and aren't the people of that community grateful?

Planning for the Marino Railway Station upgrades is already underway, with works to commence and be completed by 2025 that will include the installation of CCTV camera technology,

a 24-hour telephone, tactile pavement installation, and sheltered platforms. We already upgraded the tunnels with new lighting long before. These are excellent improvements.

Time expired.

SMALL BUSINESS

Mr TELFER (Flinders) (15:31): My question is to the Minister for Small Business. How many insolvencies have occurred in the food and beverage sector in South Australia in the last financial year, and why? With your leave, sir, and that of the house, I will explain.

Leave granted.

Mr TELFER: The latest CreditorWatch report showed the food and beverage sector recorded the highest failure rate of all industries in October, increasing to 8½ per cent on a rolling 12-month basis.

The Hon. A. MICHAELS (Enfield—Minister for Small and Family Business, Minister for Consumer and Business Affairs, Minister for Arts) (15:32): Can I just correct the member: my title is actually Minister for Small and Family Business. I know it really grates those opposite who had four years in government and didn't pay attention to the small business sector and don't understand the importance of family business in South Australia. It grates them; I know that.

Members interjecting:

The Hon. A. MICHAELS: I don't even have an equivalent on that side of the chamber. I don't know—

Members interjecting:

The SPEAKER: Members on both sides of the chamber will come to order!

The Hon. A. MICHAELS: —who the shadow minister is for small and family business on that side.

Members interjecting:

The SPEAKER: Minister, can you resume your seat, please? Members on both sides of the chamber will come to order. There will be no yelling out. I couldn't hear a word that was being said there, and I'm sure other people in the chamber couldn't. The next person to speak who is not invited to speak and on their feet will be thrown out for the rest of question time. The minister.

The Hon. A. MICHAELS: I was explaining that the difficulty that those opposite have is the frustration they are facing of having a government, the Malinauskas government, that is strongly supporting our small business sector in all aspects, including hospitality and other industries that are very important to South Australia. We are doing that through our Small Business Strategy and working—

Mr Patterson interjecting:

The SPEAKER: Member for Morphett, you can leave the chamber until the end of question time.

The honourable member for Morphett having withdrawn from the chamber:

The Hon. A. MICHAELS: We are working collaboratively across government, including through the Minister for Tourism and others who are impacting the hospitality sector. We have LIV Golf; I know it grates those opposite that we have Adelaide 500. I know it grates those opposite that we have thousands of people coming to South Australia, eating in our hospitality venues, when they come here for Gather Round. It really grates on them, but we are doing everything we can to support our hospitality sector.

SMALL BUSINESS

Mr TELFER (Flinders) (15:34): My question is to the Minister for Small and Family Business. Will the South Australian economy be stronger or weaker for small business over the next 12 months? With your leave, sir, and that of the house, I will explain.

Leave granted.

Mr TELFER: According to the latest South Australian Business Chamber Survey of Business Expectations report, released last week by the South Australian Business Chamber, less than 16 per cent of businesses felt the South Australian economy will be stronger or somewhat stronger within the next 12 months.

The Hon. A. MICHAELS (Enfield—Minister for Small and Family Business, Minister for Consumer and Business Affairs, Minister for Arts) (15:34): What that SA Business Chamber report mentioned, as I have alluded to earlier, was a rise in business confidence up 3.4 points from the quarter before. We have also got the State of the States report from CommSec in October 2024, which showed South Australians recording the strongest improvement in real economic growth throughout South Australia. We have also got the Institute of Public Affairs' Ease of Doing Business report, which reveals we have the lowest payroll tax and stamp duty burden of all states. On top of that, we have the Business Council of Australia's chief saying that South Australia is the best place to do business.

So, from our perspective, we are doing everything we can to make a very strong economy. Our businesses are in a very good position compared to other states'. We continue that support and we look forward to a very strong economy in the future.

GENERAL SKILLED MIGRATION

Mr McBRIDE (MacKillop) (15:35): My question is to the Deputy Premier. Will the state government lobby the Australian government to increase the quota of skilled migration program places that are available? Mr Speaker, with your leave and the leave of the house, I will explain.

Leave granted.

Mr McBRIDE: The number of registrations for the 2024-25 General Skilled Migration program has exceeded the quota available, in particular for chefs, motor mechanics and nurses. In my electorate there are tourism towns crying out for chefs. Business owners are being forced down the expensive sponsorship route with no certainty that they will be successful that staff will stay.

The Hon. S.E. CLOSE (Port Adelaide—Deputy Premier, Minister for Industry, Innovation and Science, Minister for Climate, Environment and Water, Minister for Workforce and Population Strategy) (15:36): This is an important question for South Australia and indeed for Australia, and I find it beyond mystifying and horrifying the way in which the Leader of the Opposition in Canberra has chosen to politicise yet again migration, including for international students in a way that is unhelpful for the economic prosperity of regional South Australia as well as South Australia as a whole.

An honourable member interjecting:

The Hon. S.E. CLOSE: We won't start talking about the international students and what the Liberals in Canberra are doing to international students. But the challenge for regional towns and also for Adelaide of course is this question of how we can get enough skilled people at the same time as putting a huge amount of money into training, as both the Labor federal government and Labor state government have been doing, so that we train up our own people as well. The answer to workforce planning is of course to do both. I pay tribute to the education minister for the way in which free TAFE and the increase in vocational training funding is already making a difference and will continue to over the next several years.

There are two real ways to get skilled migrants into South Australia. One is through that general migration scheme through coming to South Australia, but the person with the skill chooses to apply to come to South Australia because we have asked for chefs and so on. That number was dramatically cut last year for South Australia; this year we have been able to see a bit of an increase. We were given 3,800 places, but as the member points out those fill up pretty quickly because people are very keen to come to Australia and to South Australia.

The other is directed by the employer through the DAMA process, which was established under the previous Liberal government here in South Australia, to have employer-sponsored and employer-led visas available to get skilled migrants here. There is a capacity to have chefs through

that, and I understand they were the second most requested occupation in South Australia. That does underscore exactly what the member is saying in terms of that need to have people come through. At the same time, as the member said in his explanation, it can be very onerous for small businesses in particular to go through the process of applying through the DAMA to get someone to come to this country and also the costs up-front can be very difficult to manage for a small business.

We have been advocating for some time to remodel the DAMA to make it simpler for small to medium businesses, but particularly for small businesses. We had a rollover of the current DAMA only for a year with the addition of some occupation categories, including very many in construction, but we only did the rollover for a year in order to give us more time to work closely with the federal government about making that administration simpler. We are also working with the federal government about having trailing fees so that the fees come after someone is able to already get the staff member, rather than that very challenging up-front fee cost.

So the concern that has been expressed by the member is well understood by the government. We are working hard with the federal government on how we can make it simpler and easier to get people here. I have the migration minister's round table on Friday, where I will again raise these issues, again urge the federal government to continue to allow the skilled migrants that we require for our prosperity while at the same time paying attention to make sure that the education and training required for South Australians to be skilled up is prioritised.

ECONOMIC GROWTH

Mr TELFER (Flinders) (15:40): My question is to the Minister for Small and Family Business. Does South Australia have the second weakest economic growth in the nation and, if so, how is it affecting small business? With your leave, sir, and that of the house, I will explain.

Leave granted.

Mr TELFER: The annual ABS data on gross state product showed that South Australia had the second weakest growth in the nation for the 2023-24 financial year. South Australian businesses remain plagued by an increase in costs and regulations as business conditions hit their lowest since the COVID pandemic.

The Hon. P.B. MALINAUSKAS (Croydon—Premier) (15:40): I detect the theme of questions that the member for Flinders is asking, and I thought I would take the opportunity to talk about the overall economic performance of the state. The first thing I would say is this: as the member for Flinders is well aware, there has consistently been a range of metrics, particularly over the last 18 months, more acutely throughout the course of the first half of this year, that have demonstrated that the South Australian economy is powering along in a rather strong way. It is easy for the member for Flinders to try to pick a stat here or there, but the truth is that the overwhelming measures of the state's economic performance that are holistic in nature, composite in nature, rather than a random stat here or there, point to a lot of strength in the South Australian economy.

Members interjecting:

The SPEAKER: Members on my left, you have already been warned.

The Hon. P.B. MALINAUSKAS: The member for Flinders talks about GSP. There has been a range of GSP numbers that show that South Australia's economic growth has outperformed the rest of the country's, according to the Australian Bureau of Statistics, at various points over the course of the most recent cycles.

The Hon. D.G. Pisoni: Anyone's poorer under you.

The SPEAKER: The member for Unley can leave until the end of question time.

The honourable member for Unley having withdrawn from the chamber:

The Hon. P.B. MALINAUSKAS: More than that, we have seen some economic statistics in regard to the areas of most concern to the government actually show that we are leading the nation, one of the most important being in addressing the housing crisis with construction starts and new dwelling starts, as verified by independent authorities, such as, hypothetically, the Commonwealth

Bank pointing to South Australia's strong performance in that regard, which is probably why if you have a building trade in South Australia you have never been busier.

You would much rather have a construction trade in South Australia than many other parts of the country, which is again why we are investing so much effort in skills development, whether it be our trade schools or TAFE or anywhere else. Commencements are one thing, but completions are very much the focus because completions are what leads to people actually being able to participate in the profession.

Beyond construction or dwelling starts, we have seen other areas of strong performance in South Australia in the areas that I think matter most to South Australians. The member for Flinders, the shadow treasurer, also talked about business confidence. Business confidence in South Australia over the last few years has very much exceeded the rest of the country. Whether it be the HIA or the Commonwealth Bank or the ANZ or the Business Council of Australia that does reporting on the sorts of things that matter in terms of government policy having a positive impact on private investment, we welcome their endorsement of state government policy.

What will be an interesting indicator in coming weeks or months is that we anticipate the Business Council of Australia—well known I would have thought to the shadow treasurer—are releasing yet other reports. I think their Regulation Rumble report is anticipated, which looks at states around the country and about how they are performing in issues such as red tape and regulation and whether or not it is the most conducive to getting business done. Let's wait and see what that report looks like. I think it will be instructive whether or not there is a question coming from this side of the chamber or that side of the chamber—time will tell, maybe when parliament resumes at some point in the new year.

We pay attention to these organisations. They often have thoughtful and considerate ideas, many of which have been taken up by the Minister for Small and Family Business because this government is committed to the interests of small business. I think we have seen examples of governments gone by that have paid lip service to caring about small business but they literally do nothing about it. This government is very different indeed.

Time expired.

ALERT SA APP

Ms HUTCHESSON (Waite) (15:45): My question is to the Minister for Emergency Services. Can the minister inform the house about enhancements to the Alert SA app for this high-risk weather season?

The Hon. D.R. CREGAN (Kavel—Minister for Police, Emergency Services and Correctional Services, Special Minister of State) (15:45): As the house is aware, all districts in South Australia are now in fire danger season, with the Mount Lofty Ranges, Kangaroo Island and Adelaide metro recently joining the rest of the state. The decision to bring forward the fire danger season for these three districts by two weeks was prompted by hotter and drier conditions, highlighting the increased fire danger risks facing South Australians and emphasising the importance of all being prepared for the upcoming fire danger season and informed about the risks that we face.

I want to specifically highlight the exceptional action of the member for Waite in preparing and supporting her community. She is a senior firefighter in the CFS, and I had last night the opportunity to join her at a community forum at a local primary school. It was clear to me that her community are particularly appreciative of all her efforts, not just at this particular forum but at many others that she has run, as I say, to prepare the community for the fire season. I must say, it was particularly useful as well to hear some insights about her own firefighting experiences.

In terms of the updated app previously dedicated to bushfires, it now includes alerts for severe weather, heatwaves, urban fires—

The Hon. V.A. Tarzia: The one you scrapped.

The SPEAKER: The Leader of the Opposition can leave until the end of question time. Your constant interjections are peaking on the annoying scale past 11 out of 10.

The honourable member for Hartley having withdrawn from the chamber:

The Hon. D.R. CREGAN: —and hazardous materials, bringing together the state's emergency services agencies on a dedicated multihazard platform. Users can access timely information, as you are aware, Mr Speaker, about fire danger ratings, total fire bans, emergency services websites and vital ways to prepare for an emergency. Cross-border fire warnings also feature on the app for the first time, with notifications now being issued for fire warnings within 100 kilometres of neighbouring state and territory borders.

This investment and upgrade supports the commitments in the 2023-24 state budget of $26.7 million for an expanded aerial firefighting fleet, which last fire season contributed to the CFS not losing a single home or structure during a rural fire. These appliances also support the immense efforts of our remarkable volunteer group, who in the last financial year gave over 220,000 volunteer hours.

Further to the matters that I have raised, I am pleased to say that we have also recently finalised round 3 of the Farm Firefighting Unit grants. Since the return of this important grant program in 2022, the government has funded over 1,200 pieces of equipment, including firefighting units, UHF and CB radios—of course, as you might anticipate—and fire-rated personal protective clothing.

South Australia Police are also adding to the effort through their recent 2024 launch of Operation Nomad. This fire danger season, South Australia Police will work with other agencies to prevent deliberate, reckless and negligent acts that may cause bushfires. Throughout the season, officers will increase police patrols in high-risk bushfire areas, monitor potential arsonists and regularly visit those identified as being a risk, especially on days of extreme or catastrophic fire danger rating.

Last year, police investigated 81 suspicious fires; of those, 28 were determined to be deliberately lit, with nine people arrested, two people reported and 40 expiations issued. This year will also see police security officers conducting highly visible patrols and observations in areas of high fire danger risk. These officers will complement frontline police patrols, attend incidents and be able to identify and report suspicious behaviours to SAPOL communications.

TOMATO BROWN RUGOSE FRUIT VIRUS

Ms PRATT (Frome) (15:49): My question is to the Minister for Small and Family Business. Will the government compensate small business owners following the government's response to the tomato brown rugose fruit virus? With your leave, sir, and that of the house, I will explain.

Leave granted.

Ms PRATT: It was reported on 26 November that delays in testing results from PIRSA are prohibiting growers from accessing WA and Queensland markets, causing a glut in tomatoes in all other states. Producers have slammed the handling of the crisis, claiming the response has caused an economic disaster.

The Hon. P.B. MALINAUSKAS (Croydon—Premier) (15:50): I thank the member for Frome for her question. The government has been rather active in confronting the challenge when it comes to the tomato virus that has been well reported around the country and certainly here in South Australia. The agency and the regulator, PIRSA, has had a very substantial and complex policy challenge on its hands.

I think it is fair to say that the government's response first and foremost is informed by the science. We acknowledge that the science in this area in Australia is still being developed, being, with respect, a novel virus or a virus we had not yet seen in tomato crops in Australia before. So in many respects, PIRSA was and is responding to something that is without precedent in Australia. For that reason, I think PIRSA quite reasonably is acting with caution to make sure that we are doing everything we reasonably can to protect the many hundreds of people who work within the horticultural sector in South Australia particularly associated with tomatoes and capsicums.

That is why there has been a risk-averse approach from PIRSA in terms of the way it has regulated those that have shown evidence of having the virus. Undoubtedly, the virus has had an adverse impact on the producers who have been affected. Thankfully, on the most recent advice I

have seen, that still remains only three producers, which is a far better outcome than what we had feared when the news of the presence of the virus started to emerge. This is something we continue to monitor.

There have been a range of investments that have been made by PIRSA, including now having for the first time in South Australia the capacity to be able to test for the virus, whereas previously those tests were being sent interstate, mainly to Victoria. We now have that capacity based at Waite, which I think is a good outcome to make sure that we can confront this challenge as it is at present but as it may well emerge into the future. I also acknowledge the work that is being done in Athol Park by Ray Borda and his business. Joe and I were able to be witness to the opening of the lab recently, where there will now be a testing capacity done by the private sector as well, which is also advantageous.

In terms of the producers themselves, I have said publicly previously, including in this place, that we will contemplate government support on its merits. We have to think through what that would look like, what the reasons for that are. We have to think through what that means in terms of precedent. I think the most acute focus on behalf of the government up to this point has been containment and eradication of the virus itself where we can but then also working aggressively—and I use that word deliberately—with other jurisdictions to make sure that they are making informed decisions on the basis of science as well.

We have already had some inroads with other jurisdictions around the country. We note that outside of Western Australia and Queensland we have been able to work with interstate regulators effectively to allow the flow of tomatoes unaffected to be able to go interstate into other markets, and we continue to work with the Western Australian and Queensland governments to make sure that they, too, make informed judgements on the basis of science in regard to the policy going forward.

SMALL BUSINESS

Mr TELFER (Flinders) (15:54): My question is to the Minister for Small and Family Business. What impact, if any, will this morning's developments at Beston Global Food have on small businesses in South Australia?

The Hon. P.B. MALINAUSKAS (Croydon—Premier) (15:54): Obviously the news of Beston going into voluntary administration—some weeks ago now—was exceptionally disappointing for the dairy industry and for shareholders of Beston themselves. This is a South Australian company with some significant prominent South Australian businesspeople who have been responsible for the establishment and the running of that business in the past, names that would be well familiar to the Liberal Party. No-one wants to see any business of any size go into administration. Of course, it happens from time to time and it is what we see in the entrepreneurial world of business. Some people take risks and sometimes those risks do not work out 100 per cent of the time, otherwise everyone would do it all the time.

So, we do not cast judgement on the operators or the business leaders who take a risk, often with their own capital, if it does not work out in the way that they would have hoped for or anticipated. Of course, it was a good thing that that business was able to be sustained, albeit as it turns out temporarily, through the administration process. The recent news that that will no longer be the case is also disappointing and we expect the market to respond as effectively and efficiently as possible. The government is taking advice on any actions that we can take from this point and it is a situation that we monitor quite closely.

I note that the Minister for Primary Industries, obviously being responsible for the dairy sector, is in touch and seeking to be in touch with representatives of the industry to make sure, if there are things that the government can reasonably do, that we contemplate them. Notwithstanding the fact that obviously it is a diverse sector and that Beston is not the only game in town with respect to the dairy industry, we want to generate a degree of competitiveness because that contributes to demand for dairy product.

We did start to see evidence—I am trying to get my timing right—I think starting around 18 months ago for milk prices to actually head in the right direction in South Australia, which we have not seen for some time. That is good news for producers. Beston, of course, contributed to the

demand for milk supply. They were making products that in many instances were exported overseas. I know their mozzarella had demand from international markets which creates demand, in effect, for our South Australian milk supply to go elsewhere around the world, which is only good news.

The dairy industry is exceptionally competitive and tough and that has been well documented over a long period of time, but rising milk prices was something that gave a lot of people hope and also resulted in some thoughtful recalibrations, in terms of capital investment in the sector to make it even more efficient and effective, again which it has done with great success in many respects, principally to the benefit of the consumer more than anybody else.

I note there are people in the chamber who have more knowledge of the dairy industry than I would profess to, but we do not for a moment diminish, or speak with any ill will for those people who did their best at Beston to make it work. Like I said, the government will continue its efforts. We will engage with SADA to make sure that, if there are reasonable things the government can contemplate, they are given due consideration.

PENNESHAW DESALINATION PLANT

Mr TELFER (Flinders) (15:58): My question is to the Minister for Planning. Is the Penneshaw desalination plant oversubscribed? With your leave, sir, and that of the house, I will explain.

Leave granted.

Mr TELFER: Last week the newly commissioned Penneshaw desalination plant was opened and now the opposition have been informed that local landowners wanting to connect their properties to water have been declined access by SA Water.

The Hon. N.D. CHAMPION (Taylor—Minister for Housing and Urban Development, Minister for Housing Infrastructure, Minister for Planning) (15:58): I have not had a recent briefing that indicates that, but I will take it away on notice and report back to the member.

NORTH-SOUTH CORRIDOR TUNNELS

Mr McBRIDE (MacKillop) (15:59): My question is to the Minister for Infrastructure and Transport, Mining and Energy. Could the minister inform the house what type of employment contracts are being offered for employees working on the north-south corridor tunnels? With your leave, Mr Speaker, and that of the house, I will explain.

Leave granted.

Mr McBRIDE: I remember back in the eighties and nineties, the Myer Remm Centre paid employees extra dollars per hour not to wolf-whistle at attractive ladies walking down Rundle Mall. That building cost $200-plus million to build and was sold a few years later at $70 million. I hear the department/contractors are paying extra dollars for employees just to turn up to work to build and work on the tunnels.

The Hon. A. KOUTSANTONIS (West Torrens—Minister for Infrastructure and Transport, Minister for Energy and Mining) (15:59): I suppose I start at the beginning. In the 1980s, I was a very young man.

Mr McBride interjecting:

The Hon. A. KOUTSANTONIS: Rumours. We are in uncharted waters in this state. The economy is doing exceptionally well, despite the Reserve Bank's best efforts, and the economy is largely at full employment especially in areas around trades. I would not be surprised at all if the consortium that have won the contracts to build the tunnels are doing their very best to make sure that they have a full workforce. The tunnels, while under construction, will employ 5½ thousand people each and every year of construction. That is a mammoth undertaking. I can assure the member that the tunnels will be underground, so wolf-whistling at women walking by will be very difficult so I don't think there will be a need to make payments to stop that from occurring—although I think those days are well beyond us.

If you are asking me: should we apologise for a booming economy where there is a contest for labour? No, we don't apologise for that. Are there extra costs and escalation in infrastructure because of a booming economy? Absolutely, there is. We have a fixed price alliance with our contractor. We share the risk up and down—we benefit from going down and share the risk going up—so the alliance contractor is incentivised to be on time and on budget, otherwise they wear cost. So I would not be surprised at all if they are doing their damnedest to make sure that they have sufficient workforce.

I have not heard of the types of things that the member is talking about on the north-south corridor, but do we want high wages? Yes. Do we want our employees working on government infrastructure to get paid appropriate wages? Absolutely. We also know that the tunnels will be an opportunity for people to work from start to finish; that is, starting without credentials and completing work on the tunnels or this infrastructure program and coming out as a qualified tradesperson in whatever field they have been trained in, because the project is long enough.

So I have to say I am pretty excited about the tunnels, I am pretty excited about the budget we have, I am pretty excited about the scope, I think we have absolutely the right contractor, I think the procurement process was world class and first class, and I think we have timed the procurement perfectly, but we are not going to apologise for a booming economy.

Grievance Debate

STATE ECONOMY

Mr TELFER (Flinders) (16:03): Christmas is approaching but it continues to be a challenging time for the people of South Australia, with families facing the cost-of-living crisis under this Malinauskas state Labor government in conjunction with his good friend Anthony Albanese's federal Labor government. In South Australia, we have the lowest household disposable income per capita of any state or territory in the nation. Let me repeat that again because it is really important for decision-makers to understand: we have the lowest household disposable income per capita of any state or territory in the nation.

At the moment, we have a Premier, and his minions who follow, crowing about how great the state economy is doing. Christmas may be approaching but this Labor government grinch seems to be stealing away the Christmas joy from South Australian businesses and at a desperately needed time for some in the business community in South Australia. Our state has recorded the second-weakest growth in the nation for the last financial year, in part due to business failures in South Australia reaching their highest point since the COVID pandemic.

With business failures on the rise, it would be expected that the government would step in and ease the burden on business owners, but this is not the case. In fact, according to the South Australian Business Chamber's most recent quarterly Survey of Business Expectations, the impact of government regulations went from the fifth biggest issue to the third for businesses in the last 12 months. One respondent said that they believed more small and medium enterprises would decide that it was not worth running a business in South Australia with the amount of red tape.

What red tape would it be? Well, according to the South Australian Business Chamber's Survey of Business Expectations, more than half of all respondents say that time taken to address tax compliance has increased. And, of those with tax compliance concerns, more than 60 per cent of respondents said their major tax compliance concern was related to payroll tax.

We heard today from the Minister for Small and Family Business. The only answer she had on payroll tax was to commend the previous Liberal government for their great decision on policy. She has no plan to try to ease that payroll tax burden. This Labor government continues to wallow in the significant increase in revenue from taxes such as these at the expense of businesses, their workers, their customers, and the families of South Australia.

With so much negativity surrounding business expectations, it should not be a surprise that the South Australian Business Chamber's survey also found that less than 16 per cent of South Australian businesses felt the South Australian economy will be stronger or somewhat stronger within the next 12 months—only 16 per cent. That leaves 84 per cent that have no confidence in the decisions that are being made by this government. This comes from a Premier who promised to be

a friend to the business community. He promised to be a friend. Maybe that promise is as useful as his promise to fix ramping. All talk and no Christmas joy from this Premier.

What about the lack of Christmas cheer around housing? These numbers are truly worrying. It takes 11.8 years in Adelaide to save a 20 per cent deposit. That is the second longest in the nation. We have the highest percentage of household income required to service rental payments—the highest percentage of household income. We have the second highest percentage of household income required to service a mortgage.

Dwelling value to income ratio: the ability to actually have the asset recompense for your income, is the second highest in the nation. Some of these numbers are truly worrying—nine times the median income to buy a medium-value house. If you happen to be under 30 the news gets worse because, according to the latest ABS Labour Force Survey released last week, the unemployment rate for people under 30 has increased from 7 per cent to 9.3 per cent in the last two months—an alarming increase.

Those unemployment rates for people in regional South Australia are even more confronting: from 1.3 per cent to 5.1 per cent, and for women under 30 in regional South Australia, from 3.5 per cent to 7.7 per cent. It is no surprise that this is causing ripples within the business community. The stats that we have seen really do concern people coming up to Christmas. This is the not-so-merry Christmas present from this Labor government to the families of South Australia and it is all wrapped up in a bow of red tape.

YORKE PENINSULA HEALTH ADVISORY COUNCIL

Mr ELLIS (Narungga) (16:08): I would like to bring to this house's attention a couple of significant local community events that have occurred in recent days and weeks and start by bringing to this house's attention a wonderful forum that was put together by a local nurse. I have the great honour of chairing the Yorke Peninsula HAC and have done for a little while.

We were recently approached by Brooke Bellchambers, a nurse at Maitland Hospital, who was concerned that the greater population had a bit of difficulty understanding the aged care scheme and environment and who thought it would be beneficial to put on a forum with a lot of service providers all in the one room so that people could come in, they could pick the brains of the experts and access the materials and services that they needed all in one place.

She did a tremendous job organising it. All credit must go to Brooke and the work she did. She had a helpful subcommittee and feelgood people from the Star of the Sea nursing home. We had people from Eldercare, other members of the health profession from Yorketown and Maitland hospitals and a member of the HAC, Ashlynne Pointon. They all did a wonderful job of organising it. It was a tremendous day, and there was some really useful information for the people who made the time to pop in and make the most of it. Brooke should be commended. It really was a big effort to get everything together at the Minlaton Town Hall. We held our HAC AGM at the same time, so it was a pleasure for us to have that drawcard to drag a few more people in so that we could achieve quorum and conduct a proper meeting. It was a wonderful effort.

It is not an easy thing to put on a forum, in the country even more so, where we have the tyranny of distance and it is difficult to know exactly where to host a forum to maximise attendance. They chose to host it at the Minlaton Town Hall, which I believe was the right decision. We did get a few people turn up and make the most of it. Once more, thank you very much to Brooke for the work that she did. If anyone would like some more information about aged care or aged-care packages, please get in touch with my office. We can put you in touch with people who were at that forum and offered that advice, because it is a complex area and sometimes help is needed. That was a wonderful service.

Another really important community event that occurred recently is we were pleased to host the Deputy Premier in our patch to celebrate the tentative World Heritage listing of the Moonta Mines precinct. This has been a project for literally decades. The World Heritage consultant, Mr Barry Gamble, graced us with his presence all the way from the UK. He came down and advised the crowd that had gathered that it was some 20 years since he first visited Moonta Mines to make an assessment about its World Heritage suitability.

This has been a project that has been going on for a long, long time. Credit must go to both the Copper Coast Council and to the Regional Council of Goyder for their sustained efforts in bringing this to the front of the queue. We thank the government for progressing its tentative listing. It is now right near the front of the queue and right on the doorstep of being a fully fledged World Heritage listed site, which will be a tremendous boon for our local area. It is going to quite literally put Moonta and Burra on the map. It will quite literally attract people from around the world who are interested in heritage tourism to our part of the world, and hopefully it will bring about a significant increase to our tourism dollar. It will be a wonderful addition to our local economy. It will be a diversified income for our local businesses, and it will be an excellent thing.

That was a wonderful event. As I said, it was wonderful to host the Deputy Premier to mark the occasion. After a couple of false starts, we finally got everyone there in the same place. We had, as I said, Mr Barry Gamble there, who is the expert consultant who has been assisting the councils with that initiative. While I want to offer congratulations to the council as a whole, also special congratulations go to Ms Holly Cowan, who has done a wonderful job on behalf of the Copper Coast Council in driving their part of the bid. She played a strong role in organising that day as well, so thank you very much to Holly for the work she has done.

Thank you very much to the local National Trust branch. There were some volunteers there on the day. A group of us arrived at the site of the presentation on board the roadworthy trams that the volunteers drive around town. As an interesting sidenote, those trams do a Christmas lights tour every summer. It starts on 9 December this year and runs through Christmas. I am led to believe the two trams are fully booked out already, so they are going to be busy doing that. I am sure they will have the usual carriage of cars trailing along behind those trams to see the best lights that are available.

Well done to the National Trust and their local president, Graham Hancock, who is the current president there. He is doing a wonderful job, and it was a really excellent day. We look forward to seeing that bid progress. Barry told the crowd that he has a perfect strike rate once he gets sites on the tentative World Heritage List, so we think it will only be a matter of time until the Moonta Mines and Burra copper mining sites are World Heritage listed to put our region on the world map.

REGIONAL HEALTH SERVICES

Ms PRATT (Frome) (16:13): In delivering my report card on regional health and mental health for 2024, there is no better case than a current systemic failure taking place on the West Coast. I have spoken at length in this chamber about this government's poor workforce planning, a serious and dangerous lack of effort to incentivise and attract rural GPs, the shameful and unprecedented situation of no midwifery services at Whyalla Hospital for 12 months, GP clinics being reduced to part-time services because local councils on Eyre Peninsula and the local health network cannot agree on terms and, finally, the ultimate disgrace of this year: a rural psychologist who has belled the cat on how ineffective this health minister is when it comes to managing the complexities of regional health services.

In the house last sitting week, I tasked the minister to nominate West Coast for an exemption 19(2) under the Health Insurance Act 1973. Now this week he wants to claim credit for it because he declares he has known about it all along—he has known since August, even writing to the federal health minister that same month to make it his problem.

It is astounding and offensive to discover that while he claims to have had the answer all along, he ignored three pleading letters sent to him by Dr Amanda Rogers, a rural psychologist and the heroine of my story. For six weeks she wrote letters in between consults with her clients. She wrote to the Premier, she wrote to the federal health minister, she wrote to the state's Chief Psychiatrist and she wrote to mental health peak bodies. She wrote very simply that since June something had changed at the billing level and her clients were suddenly having their Medicare rebates declined if their mental health care plan had been assessed and referred by a locum doctor.

Her clients from drought-affected farming communities, which include children, were now starting to cancel their appointments for treatment because they could not afford the full consult fee. Dr Rogers has maintained that this was putting lives at risk, but at no stage did she get a response from the Labor health ministers until she went to the media, and I think that says it all. Questions in

parliament, department heads called before a committee, and letters from a respected professional did not extract a response from the government until the media got involved.

This is what the government and public servants now have to say. Dr Robyn Lawrence in Budget and Finance last week said, and I quote, 'We shouldn't be providing primary care. We have done everything we can. I don't know there is much more we can do.' She is paid nearly $700,000 to come up with that answer. The Chief Psychiatrist, in response to a letter sent to him, noted:

> …regarding Medicare rebates being rejected for mental health services, which I found very concerning—a highly qualified practitioner—

namely Dr Rogers, and that in that light—

> …our office will do whatever we can to assist to resolve that.

I note that that is the only compassionate recognition of this dire mental health situation that the government or a public servant has offered for an entire peninsula of people.

The Eyre Far North Local Health Network CEO, Julie Marron, said when asked if the exemption would include rebates for backdated consult fees, 'It is a federal issue and the people that were affected will have to contact them directly to try to resolve that.' That is a CEO saying that mental health patients who are already experiencing distress and have had their rebates declined would have to fend for themselves up against the federal government.

In a rushed letter on Friday after a week of scrutiny by the city media, Minister Butler declared the exemption was approved, and in a letter he sent to the media—but not the treating psychologist, of course—he stated that Medicare Benefits Scheme billing could resume 'once the legislative instrument authorising the 19(2) is published on the Federal Legislation Register'. Who knows what that means? No-one is any clearer as to when this exemption will begin or if it will be applied retrospectively; so far it is just an empty promise.

In his hurry to blame the federal government, Minister Picton finally wrote to Dr Amanda Rogers yesterday and explained the problem like this:

> The EFNLHN—

the local health network—

> has taken over the operation of GP clinics in circumstances where private GPs have left the region and there has been no successor, creating sustained market failure of private GP clinics in these areas.

Well, what is he actually doing about it after nearly three years in the role? So where does this leave our heroine, Dr Amanda Rogers? On the phone today she said:

> What have I actually got to tell my clients? Nothing has changed. They are still cancelling their treatment. The Medicare rebate is still invalid. There has been no direction to practice managers on the EP and the government hasn't informed locums or patients of what is going on.

Patients are out of pocket, sometimes up to the amount of $1,400 since June. Dr Amanda Rogers has my respect and admiration for never giving up. She knocked on every door to bring awareness to a systemic failure that threatened lives, and now she waits to learn when this exemption will commence. We both hope it is before the Labor federal government goes into caretaker mode.

NEWLAND ELECTORATE SCHOOLS

Ms SAVVAS (Newland) (16:18): It was another really big week in the Newland electorate last week, as I had five primary school visits. Many would know, and have heard me say when I make those visits, that if I am ever in need of another career then primary school teaching may be where I end up, because it is well and truly where my heart and my passion are and I do really love spending time with local students in my electorate.

We started the week with an announcement at Modbury South Primary School, alongside the Minister for Education, about our new numeracy check, which will be occurring for all year 1 students from next year. It was a really exciting time not just to announce the importance of that check but to hear from the students at Modbury South about the trial that they have undergone and how they are finding a real love for maths.

We had a discussion particularly with one of the young girls at the school about what it means for young women to be getting involved in maths and to be having that love for maths. We know that even in my generation, which was not all that long ago, there was not really that encouragement for girls to continue maths. For myself, even moving from one school to another halfway through high school and the disparity between the curriculums at those two schools basically meant that there was not the opportunity to catch up in maths and science in a way that I probably would have liked, nor was there encouragement for me to do so. I do think that that has unfortunately been the case for so many girls in the past and I am really pleased to see that there is this renewed emphasis on numeracy, not just for young students across South Australia but for girls.

Later that afternoon I went along to an assembly at Modbury School P-6, one of my other wonderful primary schools, and I got to present one of the winners of my Christmas card competition for this year, one of four winners. This year we were very lucky to have had almost 250 entries from across our 15 schools, which is a mammoth effort particularly for me, the judge, to let down that many kids and tell them that they are not the winners of the competition. But we have gone and put those designs all around our office—in the windows, on the walls—so that the students, if they would like to, can come along and see their beautiful designs up around the office.

I also returned to Modbury South again the next day for the transition day, which is hosted by the Schools Ministry Group—and I have to say, if you do not have this happening in your own local electorate, it is one of the most brilliant programs that I have seen in the last few years in terms that transition to high school program. The Schools Ministry Group host one at Modbury South every year for six local primary schools where they talk about the transition process to high school. They have representatives from the local high schools who come and put students in groups so that they can meet other peers who are going along to those high schools. They talk about change, they talk about goal setting and they talk about all of those hard emotions that a lot of students feel going into high school.

I was there. I donated the sausages and did a bit of a shift on the sausage sizzle. The kids are all fed for the day and get this opportunity to really socialise and meet each other. I do want to say a big thanks on the record to Schools Ministry Group for the work that they do in putting that on every year. It is a mammoth task for six schools to all get into one gym and be hosted by Schools Ministry Group, and we have a number of wonderful local volunteers including from the Gully Church who came along, and I really want to thank all those volunteers and supporters as well.

I ended the week with two assemblies—one at Ardtornish, one at St Agnes—at our two public primary schools in St Agnes. At Ardtornish I went along to find two other winners from our Christmas card competition to present them but also to hand out certificates for the Terrific Kids award which has been sponsored for many years by the Tea Tree Gully Kiwanis, which is no longer in operation but they do still do those Terrific Kids certificates at local assemblies. I do also want to put on the record my thanks to the Grove Shopping Centre for sponsoring those little vouchers for students around the community.

I left Ardtornish in a mad rush two minutes up the road to go to St Agnes Primary School for the final assembly for the incredible Sandee Ising who is leaving teaching as the principal there after 34 years in education. Sandee is one of the most remarkable women; I have been so blessed to get to know her over the last few years and I know that the community is so saddened to see her go. It was a really emotional afternoon and all the kids made cards and they held them up, 'We love you, Ms Ising,' 'We will miss you, Ms Ising.' There was not a dry eye in the house. I would like to acknowledge the incredible efforts of Sandee Ising at St Agnes Primary School and of course across our education department over the last 34 years. We will certainly be the worse for not having her teaching in our local schools.

GOVERNMENT PRIORITIES

The Hon. J.A.W. GARDNER (Morialta—Deputy Leader of the Opposition) (16:23): With Christmas coming amidst a cost-of-living crisis, I really have some concerns about the government's priorities. We heard earlier today that South Australia has the lowest household disposable income per capita of any state in the nation, and that is at a time when we see the Premier and the government sometimes apparently more focused on the celebrities that they can be in photographs

with, whether it be Katy Perry or Sam Smith or Jimmy Barnes or Greg Norman or the Tindalls, than they are on the challenges confronting everyday families. The choices that the government makes to spend money attracting celebrities to South Australia, rather than relieving South Australians of their household burdens, are a concern.

I have some questions about a celebrity of sorts: Little Amal. I have been asking these questions since late October in this house of the Minister for Arts and the Minister for Tourism and, ultimately, the Premier. The Premier has a major events attraction fund, which he is responsible for. He has chosen to be responsible for that, rather than the Minister for Tourism, and indeed it provides funding for events that are supposed to attract people to South Australia.

That major events attraction fund provided $2.3 million this year to the Adelaide Festival for the purposes we heard in late October in the Auditor-General's questioning from the Minister for Arts of funding the three years' worth of operas in the Adelaide Festival and the attendance of Little Amal at this year's Adelaide Festival. Indeed, the Minister for Arts highlighted Little Amal's attendance at the Adelaide Festival as being one of the free events that assisted the Adelaide Festival in having what was described as 'record attendances'.

We heard that the number of people coming to the South Australian Adelaide Festival this year was 457,505, supported in no small part by those free events. Free events when it came to Little Amal, the minister informed us, included her attendance, and I will quote the minister, as she:

> …moved around the city, crossing the bridge with the Port Adelaide fans, as I crossed with her.

That was at a Port Adelaide home game across the footbridge. She went on to say:

> She was around the place, in Rundle Mall, and I went to that as well. That was a very good free program that engaged many thousands of families and young people who probably would not otherwise engage in the Adelaide Festival.

This was the intentional approach of the government: to spend the money from the major events attraction fund to bring Little Amal to Adelaide to walk around on the footbridge, Rundle Mall and at other places, which contributed to the Adelaide Festival attendance numbers.

The decisions the government has made in this area have contributed to a blowout in the Adelaide Festival's budget last year through a combination of revenue not being achieved—that is ticket sales and sponsorship not being achieved—and costs being exceeded over budget to a total of what was apparent from the Auditor-General's Report of nearly $1 million—over $800,000, in fact.

We also heard questioning in the Auditor-General's Report examination of the Minister for Tourism where it became apparent that the SA Tourism Commission—and I have received answers to questions the Minister for Tourism took on notice today—managed the contract for Little Amal and the two opera performances but there was no information from the Minister for Tourism about that contractual detail. There was no answer provided to our reasonable questions about how much that cost.

Last sitting week in the parliament, I asked the Minister for Arts again how much Little Amal cost to bring to the Adelaide Festival and the Minister for Arts again used commercial-in-confidence as an excuse. I asked her a follow-up, saying that, if the minister is saying 'commercial-in-confidence', is she able to tell the people of South Australia whether it was less than $200,000, less than $500,000 or indeed more than $500,000 and the minister refused to answer.

I will make it very simple. When Sam Smith came to South Australia, paid for by South Australian taxpayers to perform a concert in McLaren Vale for 300 influencers and the like, the government refused to respond to questions about how much it cost but they did rule out it being more than half a million dollars. I think every South Australian would understand that we paid half a million dollars to bring Sam Smith to perform a concert in McLaren Vale and announce a tour launch.

A very simple question for the government is: how much did it cost to bring Little Amal to South Australia amidst a cost-of-living crisis? Was it less than $200,000? Was it less than half a million dollars? Was it more than half a million dollars?

DUBLIN LOCAL CODE AMENDMENT

The Hon. A. PICCOLO (Light) (16:28): Planning policy must balance the interests of residents and developers and ultimately be for the benefit of the entire community. Recently, I was contacted by concerned residents in Dublin who reached out to me about the proposed local code amendment. They did not believe they were getting answers to the questions they were asking. In response to those concerns, I held a community forum in Dublin on Sunday 24 November.

The people in Dublin and surrounding districts have every right to be sceptical about the proposed code amendment, given the history of development in their area. The people of Dublin are feeling disenfranchised and powerless, given the history of planning in that locality. They still remember the Integrated Waste Services' proposal under the Olsen government, which left a very bad smell. Dublin residents famously protested the dump with a range of public art.

The developer, Leinad, has asserted that their engagement has been robust, genuine and inclusive; however, this is not reflected in what I have been hearing from some parts of the community. There is too much jargon and not enough genuine engagement and explanation. It appears that the developer is seeking to do the bare minimum and get the proposal waved through by the council, albeit the Minister for Planning is the ultimate decision-maker.

A short period for consultation of two forums at 3pm to 5pm and 5pm to 7pm on a single weekday when people are working is not sufficient. Residents are asking the developer to act in good faith and ensure they get the detail they need and the time required to have an effective say. There is a sense that approval of this code amendment is a foregone conclusion and there is nothing they can do to ensure their concerns are heard and addressed.

The developer has downplayed the importance of council's role in consulting with and advocating on behalf of their residents. After all, in proponent-led code amendments, the community consultation process has been privatised, so local councils must be ever vigilant to ensure that the interests of the overall community are taken into account. There is lots of vision and nice ideas presented by the developer, but no guarantees or mechanisms in the code amendment that all the commitments will be carried out.

The plan is for a rezoning, but there has been little or no focus on the impact this will have on the community. There are currently no guarantees around infrastructure or costings for councils and ratepayers: for example, the cost of the buffer, road upgrades and water upgrades. This is why it is imperative that the local council, Adelaide Plains Council, undertakes its own consultation process. They are, after all, the only people elected to look after the interests of their residents and ratepayers. The developer in this code amendment process has tried to assert that there is no need for council to undertake their own consultation process—they would say that, would they not?

It is my strong view that councils have a role to play in consulting with and advocating on behalf of their communities. Quite rightly, residents want an extension of time and a guarantee that they will not be let down like they have been in the past. It is disappointing that the Adelaide Plains Council has decided to undertake no community consultation before deciding its view on the code amendment. Even more worryingly, council has decided to support the code amendment at a meeting last night prior to considering the infrastructure costs to the community. This decision sets a very worrying precedent which needs to be addressed, or residents and ratepayers could be effectively locked out of the proponent-led code amendment process.

We need to ensure that the planning system is robust and accessible to all if we are to prevent the loss of community confidence in it. If this happens, even good code amendments may be strongly opposed by the community. I would strongly urge both the council and the developer to rethink their positions. If changes to the planning policy regarding code amendments are required, so be it. If the current policies do not protect the rights of residents to be heard, and changes to the regulations are required, so be it. In the end, the social contract which exists between residents and governments at all levels must be honoured if we are to have a civil society.

Private Members' Statements

PRIVATE MEMBERS' STATEMENTS

Ms PRATT (Frome) (16:33): I want to join in the celebration and recognition that this chamber has paid to Dr John Weste, director of our library, who marks his 10th anniversary as our director and is also marking 17 years in total in his employ in this building. That story in itself is fascinating. I have the great delight of being on the Parliamentary Friends of the Library committee and in that role for the last 2½ years I have come to know Dr Weste even better.

I think there are many stories yet to be uncovered, but what we have in our midst is someone whose compassion and love for history, current affairs, languages, music, arts and culture really brings alive not just the library itself as a place for us to visit when we bring our school tours and guests through but, of course, brings to life the contents of our library and makes sure that, through his team, we in this chamber benefit from access to the archives and research. In particular, the opposition of the day will always benefit greatly from having access to those resources. I want to commend him for the work that he has done and the work that I hope he continues to do, and I thank him for his service and recognise his 10-year anniversary.

Ms CLANCY (Elder) (16:34): I just want to take this opportunity to talk about some of what is going on in health in the southern suburbs, in particular in my area of the electorate of Elder. Recently, my colleagues the member for Gibson and the Minister for Health and I were at the Marion Ambulance Station in Mitchell Park, where we did a press conference around the fact that we would not just be doing a redo, a renovation, of the current station but doing a full rebuild, which is really exciting.

It will be much more fit for purpose and a lot better for the ambulance officers working out of there. It will be up and running by the end of 2026. I am sure some of them, during this period, will happily go to work in our new Edwardstown Ambulance Station, which I was proud to help open just a couple of months ago. That new ambulance station is at the Repat, and it is very schmick. I am sure people are really happy to be working in it now.

Also at the Repat we have opened 32 new beds. Twenty-six of those are part of the GEM Unit and six are part of the care facility. That is part of the 228 extra hospital beds in Adelaide's south that we are delivering across Flinders, Noarlunga and the Repat. Also in the south, we have opened our 24/7 pharmacy in Clovelly Park on South Road. Across the state, we are delivering more than 600 extra hospital beds, and we have already hired over 1,400 additional health staff. I am really proud to be part of a government that is actually getting it done.

Mr WHETSTONE (Chaffey) (16:36): I want to talk about the world's best classroom. I am really happy that the Minister for Education is here because it is in South Australia but, even more importantly, it is up in the Riverland, on the banks of the River Murray: the Calperum local jobs program. On Thursday, I visited Calperum Station again to witness the 14 graduates who had been through this local jobs program. They came through with flying colours. It was a great initiative, hosted at Calperum Station.

It gives those who are a little less advantaged an opportunity to upskill and gain some social confidence, to gain some practical skills to help better set them up for going out into the workforce. It is a great initiative as a local to have those students go out locally to get a job. They live locally and they do not want to move away, so to give them the opportunity to upskill, I think, is outstanding. They are bright, they are motivated, and I think they are ready to be part of the workforce in a local community.

What I saw from the beginning when I visited Calperum Station was that they were a shy, humble group of kids. Let me tell you, they have come out of their shell. They are bright and bubbly. They have plenty of conversation. I think they will be a force to be reckoned with with the skills they have picked up through this jobs program. It is a great program. It is on the banks of the River Murray. It is the best classroom in the state, and it is right in Chaffey.

S.E. ANDREWS (Gibson) (16:38): I rise to update the house that I am so pleased that the Marion Tennis Club is staying local. You will recall that back in March of this year the Marion council made the decision to bulldoze the Marion Tennis Club, and that was to make way for the expansion

of the South Adelaide Basketball Club—a much-needed project in our community, but bulldozing another club was completely unexpected.

I met together with the club and interested community members the very week of that announcement, and I stood with them and committed to fight and stand alongside them to keep Marion Tennis Club in the community. It was actually the council's intention to have them merge with another club outside of the district and away from where the playing members lived.

Marion Tennis Club has been at that location for almost 90 years. It has almost 200 members and this year has proudly welcomed a very large Nepalese community into the club as well. Having successfully sunk the rink as part of this whole precinct, it did mean that the croquet club on the other side of the precinct was available for local sports use and I am so pleased that logic has prevailed and the Marion Tennis Club is able to use that site.

Bills

NATIONAL ELECTRICITY (SOUTH AUSTRALIA) (ORDERLY EXIT MANAGEMENT FRAMEWORK) AMENDMENT BILL

Committee Stage

In committee (resumed on motion).

Clause 4.

Mr ODENWALDER: Mr Chair, I wish to draw your attention to the state of the committee.

A quorum having been formed:

The CHAIR: Member for Morphett, you had the floor. You had two questions. You have another question on clause 4, if you wish, but we can actually just agree to the clause and move on, if you like.

Mr PATTERSON: Just in terms of the rules, one of the opportunities is that the minister asks for prescribed information. Maybe he could detail what that might entail. Also, there is the option for the minister to ask for additional prescribed information. Is that in response to the prescribed information that is received, or anticipatory so that the minister just asks for additional information over and above what is required? What would be the circumstances in which that additional information might be sought?

The Hon. A. KOUTSANTONIS: The prescribed rules that you are referring to have not been agreed to yet by the minister and council, which will be agreed hopefully in December of this year in Adelaide. Prescribed information means information I can receive prescribed by the rules. Of course, the Australian Energy Regulator can seek other information, either at the request of the minister or at their own volition to try to help inform them about whether or not there needs to be an intervention or otherwise. I think that answers your question.

Clause passed.

Clause 5.

Mr PATTERSON: We are going through the process in the rules, and I know that they have to be put up, but I am assuming they will form part of the rules that you look at in early December. Once a mandatory operation direction is in place, on completion I think it is the intention of the framework that the generator has to shut down; it cannot keep going. If there is still going to be a reliability or a public safety risk at the end of the MOD, are there mechanisms that would occur to keep the generators open after this date?

The Hon. A. KOUTSANTONIS: The idea of the framework is to give the system time to adapt to the loss of the generator. The framework will see the exit of the generator. You go through the mandatory process, you are in for a period of time. That is giving time for other processes to occur outside this framework to ensure system security.

So this is basically a measure or a framework designed to maintain a generator for a period time. At the end of that period of time, the generator will exit. Once it has exited, there are other

frameworks and it gives us time, bides us time, to deal with the loss of the generation in the system through other measures not necessarily contemplated through this framework. This framework is simply about the orderly exit of generation.

Mr PATTERSON: In terms of this framework, are there any situations where it could cover a generator being mothballed rather than retiring early? For example, the generator says, 'We are going to mothball a generator. We are not retiring it, we are just mothballing it.' Are there situations where this framework could apply to that circumstance?

The Hon. A. KOUTSANTONIS: This framework does not deal with mothballing; this framework only deals with hard exits.

Mr PATTERSON: I think I know the answer to this but I may as well put it out there. We talked about at the end of the MOD that is it, you are out. It does not deal with mothballing. Could there be a scenario where it gets to the end and there is a shortfall still identified and, yes, it was going to exit at that date in the normal course of events if this generation was not brought forward? Could it be an option where there is a way to mothball the generator rather than shut it down?

The Hon. A. KOUTSANTONIS: No. If you announce the exit of your generation equipment and we enact this framework, at the end of this framework period that generator must shut.

Mr McBRIDE: In regard to the minister's first point, can I just come back and reiterate that when you replied, minister, you assumed that I questioned the calibre and the ability of the bosses of Energy Australia and AEMO as though they were not competent and did not have the right skill base to perhaps look out for the best interests of South Australians or Australians in the power network. That would be absolutely contrary to my questions to you and contrary to what my beliefs are.

That came up because I am concerned and I put both hands up to you and asked that question. On the one hand, you have the financial, private, stock exchange, massive big businesses trying to make as much money and record profits—and they love records and they like beating records—and on the other hand, we have the Public Service trying to hold them to account. I believe they have a really big job on their hands. That is my concern, not that they cannot do it.

In regard to clause 5, we talk about old infrastructure needing to roll on to provide security and energy for the network around Australia. For me, I think it is really typical at this stage because South Australia, in my part of the world, depends on Victorian generation sometimes. The question then is: if the investment in power generation is coming to the end of its cycle, at what levels do you think government will have to participate in keeping old infrastructure and old furnaces going?

If the private sector, business, says, 'This is too hard, too costly; it's about to deteriorate to an extent that makes it inoperable for us,' what sorts of measures or investment do you think governments—be it the Victorian government, or perhaps if you are at the table batting for some power generation in Victoria that South Australia deems is important—are going to have to play in this field if the term of the generation has another 10 years to roll but you want 15 years out of it, or you might want 20 years to roll because the security in the network is not quite up to speed when that comes up? What sort of investment do you think state governments are going to have to play in this field to maintain security in electricity that I know you and I want for consumers?

The Hon. A. KOUTSANTONIS: There is no such thing as a generator that cannot be saved. It is all a matter of cost. My biggest concern with the way the National Electricity Market operates is nameplate capacity. Australian conditions are very harsh. Maintenance is everything.

This is the problem with explaining this to the public: nameplate capacity is 250 megawatts. People do not understand why 250 megawatts is not available all the time. Heat has an impact. Weather conditions have an impact. Age has an impact. Maintenance has an impact. Generators go bang, things break, things rust, things get old. As things enter end of life they stop maintaining them. These are decisions that individual governments have to make about maintenance and bilateral arrangements.

What governments are doing, though, and the part of your question that you are ignoring is the transition—grid-scale batteries, renewable resources, brand-new fast start, and aeroderivative

thermal generators that can provide quick, fast response to the grid. Base load is not going to be the way of the future. The way of the future is going to be large-scale renewable projects operating with gas firming them at times of either dunkelflaute or at times of high demand. That is fast response kit which would probably be new. As this transition happens, it makes no economic sense to keep old clunking coal-fired power stations operating, as nostalgic as some people are about them.

Mr McBRIDE: Thank you, minister, because that is a good answer and you have answered my query. Just taking it a little bit further then, on that same line, I hear you about your renewables, I hear that it is going to roll and I agree that it is going to roll out. Do you think that the AEMOs and the national energy regulator will have a really good feel about the longevity of the old power generation investments that are old fossil fuel, and we are talking mainly about coal, are all going to last long enough to actually cover the new rollout that you allude to by the renewable energy investments? That due date, that expiry date, just somehow aligns the same. The old furnaces and all that, they just collapse right here, but guess what? On the other side, our renewables are going to pick up the pieces and it is all going to mesh together well. Is that what you are suggesting, minister?

The Hon. A. KOUTSANTONIS: No, what I am suggesting is that the reason we are bringing in frameworks like this is because they are not meshing and they are not meeting timeframes. Look at Project EnergyConnect. That was meant to be operational in 2022, and it is not. So you have transmission networks not being built, distribution networks not being built, generators not being built. The only predictions that are coming out on time are closures. There are plenty of predictions and announcements in the market of new generation and new developments. They are usually always delayed and they are usually always postponed. However, the closures are remarkably accurate and on time, and that is what we are trying to deal with here.

Clause passed.

Clause 6.

Mr PATTERSON: We talked about circumstances where you could have generators where things go bang just out of the blue and significant breakdowns could result in large capital costs. The bill refers to the fact that ministers will need to consider managing risk even of a low probability event that could have a high impact on that. Once this MOD is entered into, who bears the risk for such an event happening? Is it the generator? Is it the customers? Is it both? Of course, we are talking about a plant that is old in some cases and prone to catastrophic failure.

The Hon. A. KOUTSANTONIS: That is good question. You would remember I spoke to you earlier about part of the assessment here is on what maintenance needs to be done. There is always a risk profile for every generator, no matter what it is. Pelican Point trips regularly. The old Northern Power Station used to trip as regularly as an old Collingwood player after retirement. These things go over, but within the framework it allows insurance costs to be recovered, allows for maintenance costs and upgrade work. We do our very best within a risk profile and within a reliability framework.

Anyone who says to you that they can guarantee the operation of a generator 24/7 365 days of the year is simply lying. It is not possible. All equipment has fatigue, all equipment has breakdowns, all equipment needs shutdown for maintenance, but we do everything we can to minimise that and guard against it, and this is no different.

Mr PATTERSON: During the consultation process, there was some issue around whether, once one of these MODs is entered into, the generator should be constrained to only operate in peak periods potentially rather than being able to use this as a mechanism to get some regulated income and just run the whole time and pad out the income for that particular generation asset. Is that feasible that you could have especially some old equipment not go for 12 months? What about the implications on staff? How do you retain staff if they are not potentially working? Is that feasible or something that should be considered?

The Hon. A. KOUTSANTONIS: The performance indicators will be a bilateral arrangement between the minister, the AER and the proponent, but I just point out there are peaking generators now that are operating as available in the system that do not turn on other than in summer, so they literally go 12 months without dispatching, or they are just sitting there opportunistically, or they are

operating on the basis of an arbitrage through their book versus their gas contract versus price in the spot. This is not new for the NEM.

I suppose the best way I can explain this framework is imagine you have a retired old generator that you have made a merchant decision to shut, yet your board has told you, 'No, we are keeping that in. Tell us what you need to keep it open and operating for the next three years, and then you can close it.' What we are doing is compelling you to do that on the basis that you would do it on a merchant basis and that you will work out everything you need to do to keep it open.

There are frameworks that we will negotiate bilaterally, but what we are basically doing is asking someone to do what they would not normally do but, if they would do it, what would it cost, how would they go about it, and is it feasible, and then we would work out a plan to operate it. We are basically removing the merchant risk by enabling them to recover their costs and saying they will stay in. It is a relatively commonsense solution that should have been in place a long time ago.

Mr PATTERSON: Another aspect to that is they enter into an MOD, it might be meant to run for a certain period, and then there might be cause to terminate the agreement—I think the bill puts in the situations in terms of a termination. The question is, is there a formal process that has to be followed if the minister is thinking of terminating agreements? Also, specifically around notice to the market that an agreement is going to be terminated early, could you give some commentary around that, please?

The Hon. A. KOUTSANTONIS: Just for context, these are organisations that want to shut their generator; they have made a commercial decision to shut it. We can terminate by agreement—'I don't need them anymore, so they can shut'; or I am satisfied that in accordance with the rules there has been effective compliance and the direction is no longer possible or required; or the generation might have blown up or something happens; or I determine on reasonable grounds—and 'reasonable grounds' is a well-defined parliamentary definition—that the direction should be terminated; or in any circumstances prescribed by the rules. It is just a matter of us trying to come to a common agreement.

For example, generator X is to shut, generator X is shutting, the MoD is put into place, and the plan to remedy the situation is brought forward. Why expend unnecessary money on old generation through an MOD? You terminate early and allow the solution to commence. It makes sense.

Clause passed.

Long title passed.

Bill reported without amendment.

Third Reading

The Hon. A. KOUTSANTONIS (West Torrens—Minister for Infrastructure and Transport, Minister for Energy and Mining) (17:03): I move:

That this bill be now read a third time.

Bill read a third time and passed.

ELECTORAL (ACCOUNTABILITY AND INTEGRITY) AMENDMENT BILL

Second Reading

The Hon. D.R. CREGAN (Kavel—Minister for Police, Emergency Services and Correctional Services, Special Minister of State) (17:03): I move:

That this bill be now read a second time.

Today I introduce the Electoral (Accountability and Integrity) Amendment Bill 2024. This bill, which amends the Electoral Act 1985, is the culmination of years of work in developing a scheme to implement the state government's election commitment to ban political donations from state elections.

South Australia has a long and proud history of democratic reform. In 1894, we became the first jurisdiction in the world to grant adult women the right to both vote and stand as members of

parliament. In doing so, South Australia ensured that the subsequently federated Australia would follow our state's example.

We have led the world in some of the most significant changes for the betterment of democracy. It was a 24-year-old Englishman turned South Australian, William Boothby, who in 1854 singlehandedly redesigned the ballot paper itself with this system now standard across the world. It was South Australian author, activist and polymath, Catherine Helen Spence, who in 1861 began a lifelong campaign for the adoption of preferential voting in her state and later her country. This work contributed to a system by which representatives are not selected by the largest majority of voters but are chosen because they have earned a majority of support from the electorate.

Consistent with this reformist tradition, the South Australian government now seeks to introduce legislation to ban political donations. Democracy in South Australia has a strong history. That does not mean it faces no risk. Democracy worldwide is in a crisis of confidence. Trust in democratic institutions and leaders is at an all-time low. The Centre for the Future of Democracy at the University of Cambridge published a study titled Youth and Satisfaction in Democracy, which combined data from close to five million respondents in over 160 countries. The study concluded that current millennials, 18 to 34 year olds, are the first generation in living memory where the majority are dissatisfied with the way that democracy functions.

Among the large democracies, recording their highest ever level of democratic dissatisfaction, were the United Kingdom, Brazil, Mexico, the United States and Australia. It is incumbent upon democratic leaders to act. Democracy has been described as a work in progress—an ever evolving and living system which can and should be continually refined and improved to better serve the people it represents.

Complacency is itself a profound risk. The pervasive impact of private donations in our electoral and political processes has contributed to this trust deficit. Private money impacts our politics in a variety of ways. In its most corrosive form private donations made with the aim of securing a particular outcome from members of parliament or ministers can have a corrupting effect. Whilst fortunately blatant attempts to purchase favourable decision-making may be rare, a ban on donations has a prophylactic effect of reducing the opportunity for such criminality. Less extreme but nonetheless very troubling is that private money may be gifted to members of parliament or ministers, not with a view to securing any particular result but rather in the expectation that decision-makers will be more favourably disposed to generous donors.

As uncomfortable as it may be for those of us who are politicians to admit, the truth is that money can and does buy influence. As the Premier said in his Hawke Lecture, when he announced that he would be taking this policy to the 2022 election, the truth is every insider has some questions to answer about how we do our job, who we listen to, who we think matters, whose voice we think counts the most. It is a well-known feature of our current system that powerful lobbyists can by making donations purchase access to decision-makers. Yet, no-one should be able to gain additional access to a politician or leader on the basis of their bank account balance, no-one should be able to cut the queue because they are willing to fork out to attend a fundraiser just to gain access.

The decisions taken by members of parliament and ministers must always be made in the public interest and should never be influenced by the private interests of political donors or those who can afford access. A ban on political donations will prevent wealthy donors from purchasing influence or access. Perhaps the most pervasive and therefore insidious impact of private money on our political system is not the actual impact that it has on the process or outcome of decision-making but the perception that it creates, and even where the making of a donation has no impact at all on decision-making many quarters of the electorate remain sceptical. One need only look at the recent media scrutiny about flight upgrades offered to federal politicians to understand the degree of community concern about the impact that even relatively modest gifts have.

For these reasons, political donations engender distrust in our politics. However, political donations give rise to a further related problem. As touched upon already, members of parliament and ministers can be inundated with requests for their attention. People can and should have the opportunity to engage with their leaders, share their concerns, express their views and advocate for their passions. It is how a democracy is intended to work.

However, time is a finite resource. When our members of parliament and ministers are beholden to donors, the fundraising activities that they must necessarily engage in, under the rules as they stand in order to compete, distract them from their duties as representatives and decision-makers. If a politician attends a fundraising event then that is time taken away from meeting with a constituent or a small business with a complaint, attending a community sporting event, participating in a department policy briefing or meeting with a company CEO to discuss the state's economic objectives. A ban on political donations will go a long way towards both restoring trust in politics and relieving our leaders and representatives from fundraising that distracts from them serving South Australians.

It may be argued that a ban on donations is unnecessary, that it goes too far. It may be said that a cap on large political donations would be sufficient to restore trust in politics because relatively small donations will not impact on the integrity of political decision-making. This is wrong for two reasons. Firstly, it does not address the perception problem discussed above. Levels of trust in politics are such that even small donations raise suspicions in the minds of many electors. Secondly, a cap on large donations exacerbates the fundraising problem discussed above. In a system where politicians can only secure small donations, they will be required to spend even more time fundraising in order to compete.

The bill has been drafted in pursuit of these purposes. Although the purposes of the bill are clear, the implementation of the government's policy must be nuanced. A ban on donations prevents the flow of private money that would otherwise be available to fund political communication by participants in our political system. In this way, the ban potentially impacts free political communication, which is protected under the Commonwealth Constitution. Therefore, the publicly funded scheme that replaces the status quo must be implemented in a manner that balances the interests of major parties and minor parties, parties and Independents, incumbents and new entrants, and political candidates and third-party campaigners.

Critical to the balancing approach is the need to ensure that the voices of all the different participants in our political process can be meaningfully heard. These reforms have been shaped by an expert panel that produced a report titled, 'Review of the Electoral (Accountability and Integrity) Amendment Bill 2024 (SA)'. The panel comprised of the Hon. Greg Parker PSM, Professor John Williams AM and Mr Steven Tully, and is dated October 2024. I table the expert report for the information of members.

Report tabled.

The Hon. D.R. CREGAN: In addition to the expert panel's report, this bill has been further informed by independent accounting analysis undertaken in respect of the historic annual administration expenditure of the two major parties. In the interests of transparency, the government proposes to table its analysis in the form of a report and I table the independent accounting report for the information of members.

Report tabled.

The Hon. D.R. CREGAN: In the interests of time, I seek leave to insert the remainder of my second reading speech and the explanation of clauses into *Hansard* without my reading them.

With these principles in mind, the Government instructed the drafting of a Bill with the following features:

- In order to prevent well-resourced participants from drowning out other voices, the Bill imposes caps on electoral expenditure for all parties, candidates and other participants.
- The Bill prohibits absolutely political donations to incumbent members of Parliament and registered political parties, and replaces it by expanding the existing system of public funding. That funding is based upon the number of votes garnered at previous elections.
- New entrants into the electoral process, such as independent candidates or registered parties without parliamentary representation, will still be permitted to accept donations, as will third party campaigners. However, anonymous donations of $200 or more are unlawful and the amount of any individual donation is capped at $5,000. Further, donations cannot be accepted above the amount of the participant's expenditure cap for the election.
- The Bill provides for payments to be made to all registered political parties, candidates and groups in advance of a general election, in order to enable them to have sufficient funds to run a campaign.

Having drafted the Bill, the Government then embarked upon an extensive consultation process. The draft Bill was released in order to garner the views of the various stakeholders who would be affected by this reform. The process elicited 55 responses from electors, registered political parties, former Members of Parliament, academics and political advocacy groups as well as comments and feedback on the YourSAy website—being the State Government's online consultation forum.

In addition to public consultation, the Government commissioned an expert panel to review the reform proposals contained in the consultation Bill and the various consultation responses. The Panel was asked to advise on matters such as appropriate levels for expenditure caps and donations, public funding, and candidate and party registration thresholds.

The panel was comprised of the Hon Gregory Parker PSM, Professor John Williams AM, and Mr Steven Tully.

The Hon Gregory Parker was a Judge of the South Australian Supreme Court from 2013—2022, and before then the Crown Solicitor of the State of South Australia. He has extensive experience in public and constitutional law and the processes of government. Professor Williams is the Provost of Adelaide University and a Pro-vice Chancellor, Foundation Director of the South Australian Law Reform Institute, and a former Dean of the Adelaide Law School. He is widely recognised as a leading expert on Australian constitutional law. Mr Steven Tully has extensive experience in the management and administration of elections. He was the South Australian Electoral Commissioner from 1997-2005, and was then the Victorian Electoral Commissioner from 2005-2012.

Collectively, the Panel possesses a significant body of experience and expertise in public and constitutional law and electoral matters.

In its Executive Summary of the Report, the Panel endorsed the need for this reform, noting 'the growing concern about the power of unregulated expenditure on the probity and fairness of the electoral contest', and that 'the power of ideas and policy, can too easily be overwhelmed by the megaphone of money.'

The Panel's report made 19 recommendations to the Government. Having considered the consultation responses and the Panel's recommendations, the Government has now made substantial revisions to the consultation Bill. Those changes have picked up many of the suggestions made through the consultation process and generally reflect the recommendations of the Panel. The relatively minor respects in which the Government has departed from the Panel's recommendations are discussed below.

The Government would like to thank all of those who contributed a submission in the consultation process. The Government would also like to thank the Panel for its careful and detailed consideration of the many issues arising from the implementation of this reform.

One of the most important things that the Panel was asked to consider were the appropriate expenditure caps for political parties and candidates. After carefully reviewing the figures contained in the consultation Bill, the panel endorsed the figures contained in the draft Bill, concluding that, '[t]he panel does not consider the proposed caps upon expenditure will unreasonably prevent any class of candidate from presenting their case to the electorate.'

Next the Panel considered the position of third party campaigners, which had received significant attention in the public consultation process. The Panel expressed the view that, 'upon the imposition the proposed prohibition on donations to political parties, there will be a flow of donations to third party campaigners.' The Panel considered that 'unregulated third party expenditure can be harmful to the democratic process.'

The Government accepts the Panel's reasoning, and has incorporated into the Bill caps to regulate the expenditure of third party campaigners. As the Panel acknowledged, 'the purpose of such a cap is not to prevent loud and vociferous voices from being reasonably able to present their case but rather to facilitate a level playing field for third parties.'

The Panel considered that a cap of $375,000 applicable to State-wide campaigns at general elections was appropriate. Having made some adjustments to the administrative and campaign funding for candidates (which I will outline later), the Government considers that it is appropriate to allow for a modest increase to the cap for third party campaigners to $450,000. This is intended to maintain the relativities between candidates and third parties within the same range as that proposed by the Panel. For the same reason, the Government has increased the proposed donation cap applicable to third party campaigners from $2,700 to $5,000, to ensure that third party campaigners are not unduly hampered in their ability to fund their campaigning.

Another significant issue raised during public consultation, and addressed by the Panel, was the effect of the reforms on new entrants. Given that the scheme for public funding under the Bill operates generally by reference to the number of votes garnered at the last election, a different model of funding is required for new entrants. Some advanced funding is provided for new entrants in the Bill.

In preparing the consultation Bill, the Government considered that there was a risk that too many new entrants may register to seek advance funding which may lead to a blow out in costs and voter confusion through a multiplicity of candidates. Accordingly, the consultation Bill proposed an increase to the registration requirements for parties and independents.

The Panel did not accept the increased registration requirements were necessary based on the material available. The Government accepts the Panel's recommendation on this issue. The first election undertaken under the new system will be taken into account in reviewing the operation of the Act and if any subsequent changes become necessary.

The Bill provides for administrative funding for political parties and independent candidates. The consultation Bill had provided that a proportion of this funding could be spent on political campaigning. The Panel, however, noting that this is not permitted in other jurisdictions, recommended that operational funds should be prohibited from use for political purposes. The Government accepts this recommendation.

The Panel also recommended that, in order to address the problem of advantaging incumbents, non-incumbent parties and candidates should also be able to access administrative funding. The Government also accepts this recommendation.

As to the quantum of funding, the Panel recommended a reduction in administrative funding for political parties to $600,000 each half-year. The Panel made this recommendation following a review of the historical expenditure of the major parties. Following receipt of the Panel's recommendation, the major parties have queried the financial conclusions reached by the Panel in arriving at this conclusion. The parties maintain that their administrative expenditure has historically been in the order of $800,000 each half-year.

It was never the Government's intention to deprive political parties of the funds necessary for administrative purposes. The Bill as presented in the Other Place contained funding for $800,000 based upon representations made by the major parties. The Government advised at that time that it had commissioned an expert accountant report concerning the historical expenditure of the major parties to verify those figures, and that it would be guided by that independent accounting advice, which was expected to be received before the Bill passed both Houses.

That expert accounting advice has now been received, and a copy has been tabled. It confirms that, on the basis of the definition of administrative expenditure in the Bill, the historical average expenditure of the major parties was over $1.7 m per year. Accordingly, the provision in the Bill for administrative funding of $800,000 per half-year is considered appropriate to enable parties the funds necessary for their administrative purposes.

In order to afford parity to minor parties and independent candidates, the Government also proposes to increase the administrative funding available to them. Accordingly, the Bill increases the base administrative funding for minor parties from $225,000 to $245,000, and that for independents from $15,000 to $20,000.

Acceptance of the Panel's recommendation that administrative funding should not be available for political purposes has required another change to the Bill. The allowance of expenditure of a portion of administrative funding for political campaigning contemplated by the consultation Bill, would have allowed for limited political spending prior to the pre-election campaign period (commencing on 1 July in the financial year before the election is held). The prohibition of administrative funding for this purpose, as recommended by the Panel and accepted by the Government, leaves a funding gap for those parties and independents who cannot receive donations or advance funding, before the commencement of the pre-election campaign period. However, political campaigning is not something to be restricted only to the election campaign.

Accordingly, provision is made in the Bill for parties and independents to be able to draw upon a small amount of their permitted election expenditure in advance of the formal pre-election period. This provides necessary flexibility, but does not constitute additional funding or allow a party greater relative advantage, because any such expenditure will count towards the maximum election expenditure cap.

The Panel reviewed the dollar per vote funding proposed in the consultation Bill, and concluded that the proposed funding was insufficient. The Panel recommended an increase of $1 per vote funding. The Government agrees. In fact, the Government, in order to ensure that these reforms succeed in providing sufficient funding for all candidates to campaign, proposes to go further and increase party funding to $5.50 per vote, from the current amount (with indexation) of approximately $4.00 per vote for registered political parties. To ensure this increase in funding does not operate to the relative advantage of parties over independents, the Government proposes to increase funding to independents to $8.50 per vote and impose a cap on a party's funding by reference to 33% of the primary vote. The Government expects that these funding levels will ensure that these important reforms will not unduly restrict the capacity of candidates to be heard.

The Panel recommended that the proposal contained in the consultation Bill, that the threshold for the receipt of per-vote funding for Legislative Council members should be increased from 2% to 4%, could not be justified. The Government accepts this recommendation.

The Panel discussed a problem that had been referred to in submissions received in the public consultation process as a 'funding trap'. That problem may arise where minor parties perform badly at an election, thereby leaving them with little, or no, public funding to engage in the next campaign. The Panel recommends that a minor party that finds itself in that position should be able to elect whether to obtain public funding, or to be treated as a non-incumbent party, and therefore able to receive donations.

The Panel identified a similar situation that arises for independents, although in reverse. The consultation Bill would have treated them as equivalent to new entrants, meaning they could always engage in

fundraising but the amount of their advance funding would be that for a first-time candidate and not be based on their previous vote performance (if they had previously stood for election). The Panel also recommended that independent candidates in this situation should be able to choose whether to be treated as an incumbent or a new entrant for funding purposes. In accordance with the need to ensure that these reforms do not shut out voices of minor parties and independents, the Government has accepted these recommendations. Finally, the Panel recommended that these reforms would benefit from further consideration and additional evidence when it becomes available following the next State election. The Government agrees. Accordingly, the Bill contains a statutory review process.

I will now explain the major reforms within the Bill:

Definitions (Sections 4 and 130A)

The Bill includes new definitions and concepts to accompany the reforms, including the following terms describing different classes of electoral participants:

- Entitled candidate
- Entitled group
- Entitled registered political party

An entitled candidate is a candidate which is not elected or endorsed by a registered political party. An entitled registered political party is a registered political party without any sitting members.

The definition of associated entity has been amended to exclude a registered industrial organisation or an entity wholly comprised of registered industrial organisations.

Ban on electoral donations (New Division 6A, Part 13A)

The Bill proposes to prohibit the giving and receiving of an electoral donation to a registered political party, member of Parliament, group, candidate or third party.

The Bill removes the definition of 'gift' to be replaced by the definition of 'donation'. The definition is broad and contains certain exclusions and a regulation making power to include or exclude dispositions of a prescribed kind or in prescribed circumstances.

There are several exclusions made expressly by the legislation—for example, an allowance is made for the payment of party membership fees, and for political parties to impose a levy on their sitting Members of Parliament (that being a modest percentage of a Member's parliamentary income) without these items constituting a donation.

The Bill introduces the concept of an 'electoral' donation, which is:

- A donation made to or for the benefit of a registered political party or group; and
- A donation (or such part of a donation) made to or for the benefit of a member of Parliament, candidate or third party which was used or intended to be used solely or substantially for State electoral purposes (and in the case of a member of Parliament—duties as a member of Parliament); or to enable the participant to make an electoral donation or incur political expenditure; or to reimburse those participants for making an electoral donation or incurring political expenditure.

The intent of this provision is not to capture incidental items which may be considered a 'donation' but are not an electoral donation—for example, in circumstances where a Member of Parliament is gifted a drink bottle, tickets to an event, a meal or a similar type of item.

A third party that is a registered entity within the meaning of the *Australian Charities and Not-for-profits Commission Act 2012* is only prohibited from receiving an electoral donation from a foreign entity. No other limitations will apply. This decision was made with consideration to the limitations imposed on the political activities of registered charities and in recognition of their inherent reliance on donations to operate. The intent of this provision, and of others which may impact on the operation of not-for-profit community advocacy groups, is to not suppress the voices of community advocates in the political process.

A recontesting participant (an entitled registered political party, entitled candidate or entitled group that elects to be treated as a recontesting party, candidate or group for the purposes of advance payments), will be prohibited from receiving electoral donations from the capped expenditure period. In exchange, these recontesting participants will be eligible for advance funding on the basis of their previous (unsuccessful) election result. This is to better allow recontesting participants to demonstrate and build on support within the community. A defence applies should the recontesting participant have received donations and subsequently lodged their certificate after the day the capped expenditure period commences.

An electoral donation made to an associated entity is taken to be a donation to or for the benefit of the party to which the entity is associated.

Self-funding by certain participants is allowed subject to certain limitations outlined in the Bill.

Ban on electoral loans (New Division 6A, Part 13A)

The Bill proposes to prohibit the giving and receiving of an electoral loan to a registered political party, member of Parliament, group, candidate or third party.

The Bill includes a definition of loan which does not include a loan provided by a financial institution.

The Bill introduces the concept of an electoral loan, which is:

- A loan made to or for the benefit of a registered political party or group; and
- A loan (or such part of a loan) made to or for the benefit of a member of Parliament, candidate or third party which was used or intended to be used solely or substantially for State electoral purposes (and in the case of a member of Parliament—duties as a member of Parliament); or to enable the participant to make an electoral loan or incur political expenditure; or to reimburse those participants for making an electoral loan or incurring political expenditure.

A third party that is a registered entity within the meaning of the *Australian Charities and Not-for-profits Commission Act 2012* (Cth) is only prohibited from receiving an electoral loan from a foreign entity. No other limitations will apply.

A recontesting participant (an entitled registered political party, entitled candidate and entitled group that elects to be treated as a recontesting party, candidate or group for the purposes of advance payments), will be prohibited from receiving electoral loans from the capped expenditure period. However a defence applies should the recontesting participant lodge their certificate after the day the capped expenditure period commences.

An electoral loan made to an associated entity is taken to be a loan to or for the benefit of the party to which the entity is associated.

Limitation on electoral donations (New Subdivision 3, Division GA, Part 13A)

An entitled registered political party, entitled candidate, entitled group and third party (defined as a regulated designated participant) may receive an electoral donation up to the individual cap of $5,000 (2026 indexed) per donor each financial year.

A regulated designated participant is prohibited from accepting an electoral donation from a foreign entity.

It will be an offence for a regulated designated participant to receive an electoral donation of more than the individual cap. There is a defence for a regulated designated participant if certain actions are taken.

In addition to the individual cap, an entitled registered political party, an entitled candidate or an entitled group (defined as a relevant regulated designated participant) is subject to a general cap in respect of total electoral donations received during the capped expenditure period in an election. The general cap for a relevant regulated designated participant in relation to an election is the amount equal to the relevant regulated designated participant's applicable expenditure cap for the election.

It will be an offence for a relevant regulated designated participant to receive electoral donations that exceed the general cap. In addition to the offence, twice the excess may be recovered as a debt due to the Crown. There is a defence for a relevant regulated designated participant if certain actions are taken.

Limitation on electoral loans (New Subdivision 3, Division GA, Part 13A)

An entitled registered political party, entitled candidate, entitled group and third party (defined as a regulated designated participant) may receive an electoral loan up to the individual cap of $5,000 (2026 indexed) per lender each financial year.

A regulated designated participant is prohibited from accepting an electoral loan from a foreign entity.

It will be an offence for a regulated designated participant to receive an electoral loan of more than the individual cap.

In addition to the individual cap, an entitled registered political party, an entitled candidate or an entitled group (defined as a relevant regulated designated participant) is subject to a general cap in respect to total electoral loans received during the capped expenditure period in an election. The general cap for a relevant regulated designated participant in relation to an election is the amount equal to the relevant regulated designated participant's applicable expenditure cap for the election.

It will be an offence for a relevant regulated designated participant to receive electoral loans that exceed the general cap. In addition to the offence, twice the excess may be recovered as a debt due to the Crown. There is a defence for a relevant regulated designated participant if certain actions are taken.

Nominated Entities (New Division 2A, Part 13A)

The Bill introduces the concept of a nominated entity and a register of nominated entities.

A registered political party may, by notice in writing, appoint no more than two associated entities as the nominated entities of the registered political party. A nominated entity must be an associated entity of the registered political party.

The Electoral Commissioner must establish and maintain a register to be known as the Register of Nominated Entities, which must be published on a website maintained by the Electoral Commissioner. The Register must include the following details in relation to each nominated entity:

- the name and address of the entity;
- the registered political party of which the entity is the nominated entity; and
- any other details prescribed by regulation.

A disposition of property made by a registered political party to a nominated entity of the registered political party is not a donation. A donation to a registered political party from the nominated entity of the registered political party that is used for administrative expenditure is not an electoral donation and is not subject to the ban.

Similarly a loan made by a registered political party to the nominated entity of the registered political party is not a loan. A loan to a registered political party from a nominated entity of the registered political party that is used for administrative expenditure is not an electoral loan and is not subject to the ban.

The purpose of the nominated entity scheme is to provide a practical vessel for political parties (which can, on occasion, consist of nothing more than an unincorporated association) to exchange assets or funds with a dedicated company which holds those assets or funds (for example, an asset holding company which has legal ownership of a party's headquarters). As an associated entity of a registered political party, a nominated entity cannot receive outside political donations. In recognition of the possibility that there is potential for a nominated entity to entrench an existing financial advantage, amounts received by a political party from a nominated entity can only be used for administrative expenditure. This will prevent a party using legacy assets to build a long-term political advantage over more-limited new entrants.

Administrative Funding (Division 5, Part 13A)

Registered political party

The Bill proposes to amend the operation of the existing 'special assistance funding' in section 130U of the Act. It will be renamed 'administrative funding'.

Under the Bill, a registered political party meeting the current criteria in section 130U(1), including that at least 1 member of the party is a member of Parliament will be entitled to administrative funding. Whilst the entitlement does not operate on a reimbursement basis, a claim must still be submitted to the Electoral Commissioner in accordance with the requirements in the Bill.

The amount to be paid for a half yearly period is:

- If the registered political party has 1 member who is a member of Parliament—$85,000 (2026 indexed)
- If the registered political party has 2 members who are members of Parliament—$245,000 (2026 indexed)
- If the registered political party has more than 2 members who are members of Parliament, the lesser of the following:
  - the amount of $245,000 (2026 indexed) in respect of 2 members of Parliament plus $55,000 (2026 indexed) for each additional member of Parliament;
  - $800,000 (2026 indexed).

A registered political party will also be entitled to a one-off payment (available on a reimbursement basis) of up to $200,000 if:

- the party has received a half yearly entitlement payment;
- a claim is submitted by the prescribed date and in a form determined by the Electoral Commissioner; and
- expenditure was incurred on prescribed administrative expenditure.

Proposed section 130W limits the purpose for which administrative funding may be used by a registered political party.

Independent Member of Parliament

Under the Bill a non-party, or independent, member of Parliament will be entitled to be paid a half yearly administrative funding if the member is a member of Parliament for all or part of the half yearly period and a claim is submitted to the Electoral Commissioner. The amount of the entitlement for a half yearly period is $20,000

(2026 indexed) and it is not on a reimbursement basis. This funding is subject to the same limitations as that which is made available for registered political parties in section 130W—namely that it can only be used for administrative purposes.

In addition to the half yearly entitlement, a non-party member of Parliament will be entitled to a one-off payment of up to $50,000 if:

- the non party member is a member of Parliament at the commencement of the section;
- a claim is submitted by the prescribed date and in a form determined by the Electoral Commissioner; and
- expenditure was incurred on prescribed administrative expenditure.

Repayment of Administrative Funding

The Bill provides that administrative funding must be repaid if it has not been spent and the Electoral Commissioner becomes aware of certain matters triggering the repayment provision.

Policy Development Funding (Division 5A, Part 13A)

The Bill introduces policy development funding for an entitled registered political party. Under the reforms an entitled registered political party will be entitled to policy development funding of up to $20,000 (2026 indexed) per year if:

- it was an entitled registered political party for all the year to which the funding relates;
- a claim is submitted to the Electoral Commissioner in the form determined by the Electoral Commissioner; and
- expenditure was incurred on policy development expenditure.

The policy development expenditure scheme seeks to provide a mechanism for the better development of a contest of ideas, by assisting non-incumbent parties in the development of new policies and concepts.

Advance Payment Scheme (new sections 130PA-130PG)

The Bill introduces an advance payment scheme for participants so that funding is available prior to an election campaign.

Under the Bill, electoral participants will be eligible for an advance payment of election funding in respect of a general election, or a Legislative Council election. A different scheme applies for a by-election. There will be two payments of advance funding and there is a requirement to lodge a certificate with the Electoral Commissioner for the provision of the advance payments.

In respect to by-elections, only entitled registered political parties and entitled candidates will be eligible for advance payments.

The level of advance payment is dependent on the class of the participant and the type of election for which the funding is required.

For registered political parties, incumbent non party members of Parliament and groups not endorsed by a registered political party with a member of Parliament, the advance payments will be calculated based on the results of the relevant previous election.

For an incumbent independent member of Parliament that was, at the previous House of Assembly general election, endorsed by a registered political party, the level of advance payments will be based on the number of first preference votes given for that member at the previous general election (in accordance with item 3 of section 130PA). The registered political party would be entitled to advance funding based on the first preference votes won by that former member in the previous election along with all the other first preference votes of candidates endorsed by that party in the House of Assembly (in accordance with item 2 of section 130PA).

For an incumbent independent member of Parliament that was at the twice preceding Legislative Council general election endorsed by a registered political party, additional provisions in relation to the level of advance payments will be provided for in the regulations.

An entitled registered political party, entitled candidate or entitled group may elect to be treated as a recontesting party, candidate or group and therefore be entitled to advance payments calculated based on the results of the relevant previous election. In other words, they can choose whether to receive the fixed amount of funding provided in the Bill or funding based on previous election results. A participant who opts for funding based on previous results will be subject to the electoral donations and electoral loans ban.

The Bill provides a limit on the amount of advance payments being up to the applicable expenditure cap of the participant.

A registered political party (other than an entitled registered political party) or non party member may request the early payment of an advance payment, being before the start of the capped expenditure period. Certain requirements apply including a limitation on the portion of the advance payment that can be provided earlier.

There are additional provisions relating to advance payments applying to a Legislative Council minor party as outlined in the Bill.

The quantum of the total of advance payments provided to an electoral participant will be deducted from the amount payable under section 130P.

As a result of the Government moved amendment in the Other Place the provision relating to the repayment criteria for advance payments has been amended. Any amount provided by way of advance payment will need to be repaid where:

- In all cases—the registered political party, candidate or group does not contest the election unless, in the case of a candidate or group, the Electoral Commissioner is satisfied that the candidate or group had good reason for not contesting; or
- In the case of a registered political party, candidate or group (other than a registered political party with at least one member of Parliament, candidate who is an incumbent member of Parliament or a group with an incumbent member of Parliament)—is not entitled to payment by virtue of section 130Q(1) or (2).
- In the case of a registered political party—before polling day for the election, the party ceases to operate or be registered or it has been, or is being, dissolved or wound up.

Election Funding (Section 130P)

The Bill proposes a change to the amounts and the structure of the per vote funding in section 130P.

The amount per-vote has been raised to $5.50 (2026 indexed) for candidates of registered political parties with a member of Parliament, with candidates of entitled registered political parties remaining eligible for an additional 50 cents per vote for the first 10 percent of first preference votes received.

An additional amount is provided for independent members of Parliament, with incumbent independents eligible for $8.50 (2026 indexed) per vote, and entitled non party candidates also eligible for an additional 50 cents for the first 10 percent of first preference votes.

A separate value applies for by-elections, with $8.50 (2026 indexed) per vote being adopted for candidates of registered political parties with a member of Parliament. Other candidates are eligible for an additional 50 cents per vote for the first 10 percent of first preference votes received.

A limit of electoral funding will apply for registered political parties. There will be a 33% limit on the number of primary votes which can be counted in determining the dollar-,per-vote funding under section 130P. The limit is applied by deducting the excess above the 33% limit from the funding payable. This is referred to as the deductible amount in section 130Q.

Expenditure limits (Section 1302)

The Bill proposes there will be mandatory application of expenditure caps. The amounts in current section 130Z have been adjusted.

The amounts will be reduced to their pre-indexed amounts which is indicated by the reference to '2026 indexed' in the Bill. Indexation will be retained going forward.

Expenditure caps have been introduced for a third party. The limits are:

- For a general election (including in relation to a simultaneous Legislative Council election)—$450,000 (2026 indexed)
- In relation to an election for a House of Assembly district (other than 1 held as part of a general election)—$60,000 (2026 indexed)
- A limit of $60,000 (2026 indexed) applies for expenditure relating to an election in a House of Assembly electoral district at the general election.

For a group of non party candidates in a Legislative Council election the cap will be $100,000 (2026 indexed) multiplied by the number of members of the group but up to a maximum of 5.

State campaign accounts (Division 3, Part 13A)

The requirement to keep a State campaign account will remain for a registered political party, third party, candidate and group.

The Bill outlines the categories of money received or funding provided that must be paid into the State campaign account.

Payments of money for political expenditure must be paid from or attributed to the relevant participant's State campaign account in accordance with any requirements of the Electoral Commissioner.

The Bill also recognises that donations may be received for a federal purpose under the *Commonwealth Electoral Act 1918* (Cth) and provides for those circumstances.

The Electoral Commissioner will be required to establish and maintain a register of State campaign accounts. An agent will also be required to provide details relating to the account on the request of the Electoral Commissioner.

Disclosures (Division 7, Part 13A)

The disclosure requirements have been amended to reflect the prohibition and limitation on electoral donations and electoral loans.

- Section 130ZF has been amended to apply to an entitled candidate, including a member of an entitled group.
- Section 130ZG has been amended to apply to those making a donation or loan to an entitled candidate or a member of an entitled group.
- Section 130ZH has been amended to apply to those making a donation to an entitled registered political party.
- The threshold for disclosure has changed in sections 130ZF, 130ZG and 130ZH to apply a tiered approach for reporting requirements, where detailed disclosure is required for donations and/or loans of more than $1,000.
- New section 130ZHA has been introduced applying to those making an electoral donation to a third party. There is a tiered approach for reporting requirements where detailed disclosure is required for electoral donations of more than $1,000.
- The threshold for anonymous loans in section 130ZK has been reduced from $1,000 to $500.

Returns (Division 8, Part 13A)

Sections 130ZN (return by a registered political party), section 130ZO (return by an associated entity) and section 130ZP (return by a third party) have been amended to apply a tiered approach to reporting. In respect to a return by a registered political party and an associated entity detailed disclosure is required for amounts received and outstanding amounts of more than $1,000. In relation to a return by a third party, detailed disclosure is required for electoral donations and loans incurred solely or substantially for State electoral purposes or for the purpose of political expenditure of more than $1,000.

Party Registration and Candidate Nomination (sections 39, 42AA and 53A}

The Bill:

- Introduces additional information requirements for applications by a party, that is not a parliamentary party, for registration.
- Removes the requirement for incumbent independent candidates to provide elector signatures for nomination.

A new provision has been introduced to disapply certain entitlements to registered political parties until the period of 8 months after the date of registration of the political party.

Audits by the Electoral Commissioner (new section 43C and 130ZWA)

The Bill proposes further requirements and powers to assist the Electoral Commissioner in monitoring the activities and documents of applicable entities. Applicable entities are defined as, an entity to whom funding is payable under Part 13A, an associated entity or third party.

The Bill also provides the Electoral Commissioner with additional audit powers for the purpose of determining whether the political party, continues to be eligible for registration.

Offences—Donations and Expenditure Limits (Section 130ZZE)

The Bill inserts penalty provisions in relation to acts or omissions under Division 6 (division relating to political expenditure) and Division 6A (division relating to electoral donations).

There are two new sections which distinguish between an offence where the person knows of the facts that result in the act or omission being unlawful as opposed to an offence where the person ought reasonably to know of the facts that result in the act or omission being unlawful.

New section 130ZZE(a1) provides that a person who does an act or makes an omission that is unlawful under Division 6 or Division 6A is guilty of an offence if the person knows of the facts that result in the act or omission being unlawful. The maximum penalty is $20,000 or imprisonment for 4 years.

There is another penalty provision in section 130ZZE(a2) applying where the person ought reasonably to know of the facts that result in the act or omission being unlawful under Division 6 or Division 6A. The maximum penalty is $10,000 or imprisonment for 2 years.

There is a specific penalty provision in section 130ZZE(a3) relevant to persons participating in schemes to circumvent Division 6 and Division 6A. That provision provides that:

A person must not knowingly participate, directly or indirectly, in a scheme to circumvent:

(a) a prohibition or requirement under Division 6 relating to political expenditure; or

(b) a prohibition or requirement under Division 6A relating to electoral donations.

Maximum penalty: $50,000 or imprisonment for 10 years.

A transitional power for the Electoral Commissioner (applying within the 2 years after commencement) to informally caution or require a person to undertake training, if the person admits to the commission of the offence.

Statutory Review (new provision)

The Bill inserts a statutory review provision requiring the Special Minister of State to cause a comprehensive review of the operation and impact of the reforms to be conducted and a report on the review to be submitted to the Minister. The report must be laid before both Houses of Parliament within 6 sitting days after the report is received. The Government supported an amendment moved in the Other Place to the provision which further outlined the purpose of the review and inserted a requirement that the Special Minister of State, within 6 sitting days of the expiration of 6 months after receiving the report of the review, cause a report to be laid before both Houses of Parliament setting out in relation to each recommendation details of any action taken or proposed to be taken and if no action is to be taken to give reasons. The provision includes other details in relation to the statutory review.

Electoral Commission Report

The Electoral Commission of South Australia, Report into the *Operation and Administration of South Australia's Funding, Expenditure and Disclosure Legislation* (July 2019), incorporated the review undertaken after the 2018 State election, which was the first election after the commencement of Part 13A and being the first time that participants received public funding and had to satisfy compliance and disclosure requirements. The 2019 Electoral Commission Report made 44 recommendations for legislative change. The following reforms in the Bill implement some of those recommendations:

- Conferral of agent powers (new section 130HA)—An agent will have the ability to confer official functions and powers to the acting agent during a temporary absence or unavailability.
- Clarification in relation to the agent appointment provisions (sections 130H and 1301)—These changes are technical in nature.
- Details of associated entities (section 130ZWB)—The agent of a registered political party must provide the Electoral Commissioner with details of each associated entity on a yearly basis. In addition, notification to the Electoral Commissioner is required within 30 days of when an entity becomes an associated entity.
- Appointment of agents for associated entitles (section 130F)—Associated entities will be able to appoint an agent.
- Registration of third parties (new Division 8A)—A scheme for the registration of third parties as been introduced, including a requirement for the Electoral Commissioner to publish the register of third parties.
- Definition of designated period (section 130ZG, 130ZH and 130ZHA)—The time for donor returns to be lodged for donations made during the designated period has been extended to allow lodgement up to 7 days after the end of the designated period.
- Annual political expenditure return (section 130ZR)—The separate expenditure threshold for a third party of $10,000 for the provision of an annual return relating to political expenditure has been removed. The amount applying to all cases, including third parties, will be $5,000.
- Entitled group returns (section 130ZF(5a))—Members of an entitled group will not be required to lodge a donation return if it is a nil return. Due to the deeming provisions in section 130A(5) a gift or loan to a member of a group will be deemed to be a donation or loan to the group if it is made for the benefit of all members of the group. Due to the deeming provision, the individual campaign donations return of members of a group will, in most cases, be nil returns.

- Definition of State electoral purposes (section 130A)—A definition of State electoral purposes has been included in the Bill.
- Investigations (section 130ZZB)—The investigation powers of authorised officers have been extended in scope to include using the powers for the purpose of finding out whether agents of a candidate or group have complied with Part 13A.

Other Changes

The Bill also makes other changes including:

- Technical changes
- Changes consequent on the reforms
- Minor changes necessary to support the reforms; and
- Changes to penalties

In concluding, I would like to thank the many people who have contributed to this process, both in making this election commitment and in formulating this Bill.

While there are too many to name them all, I would like to particularly acknowledge the efforts of the numerous officers who have contributed to this work, particularly Anna Markou of Legislative Services and Mark Emery of Parliamentary Counsel. This reform would not have been possible without their tireless and dedicated work over many months.

I commend this significant reform to Members, and look forward to the debate.

Explanation of Clauses

Part 1—Preliminary

1—Short title

2—Commencement

These clauses are formal.

Part 2—Amendment of *Electoral Act 1985*

3—Amendment of section 4—Interpretation

Certain definitions are inserted for the purposes of the measure.

4—Amendment of section 39—Application for registration

Amendments are made to the information required in an application for registration of a political party.

5—Insertion of section 42AA

New section 42AA is inserted:

42AA—Entitlements resulting from political party registration not available until 8 months after registration

A political party (other than a parliamentary party) that becomes registered under the Part is deemed not to be a registered political party until 8 months after the date of its registration for the purposes of specified provisions.

6—Amendment of section 43A—Annual returns and other inquiries

This clause makes amendments related to annual returns and other inquiries relating to registered political parties.

7—Insertion of sections 43B and 43C

New sections 43B and 43C are inserted:

43B—Notification of certain changes

This provision requires parties to provide notification of certain changes.

43C—Audits by Electoral Commissioner etc

This provision provides for audits by the Electoral Commissioner in relation to the registration of a political party.

8—Amendment of section 53A—Nomination of candidate by a person

These amendments relate to requirements with respect to the nomination of candidate by a person.

9—Amendment of section 130A—Interpretation

Certain definitions are inserted for the purposes of the measure.

Other interpretative provisions are amended or inserted for the purposes of the measure.

10—Amendment of section 130B—Objects of Part

The objects of the Part are amended for the purposes of the measure.

11—Amendment of section 130C—Application of Part

This amendment is consequential.

12—Amendment of section 130F—Third parties and associated entities may appoint agents

These amendments relate to the appointment of agents by third parties and associated entities.

13—Amendment of section 130H—Registration of agents

These amendments relate to the registration of agents.

14—Insertion of section 130HA

New section 130HA is inserted:

130HA—Conferral of agent's functions and powers

This provides for the conferral of an agent's functions and powers.

15—Amendment of section 130I—Termination of appointment of agent

These amendments relate to the termination of appointments of agents.

16—Insertion of Part 13A Division 2A

New Division 2A is inserted. Division 2A relates to nominated entities (which is defined) and the keeping of a register of nominated entities.

Division 2A—Nominated entities

130JA—Register of Nominated Entities

130JB—Appointment of nominated entities

130JC—Registration of nominated entities

130JD—Revocation etc of appointment and removal from Register of Nominated Entities

17—Insertion of section 130KA

New section 130HA is inserted:

130KA—Register of State campaign accounts

Provision is made in relation to the keeping of a register of State campaign accounts.

18—Substitution of sections 130L to 130N

Sections 130L to 130N are substituted. The new sections relate to State campaign accounts.

130L—Amounts to be paid into State campaign account

130M—Political expenditure to be paid out of State campaign account

19—Amendment of section 130P—General entitlement to funds

These amendments relate to the general entitlement to funds for votes in elections.

20—Insertion of sections 130PA to 130PG

New sections 130PA to 130PG are inserted. They relate to advance payments of funding for elections.

130PA—Advance payments relating to House of Assembly districts at general elections

130PB—Advance payments—other House of Assembly elections

130PC—Advance payments—Legislative Council election

130PD—Early payment of certain advance funding

130PE—Payments of advance funding to be deducted from public funding

130PF—Certificate for advance payments

130PG—Special provisions relating to certain advance payments

21—Substitution of section 130Q

Section 130Q is substituted.

130Q—Payment not to be made or to be reduced in certain circumstances

Provision is made in relation to the requirements relating to payments under the Division.

22—Amendment of section 130R—Making of payments

23—Amendment of section 130S—Death of candidate

24—Amendment of heading to Part 13A Division 5

These amendments are consequential.

25—Amendment of section 130T—Preliminary

Definitions are inserted for the purposes of the Division.

26—Amendment of section 130U—Entitlement to and claims for half yearly entitlement to special assistance funding

These amendments relate to the entitlement to and claims for half yearly entitlement to administrative funding (previously special assistance funding).

27—Insertion of sections 130UA and 130UB

New sections 130UA and 130UB are inserted. They relate to entitlements to and claims for one-off payments of administrative funding

130UA—Entitlement to and claim for one-off payment of administrative funding

130UB—Entitlement to and claim for one-off payment of administrative funding

28—Amendment of section 130V—Making of payments

These amendments are consequential.

29—Substitution of section 130W

Section 130W is substituted:

130W—Use of administrative funding

Provision is made in relation to the use of administrative funding.

30—Insertion of section 130WA

New section 130WA is inserted:

130WA—Repayment of administrative funding

Provision is made in relation to the repayment of administrative funding.

31—Insertion of Part 13A Division 5A

New Division 5A is inserted. It provides for policy development funding for certain political parties.

Division 5A—Policy development funding for certain political parties

130WB—Preliminary

130WC—Entitlement to and claims for annual entitlement to policy development funding

130WD—Making of payments

130WE—Use etc of policy development funding

32—Amendment of section 130X—Interpretation

Definitions are amended for the purposes of the measure.

33—Repeal of section 130Y

Section 130Y, which provided for certificates for 'opting into' expenditure caps, is repealed.

34—Amendment of section 130Z—Expenditure caps

Expenditure caps under the Part are amended.

35—Amendment of section 130ZB—Regulation of political expenditure by parties and candidates endorsed by parties

This amendment changes when political expenditure *relates to the election of a candidate*.

36—Insertion of section 130ZBA

Section 130ZBA is inserted:

130ZBA—Prohibition on political expenditure by nominated entities

New section 130ZBA provides that an associated entity must not incur political expenditure during any period in which it is the nominated entity of a registered political party.

37—Substitution of section 130ZC

Section 130ZC is substituted:

130ZC—Recovery in relation to political expenditure in excess of cap

Previous section 130ZC, which prohibited arrangements to avoid an applicable expenditure cap, is proposed to be provided for in section 130ZZE. New section 130ZC relates to the recovery of political expenditure that is in excess of a cap.

38—Insertion of Part 13A Division 6A

New Division 6A is inserted. Subdivision 1 includes definitions for the purposes of the Division, including *electoral donation* and *electoral loan*. Subdivision 2 prohibits electoral donations and loans to registered political parties, members of Parliament, groups, candidates and certain third parties. Donations and loans from foreign entities are also prohibited. Subdivision 3 provides for a scheme for limited electoral donations and loans (other than from foreign entities) to be made to regulated designated participants.

Division 6A—Regulation of donations etc

Subdivision 1—Preliminary

130ZCA—Interpretation

130ZCB—Meaning of *electoral donation*

130ZCC—Meaning of *electoral loan*

Subdivision 2—Prohibition on donations and loans for certain parties, candidates etc

130ZCD—Donations to certain parties, candidates etc prohibited

130ZCE—Loans to parties, candidates etc prohibited

Subdivision 3—Limitations on donations etc to regulated designated participants

130ZCF—Application

130ZCG—Individual cap on electoral donations

130ZCH—Prohibition on electoral donations that exceed individual cap

130ZCI—General caps on electoral donations

130ZCJ—Individual cap on electoral loans

130ZCK—Prohibition on electoral loans that exceed individual cap

130ZCL—General caps on electoral loans

39—Amendment of Part 13A Division 7—Disclosure of donations

The word 'gift' is substituted throughout the Division with the word 'donation'.

40—Amendment of section 130ZD—Interpretation

This provision is amended to insert that *donation* (in the Division) does not include a donation that is a disposition by will.

41—Amendment of section 130ZF—Returns by certain candidates and groups

These amendments relate to returns by certain candidates and groups.

42—Amendment of section 130ZG—Gifts, loans to candidates etc

These amendments relate to returns for donations and loans to certain candidates and groups.

43—Amendment of section 130ZH—Gifts to relevant entities

These amendments relate to returns for donations to certain parties.

44—Insertion of section 130ZHA

New section 130ZHA is inserted:

130ZHA—Donations to third parties

This provision relates to returns for donations to third parties.

45—Repeal of section 130ZI

Section 130ZI is repealed as a consequence of new Division 6A.

46—Amendment of section 130ZJ—Certain gifts not to be received

These amendments relate to donations requiring certain details.

47—Amendment of section 130ZK—Certain loans not to be received

These amendments relate to anonymous loans requiring certain details.

48—Repeal of section 130ZL

Section 130ZL is repealed as a consequence of new Division 6A.

49—Amendment of section 130ZM—Interpretation

This amendment is consequential.

50—Amendment of section 130ZN—Returns by registered political parties

These amendments relate to returns by registered political parties.

51—Amendment of section 130ZO—Returns by associated entities

These amendments relate to returns by associated entities.

52—Amendment of section 130ZP—Returns by third parties

These amendments relate to returns by third parties.

53—Amendment of section 130ZQ—Returns relating to political expenditure during capped expenditure period

This amendment removes the indexation of the amount in subsection (1).

54—Amendment of section 130ZR—Annual returns relating to political expenditure

This amendment relates to annual returns relating to political expenditure.

55—Amendment of section 130ZS—Annual returns relating to gifts received for political expenditure

These amendments relate to annual returns relating to gifts received for political expenditure.

56—Insertion of Part 13A Division 8A

New Division 8A is inserted. It provides a scheme for registration of third parties.

Division 8A—Registration of third parties

130ZU—Interpretation

130ZUA—Political expenditure by third parties

130ZUB—Register of Third Parties

130ZUC—Application for registration

130ZUD—Registration

130ZUE—Third party must notify Electoral Commissioner of change in particulars

130ZUF—Variation and cancellation of registration

57—Amendment of section 130ZV—Audit certificates

These amendments relate to audit certificates under the Part.

58—Insertion of sections 130ZWA and 130ZWB

New sections 130ZWA and 130ZWB are inserted. Section 130ZWA provides for audits of applicable entities (which are defined) by the Electoral Commissioner. Section 130ZWB provides for registered political parties to provide details of associated entities.

130ZWA—Audits by Electoral Commissioner etc

130ZWB—Registered political party to provide details of associated entities

59—Amendment of section 130ZZ—Nil returns

This amendment is consequential.

60—Amendment of section 130ZZB—Investigation etc

The investigation powers for the purposes of the Part are amended.

61—Amendment of section 130ZZE—Offences

Certain offences are provided for in connection with the measure. Procedural provisions relating to offences are also provided for.

62—Amendment of section 130ZZH—Regulations

These amendments relate to regulation making powers for the purposes of Part 13A.

63—Amendment of section 139—Regulations

An existing power to modify the application of Part 13A by regulation is amended. An additional power to modify the application of Part 13A for a limited period by regulation is inserted. Another amendment relates to the power to make transitional and savings regulations.

64—Review

Provision for a review of the measure is inserted.

Mr TEAGUE (Heysen) (17:13): I stand to say some words on behalf of the opposition. I hope that they are some observations that we have not heard before. I do indicate that I am the lead speaker for the opposition and indicate the opposition's support for the bill. I will step through some of these aspects of what we are still on which is a somewhat wild ride. We had a bit of a pause from the wild ride just now because we have seen the minister in this place, as is now fairly consistent form for this government, rehearsing the speech that was given in another place by the Attorney just a couple of weeks ago. It leaves the opposition, as we were a couple of weeks ago as the bill was introduced in another place, to consider where the creative authorship of the piece of legislation really is.

Suffice it to say that what we have heard now in stereo is a somewhat lofty, some might say grandiose characterisation of this whole project in terms of the grand narrative of South Australian democracy. I think that it would be wise of all of us to adopt an attitude of at least some sort of practical incremental humility about how this pans out, because what is going to be now part of the new landscape is really quite untested. There are some significant concerns about the unintended consequences that might flow, let alone the intended consequences, but I think we can all agree that we are in really uncharted territory.

In a way, what we are seeing with the implementation of this new regime is a lot more money in politics and, in a way, the institutionalisation of money in politics and, at the same time, done in circumstances that moves away from what are now relatively familiar changes that were the subject of what I will call the Rau reforms, the introduction of part 13A of the act that came into place and in operation for the 2018 election. Those Rau reforms that were really authored by the then Attorney and Deputy Premier and worked through with the whole parliament—and, I might say, in an orderly way—now some years ago had the virtue, in my view, of introducing public funding to meet part of the cost of electoral campaigns in this state but avoiding many of the difficulties that this bill is now needing to confront by applying only to campaigns and applying on an opt-in basis.

There is a lot that can be resolved where parties are willing participants, where there is a scheme of engagement that is available, but it is a matter of choice as to whether or not to accept the obligations and to take the benefits of participation in the scheme. That is what we have had now in place—not for all that very long, but enough that it has been settled and, I might say, successfully so. It is an opt-in campaign scheme which has worked effectively to keep a lid on the overall cost of participation in election campaigns in this state.

The subject matter of the bill, insofar as it traverses the Rau reforms, the part 13A reforms, will now shoehorn all of that into a compulsory process. All of those Rau reforms will now be part of

a compulsory process, and it is going to be amplified quite significantly in terms of the campaign side. Then, of course, we will see what I have described as the institutionalisation of money in politics because we will have now very significant amounts of money that are paid to political participants for the administration and management of their day-to-day activities between elections.

Thirdly, and significantly, we are going to see what is described as caps on expenditure by third parties, but we might see it operate quite possibly in another way, as a sort of normalisation of the expected level, none of which has applied in this state before. We have seen some of this territory, particularly in terms of third parties, traversed in other parts of the country. As the government has already conceded, there are real risks about the constitutionality of at least that part with a view to freedom of expression, let alone the parts that would provide funding for political participants between elections and at elections.

I might just say in terms of a starting point, partly moved by what we have heard rehearsed just now by the government: yes, it is true to say that South Australia has a long and proud history of advances and reforms in terms of democratic institutions. We have a proud history of democratic participation. One of the core criticisms of this compulsory process that will now be the subject of the bill is that it is readily apparent to incumbents—parties, candidates for parties, current members and incumbent third parties; I include all of those categories of incumbents—that there are distinct, if you like, head starts or support mechanisms for incumbents. It is providing a means by which the status quo is supported.

I am conscious of the words of the Chief Justice in Kable that have been referred to recently by the reporters, among others. It is just a short observation. Chief Justice Brennan observed that 'novelty is not necessarily a badge of error'. He is making that observation in the context of an exposure to attack in a constitutional argument. But we have to be very careful that, in making a new move and then claiming the inheritance of the democratic institutional reforming history of the state, the new move is not a retrograde step in terms of the enhancement of vibrancy, the participation and the possibility for newcomers to actually have a proper look-in and, frankly, for incumbents to remain as dynamic in their approach and engagement with the community as ever.

It has been put in the course of this debate by plenty of thoughtful stakeholders that we ought not to forget that, while there will be great popular support for the removal of money as a form of political influence—and I just indicate that the bill is far from guaranteeing an end to that—where there is a lot of thoughtful consideration is in the circumstances of a virtue of small donations, particularly by individuals resident in the area in which they are making a contribution, providing a means by which an individual can facilitate participation.

We all know people are time poor, we all know that not everybody is going to get directly involved in politics themselves, so a means of endorsing an idea, facilitating the possibility to further that advocacy and so on, can and has come over a long period of time by way of small donations by individuals, and particularly those who are resident in a candidate or member's local area. Without making too many predictions, I am struggling to keep up with the whole whirlwind of what we have seen coming down the line in recent weeks. I just will remain interested in that aspect of the small and individual contribution.

It is good to mention, I think, in that frame that the possibility to join a political party is spared from the general reframing of the whole environment. It will still be possible to join a political party and to pay a notional amount to join, and that may provide a means by which such individual adherents' endorsement of individuals and groups may still find its voice.

There will be new norms that will emerge from this new environment, in which donations are notionally banned and where public funds come in to replace those donations and then change the structure of management and the operation of campaigns for parties. As I have flagged, there are real concerns about the exclusion of third parties from that new environment, albeit with a cap associated on their capacity to participate. We will have to see how that pans out. As I said, it is a significant departure indeed to move away from the Rau approach—opt in, voluntary participation—to one in which the entire scene is compelled to a particular outcome, and therein is the constitutional vulnerability.

The government, in flagging these changes and trumpeting its pioneering in this area, has conceded many of those things, and I guess we will just have to see how that pans out. The government set itself anyway a task and objective by describing the legislation as having been designed to get money out of politics and to strengthen public confidence in democracy. The government in the same breath has claimed that the reform is complex and has conceded that it may well be subject to legal challenge, and so again we will see that pan out.

There is concern about the criminalisation of certain conduct that might until now have been part of ordinary engagement. Along with a ban comes an offence: a capacity to enforce the ban. It goes with the territory, but it is something that can put the chills into people who have been long participating. Of course, it is not the only serious offence provision in the Electoral Act, but it will for the first time attach significant penalties, including prison time, to activities associated with donation alongside those longstanding serious offence provisions—sections 109 and 111, and so on—to do with bribery and undue influence.

So the government had just better get it right. If it is seeking to promote confidence, it had better ensure that it is not creating a chilled political environment because people will fear that, whatever else the merits might be of their participation, they will not want to risk tripping over this new regime, even for lack of complete knowledge of how it might work.

We have heard from the Attorney in the other place about the expert panel and the various considerations the government has given to those who are thoughtful in this area over a period of time. The minister just now, in rehearsing that contribution, has tabled some if not all of those documents in the context of this step. I think it is important for the record to have those documents freely available so that the regime can be properly assessed as it commences and as it pans out and not have to wait until the review process sometime in 2027.

Just a word about the evolution of the bill. I have had a glimpse of that over recent months. I do not put this as some sort of generalised criticism. In some ways, the way the government has gone about this has ended up having elements of the Rau approach, but it is probably good to put it into some context. The government made this a key commitment at the election, and we have been anticipating this coming along in some form ever since March 2022. At various points, there would be long silences, and I remember making an inquiry to the Attorney's office through 2022: 'Is this coming along at some stage? What form might it take?' We on this side looked to be gearing up and thinking about the various aspects that might be coming our way for a long period of time.

We heard from the Treasurer about a year or so ago, maybe a bit more, that it has not quite got there because it is a bit more difficult than we might have first thought, or it is complex, and I think there was general agreement that that is true. I think at one point we might have got close to the idea that it is sufficiently fraught, that we might need to think better of it or go back to a model that others might have described as sensible along the lines of a small donations regime and encouragement to individual participation and that sort of thing, but, somewhat out of the blue in the middle of this year, we then heard that there is a bill in the offing. There will be someone who might correct me as to the particulars of the timing, but I recall attending at a briefing, I think, on 2 August, and hearing about a proposal.

We have since heard the government and the government has described that in about late September it took the step to engage the expert panel that has done this very good work and it has reported in October. I have referred just now to some government remarks that were made on 11 November, I think at a time when the government felt that it had come in to land on the final form of all this.

In the process, we have seen at least 83 iterations of the bill and it has moved along quickly enough that I found myself, even this morning, working with what are now two or three sort of working drafts with notes on them reminding me where things are. I think even draft 83 of 11 November has subsequently had a clause added and so on and then we have gone into the council and there has been some amendment there.

So it is a fairly fresh document in its current form. It has taken quite a while to find its way this far. There ought to be credit, and I think those in parliamentary counsel and those in the Attorney's office and so on have clearly been engaged for some considerable period of time. That it

is still presented as something that might really be a bit vulnerable to constitutional challenge is a bit of a concern. The fact that the government would now expect it to come into force on 1 July next year leaves limited time for the contents to be tested. I certainly do not wish it on South Australians that any challenge to this that might flow from what happens after 1 July could cause any sort of undue disruption to the period that actually matters as we approach the election in March 2026.

But those are largely matters of history and the way in which things have come to the parliament's attention and to my attention. It is here now and on we go in this place. The government has tabled and made reference to the expert panel report. It is a good document to have to hand over the period ahead. It made 19 recommendations. Its authors are eminent and if that, amongst other things, is providing some means of preparation for responding to legal challenges that might come, well, that is something the government might have in its kitbag.

In terms of the constitutional implications, I think there has been a useful contribution from the Law Society by its president's letter to the Attorney dated 11 July of this year. President Lazarevich writes to the Attorney-General about constitutional implications of the bill. I think it is fair to say that, short of reading that into the *Hansard*, it might suffice just to refer to part of it as follows:

> …the proposed reforms enliven complex constitutional questions. One of the primary questions is whether the proposed laws, if enacted, could be invalidated by the High Court for infringements on the implied right to freedom of political communication (the 'implied freedom').
>
> 7. The purpose of the implied freedom is to ensure that the free flow of information on political matters is protected to allow electors to decide for themselves how they exercise their vote at federal elections.

He there cites the relevant authority: the Unions NSW case. He goes on then to say:

> The implied freedom is not a personal right; the decision in Unions NSW v New South Wales, unequivocally establishes that the identity of the speaker is irrelevant when considering whether a law offends the implied freedom. The proposed reforms, insofar as they seek to make it unlawful for a person to make or receive an electoral donation to a registered political party, Member of Parliament, group or candidate, appear to engage the implied freedom.

He goes on, so there is a bit of preview. Who knows how any such challenge might go? The Law Society has a bit to say about the way in which the bill treats incumbents, and I appreciate and benefit from those insights as well. The Law Society has considered via its relevant committees human rights implications as well as that. There have been thoughtful contributions also by those others active in this space, including SACOSS. I recognise yet another thoughtful contribution by SACOSS.

I think the test will really be in how in fact the South Australian community responds to this. If there is an increase in public confidence that results and if indeed the impact of money as a means of influence in the state is seen to be diminished, then this will have achieved something.

In terms of the new norms that might be established, intended or otherwise, I say again a new norm in terms of third-party participation, and particularly that of unions who we have seen active in campaigns, including notably the CFMEU at the last election both by way of cash donation and by active participation, is there can be real sources of future concern about the way in which particular campaigns can be still very much vulnerable to distortion by those vested interests.

It is with those considerations primarily in mind that we will now see this new regime pass shortly into law in this state, at least for the time being. There will be some matters to step through in the course of committee, and so for the time being I look forward to the committee stage.

Mr ELLIS (Narungga) (17:44): I rise to make a few brief comments about the bill, and primarily to put some concerns on the record for the purposes of posterity and to see how things age, but I do not intend to stand in the way of the passage of this bill. I am of the firm view that this was a primary consideration at the election. It was a prominent pledge by the then opposition now government, and they have a strong mandate to implement it. It certainly was not something that appeared in fine print at the bottom of a website or anything like that; it was discussed at length ad nauseam during the election campaign and I think that they now have a strong mandate to implement it. Here we are now and it will be law very soon.

Having said all that, it was a very simple message to send at the election, that being to ban donations to political parties—and a very popular one, I imagine, within the electorate. It is something that is quite topical at different times, and it certainly seems to have resonated with the voters. But in

the time that has since passed, it has evolved from a rather simple promise of banning donations to a rather complex scheme in how we go about banning those donations but maintaining the ability to run an election campaign, which is an incredibly important thing.

The opportunity to change government when it is needed and to hear the contest of ideas and the different opinions and positions that parties and candidates are willing to put forward is incredibly important. It is something we should not take for granted. The scheme by which we have replaced the private donations and augmented them with public money—a scheme that already exists, mind you, but now has been augmented—has become quite complex.

It is something that the minister ought to be commended for. His ability to navigate the parliament and ensure that all parties, both those who currently populate this place and those who one day aspire to join us in here or join those of us who are left in here, can put forward different opinions and positions would have been a difficult thing. He ought to be commended for his capacity to navigate that. While they do have a mandate, the promise was simple and the solution is complex, but there we go, that is the way it is.

I have a couple of concerns that I want to mention primarily to start with that revolve around that increase in public money. As I said, the scheme already exists to a certain extent. There is already the ability for candidates and parties to seek reimbursement for their costs at the conclusion of an election campaign to a capped amount, but that will now be expanded and provided in terms of pre-emptive funding for an election campaign based on votes secured in the previous election.

I find that increased public funding slightly concerning. I do not consider that this state is in such a prosperous position that it can afford to continue to throw around more money than is necessary. I am worried that this increase in funding is not what the state needs and that it could otherwise be used on other priorities within the electorate. I constantly stand up in this place to talk about our local roads and our local health system, and I suspect that the increase in public funding that will be apportioned to this cause would go a long way towards building the new hospital in Wallaroo that we are seeking. I am worried about that.

I am worried about the fact that I am not so certain that using public money is less evil than securing private money for a campaign. I have to say on that topic that in my time in this parliament, which is coming up on seven years, I have not come across a single member who I suspect is susceptible to influence via donation. I think that everyone I have come across is in here for the right reason. They are all in here because they believe that their solution to the state's woes is the right way to go, and I do not think that anyone would accept a donation on the condition of acting in a certain way in this parliament. But be that as it may, this is the path we are taking and we will see how it all transpires.

I do want to finish out that point. I am not particularly experienced in securing donations, I have to say, but I do suspect that donations come about from the way that people act in here in preparation. I suspect that they are the effect of the way that people conduct themselves in here and not the cause. I do not think that people go around giving donations to people in an attempt to change their mind or influence the way they act. I suspect they are motivated to donate to candidates based on the way that they act and votes that they cast. I think that it is the cause and not the effect and that it does not necessarily try to change the course of history, it tries to reward it. But I can understand the electorate's want on that front.

The second point that I would like to make is that I suspect that the most prominent example of external influence in political decision-making in this state, in this political sphere, would be the union movement. Now, I am not decrying that as an evil; that is a statement of fact. They are prominent actors in the South Australian Labor Party machine. I do not think that will change with the advent of a ban on political donations. I suspect the union movement for better or worse will continue to exert a significant influence on the policy direction of the South Australian Labor Party, which again I am not decrying as evil or anything like that, it is the way it has always been.

I suspect that whether or not they donate money to the cause, it will not change the fact that they will continue to put forward candidates for election in safe Labor seats, they will continue to seek meetings with Labor governments in an attempt to direct the course of history and the policy outcomes that they seek, and I suspect that this ban on donations will do very little to change the

most prominent external actor when it comes to political decision-making in this state. That being the case, I wonder if it is all worth it. I wonder if it is all worth it. If we are not going to change the most prominent example of it, is it worth changing the more minor examples going forward?

Those are two concerns that I have. Ultimately, as I said, I think the government does have a mandate to implement these changes. I will not stand in the way of them as they progress but I just think it is important to get a couple of those concerns on the record. We do need to make sure that we consider all the unintended consequences that may occur as a result of this legislation. It is groundbreaking, it is unique. We are the canary in the coalmine in some ways, so we need to give careful consideration.

I think the minister has done an excellent job in consulting with the entire parliament, ensuring that he has considered as much as we possibly can at this point. I look forward to the committee stage and the further investigation of all the clauses and the lengthy examination of clauses that we have in front of us. I just wanted to get those couple of concerns on the record.

The Hon. D.R. CREGAN (Kavel—Minister for Police, Emergency Services and Correctional Services, Special Minister of State) (17:52): I thank the members who have made a contribution. I understand it is the will of the house to go into committee.

Bill read a second time.

Committee Stage

In committee.

Clause 1.

Mr TEAGUE: I refer to remarks of the government on the near finalisation of the bill. There are remarks in a media release attributable to Dan Cregan, including:

> It recognises the constitutional guarantee of freedom of political communication and is calibrated to avoid placing an unconstitutional burden on that freedom.

Could the minister indicate how and in what ways he has satisfied himself and whereabouts the bill recognises that guarantee and how it is calibrated in the way that he has described?

The Hon. D.R. CREGAN: The bill has been carefully calibrated taking the best possible advice as you anticipate not only of course from the advisers that are available to government but also in this case from the external panel's report I earlier tabled. Of course, it is also then tabled in the other place.

Mr TEAGUE: Perhaps then, a little bit more particularly, what form has the calibration taken to avoid the placing of an unconstitutional burden on freedom of political communication? What form does that take?

The Hon. D.R. CREGAN: As I earlier outlined to the member, the government has taken the best possible advice. It is the government's intention not to frustrate the High Court if there were an applicant who wished to ventilate the concerns in that forum. In view of the expert panel's report and all of the material that has been received through an extensive consultation process, we have acted on that advice and the final form of the bill represents the benefit of all that advice to government but most particularly, I emphasise to the member, the additional independent expert advice that the government has acted on.

The member indicated in his remarks to the house earlier the extensive series of amendments the government has engaged in to ensure that not only has it taken the benefit of that advice making the calibrations necessary but equally it has met the objective of the government to ensure the bill meets community expectations as received as part of the feedback process.

Mr TEAGUE: If I might sort of express some degree of frustration at question 3 and to put the question another way, this is really an opportunity for the government, as opposed to some sort of trap. The minister has been quoted—in fact, the government has decided proactively—that this description should be attributable to the minister and, in light of what we all understand to be complex challenges with respect to the constitutionality of all this, there is a specific statement recognising

the constitutional guarantee of freedom of political communication and a reference to calibration to avoid burdening that freedom.

Calibration means the measuring of something and making adjustment and so the question really provides an opportunity to go to the particular things that have been calibrated to avoid risk. So it is one thing to refer to all the various inputs, but if those inputs prove that, right, we are all on the right track, then it would not be necessary to do any calibration and in terms of the committee's process I am seeking to understand what the particular points of calibration are that have occurred in the light of the benefit of all that the government has received along the way.

Progress reported; committee to sit again.

Sitting suspended from 18:00 to 19:30.

ELECTORAL (MISCELLANEOUS) AMENDMENT BILL

Introduction and First Reading

Received from the Legislative Council and read a first time.

Second Reading

The Hon. D.R. CREGAN (Kavel—Minister for Police, Emergency Services and Correctional Services, Special Minister of State) (19:31): I move:

That this bill be now read a second time.

Today, I introduce the Electoral (Miscellaneous) Amendment Bill 2024. The bill amends the Electoral Act 1985 to implement recommendations of the Electoral Commissioner's report on the 2022 South Australian State Election and 2022 Bragg By-election.

In addition to the recommendations in the 2022 report, the bill implements an election commitment to prohibit political parties, candidates, members of parliament and third parties acting on their behalf from making unsolicited robocalls and undertaking robopolling. It further implements several other government-initiated reforms. The bill also includes amendments to the Local Government Act 1999 to further regulate the use of electoral corflutes.

The proposed amendments in the bill will improve administration, streamline and modernise processes and allow for more flexible early voting options. The bill will enable the state to provide voting services that are more consistent with options available in other jurisdictions and meet community expectations. As noted by the Electoral Commissioner in his 2022 report, South Australia has had no form of electoral legislative reform for several years. The changes in this bill will deliver some of the electoral modernisation and reform that South Australia requires.

The bill provides that eligible new electors will be able to enrol to vote up to and on polling day. While the Electoral Commissioner will continue to focus on improving enrolment levels among young people, citizens from culturally and linguistically diverse backgrounds and First Nations people, allowing enrolment up to and on polling day is likely to lead to greater enfranchisement of people who inadvertently miss the deadline and turn up to polling booths to find they are not on the roll and cannot vote. This reform creates a mechanism so that all eligible electors are able to cast a vote, ensuring that nobody who is eligible is turned away from exercising a vote.

The bill includes new protections for itinerant electors. The Electoral Act already provides voting options for itinerant electors—

The Hon. D.G. PISONI: Point of order: I believe the minister is not speaking from his place.

The DEPUTY SPEAKER: I understand the minister's position, given that we were going to go into committee; unfortunately, that has changed, so I would ask if you could please go to your place to be heard. Thank you. I will apply the strict rules to everybody involved in the chamber as well.

The Hon. D.R. CREGAN: As we were discussing, the bill provides that eligible new electors will be able to enrol to vote up to and on polling day. While the Electoral Commissioner will continue to focus on improving enrolment levels among young people, citizens from culturally and linguistically diverse backgrounds and First Nations people, allowing enrolment up to and on polling day is likely

to lead to greater enfranchisement of people who inadvertently miss the deadline and turn up to polling booths to find they are not on the electoral roll and cannot vote. This reform creates a mechanism so that all eligible electors are able to cast a vote, ensuring that nobody who is eligible is turned away from exercising a vote.

The bill includes new protections for itinerant electors. The Electoral Act already provides voting options for itinerant electors, being a class of voters who do not have fixed addresses. If itinerant electors fail to vote or are outside of South Australia for more than one month, they will not lose their status. Itinerant electors will not be fined if they do not vote. This is to avoid creating hardship for people experiencing homelessness and travelling retirees. Amendments have also been made to the date for the deadline to apply for postal votes, which maximises the opportunities for postal voters to receive their ballots in time in order that they may be returned and counted in the election.

The bill expands the options for assisted voting currently available for sight-impaired electors. Currently under the Electoral Act, the Electoral Commissioner can offer a range of voting options. There is not currently any provision for telephone-assisted voting. Sight-impaired electors and electors who otherwise cannot vote without assistance because of a motor impairment will be able to access voting using telecommunications technology under reforms introduced in this bill.

The bill also provides that electors who attend an early voting centre will have the convenience of being able to cast an ordinary vote. Issuing ordinary votes to electors takes significantly less time than issuing declaration votes and is likely to mean reduced queues and waiting times. Further, electors voting early at an early voting centre prior to polling day will no longer be required to meet eligibility criteria in order to vote prior to polling day. Early voting will now be available within the seven days before polling day in recognition that electors increasingly want convenient options that allow them to fulfil their democratic duty and obligations under compulsory voting.

Further changes will allow electors voting at an early voting centre or on polling day outside the district for which the elector is enrolled to cast an ordinary vote, provided the elector can be marked off the electoral roll. A process is set out in the bill to allow ordinary votes for absent voters to be placed in a separate ballot box, from where they will be transferred to the relevant district returning officer and be counted in the week after polling day along with declaration votes.

The bill also provides that the Electoral Commissioner will be able to establish a polling booth at a polling place established 'for' a district rather than 'within' a district. This will assist with polling for a by-election when a suitable polling location may exist outside of the designated district and allows the Electoral Commissioner the flexibility to provide the most accessible and convenient voting services.

The bill contains a range of amendments that provide both electors and candidates with flexible options for lodging information with the Electoral Commissioner. The Electoral Commissioner will be able to permit candidates to lodge information online rather than using paper forms for processes including candidate nominations, voting tickets and how-to-vote cards. The use of technology-based options will enable more accurate, timely and robust mechanisms that assist and support parties and candidates with meeting legislative obligations. The bill also allows for a single authorisation of a poster that comprises multiple how-to-vote cards. This will make preparing these posters simpler for political parties and easier to read for voters.

Additional changes will remove barriers to the Electoral Commissioner receiving applications from electors for postal voting and applications for the register of declaration votes electronically, which provides more flexible options for electors and will bring South Australia's processes in line with other Australian jurisdictions.

It is not intended to fully replace paper systems so as not to disenfranchise candidates or electors requiring manual or paper-based programs and assistance. Rather, the changes will be permissive of a range of options such that the processes can be determined by the Electoral Commissioner, which will allow the use of both paper and electronic systems as required. In response to a range of emerging issues, the bill also introduces new offences.

In the lead up to the 2022 election, the Electoral Commissioner received numerous calls and emails from electors anxious about the whereabouts of their postal voting forms. This arose from the practice of political party websites purporting to invite electors to 'apply for a postal vote' and creating confusion for electors who mistakenly believed they were interacting with the Electoral Commissioner's website. In some instances, it was too late to send a postal voting pack by the time ECSA was contacted. For electors who were physically unable to attend a polling place, they were unable to vote at the election.

In response to this, the bill provides that it is an offence for a person, other than a person acting under the authority of the Electoral Commissioner, to distribute forms or materials containing links or codes that purport to facilitate an elector to apply for the issue of declaration voting papers. This will remove the involvement of political parties in the postal vote process, to minimise confusion experienced by electors and provide the Electoral Commissioner with the ability to take action against those responsible for misleading websites.

The Electoral Commissioner has noted that, in recent Australian electoral events, electoral officials have been subject to harassment and threats, as well as being filmed and followed to their homes. This includes concerning behaviours during the 2023 Voice Referendum.

It is vital that election staff can go about their business unhindered. In response, changes have been made to the existing offences in the Electoral Act to more suitably deal with disorderly conduct connected to electoral events. The bill broadens the powers for authorised officers to remove persons and captures behaviours occurring in places where polling or counting is taking place as well as in the immediate vicinity of such a place. This is intended to ensure that disorderly behaviour outside of a polling booth can be appropriately managed and provides increased penalties for those offences. Of course, some of these behaviours may also constitute offences under existing criminal laws.

In response to perhaps the newest threat to elections and the broader political sphere, the bill will introduce new regulation offences relating to the use of artificial intelligence and material intended to mislead, known as electoral deepfakes. Increasingly the use of this technology is causing concern. Around the world, deepfakes of politicians, electoral candidates and other public political figures have been used to mislead voters into believing that the depicted person said or did something they did not.

In this context, deepfakes are usually created for the purpose of causing reputational harm to the depicted person in an effort to influence voter opinion and the potential outcome of an election. This emerging new risk warrants legislation to protect South Australians from the harmful and misleading impacts deepfakes could have on our electoral processes and to maintain public trust in our democratic institutions.

Firstly, the bill prohibits the distribution of an electoral advertisement containing audiovisual, visual or video content that was wholly generated by artificial intelligence where it contains a depiction of a simulated person performing an act that such person did not perform. It will be a defence to prove that the distribution of the artificially generated electoral advertisement occurred with the written consent of each real person depicted or that the defendant took no part in determining the content and could not reasonably be expected to have known that the advertisement contravened the offence provision.

Secondly, the bill provides that a person must not distribute or cause or permit to be distributed an electoral advertisement containing audiovisual, visual or audio content that was wholly generated by artificial intelligence unless it contains a statement that it is an artificially generated electoral advertisement. The bill sets out the requirements of such an authorisation.

Similar to the misleading advertising provision in section 113 of the Electoral Act, the Electoral Commissioner may take action where he or she is satisfied that the artificially generated electoral advertisement contravenes these new provisions. The Electoral Commissioner may request the advertiser withdraw the advertisement from further publication, or publish a retraction in specified terms and in a specified manner and form. The Electoral Commissioner will have the ability to apply to the Supreme Court for an order that the advertiser take the above-mentioned actions.

The purpose of these reforms is to safeguard elections by preventing voters from being unduly swayed by realistic artificially generated misleading content. In recognising this purpose, the definition of 'artificially generated electoral advertisement' is for electoral advertising containing audiovisual, visual or audio content that is wholly generated by artificial intelligence. This tailors the requirement in the new provision to the threat that we are seeking to address.

A regulation-making power is included, as you might expect, in the definition of 'artificially generated electoral advertisement' for the purpose of audiovisual, visual or audio content that is created or altered by use of technology of a prescribed kind where this might become necessary to prescribe in the future.

It is not intended to capture electoral advertisements where artificial intelligence is working in the background—for example, where formatting changes or grammatical improvements are automatically applied by a software program—nor is it desirable that an electoral advertisement be labelled as artificially generated in a precautionary manner to avoid breaching the provisions, where background software function is not wholly understood.

It must be noted that these reforms are occurring ahead of other Australian jurisdictions. The use of artificial intelligence and deepfakes is an area of particular specialised knowledge and is rapidly evolving. Therefore, care has to be taken to ensure that South Australian provisions can be enforced by the Electoral Commissioner and are confined to the purpose of the reforms at this time. There may be cause for further review or expansion of the provisions in the future as knowledge of this area of technology evolves and as lessons are taken from other jurisdictions that may look to introduce similar legislation.

A further amendment in the bill will prohibit political parties, candidates, members of parliament and third parties on their behalf making robocalls consisting of unsolicited automated calls containing a pre-recorded message, or undertaking robopolling, where automated opinion polls are conducted using a computer script—rather than by an individual—which contains material relating to a state election. This is broader than electoral advertising and therefore captures calls made at all times.

The prohibition will apply to political parties, candidates and members of parliament from South Australia, as well as other states, territories and parliaments where the material relates to a South Australian state election. For example, the prohibition would apply to a member of a Victorian branch of a political party making robocalls to South Australian electors where the material relates to a South Australian state election. This implements a state government election commitment to ban unsolicited robocalls to 'ensure lives are protected from intrusion and disruption'.

The purpose of this reform is to protect South Australians' privacy from the unwanted intrusion and disruption of automated calls containing political matter, to minimise the potential for the improper, deceitful or fraudulent use of robocalls for political purposes and to restore public confidence in the state's democratic and political institutions.

Section 115A of the Electoral Act already regulates the content of automated political calls requiring authorisation details to be included in an automated political call. Pursuant to section 115A, an automated political call comprises a 'telephone call consisting of a pre-recorded electoral advertisement'. Such authorisation is common for any form of electoral advertising, and these requirements will be maintained for persons not prohibited under the new provisions.

The bill makes a series of changes to provisions in the Electoral Act that require persons publishing material to include the name and street address of a person responsible for the publication. For independent candidates without a campaign address, this may mean having to use their residential address. For some candidates, this raises concerns for their personal safety.

Under changes made by the bill, a candidate who is not endorsed by a registered political party may, with the approval of the Electoral Commissioner, include a post-office box instead of a street address. The candidate must ensure that the published material also contains a statement of the suburb in which the candidate resides. The bill will also amend section 62 of the Electoral Act, so that the ability for independent candidates to add additional words on ballot papers for use in the election after the word 'independent' is removed.

An amendment to the Local Government Act will permit any individual to display a corflute, in a form pre-approved by the Electoral Commissioner, notifying electors about an upcoming state election. This will allow general election date corflutes to be displayed to notify electors of an upcoming election. The generic corflutes will be allowed to be placed on a road without authorisation if they relate to a state election, are exhibited during the election period and are identical to a sign approved by the Electoral Commissioner. The Electoral Commissioner will publish a copy of an approved sign on the ECSA website.

A further amendment to the Local Government Act will prohibit the exhibition of corflutes related to federal elections on road and road-related areas, including structures, fixtures and vegetation on a public road or road-related areas similar to the prohibition introduced for state election corflutes. It is proposed that a general prohibition instead be applied to the exhibition of federal corflutes, other than in the circumstances currently exempted for state election corflutes under the Local Government Act.

This means that federal electoral advertising posters may be exhibited by a person holding an electoral advertising poster or where the poster is not attached to a building or structure on a road and is exhibited at or in the vicinity of a designated event only immediately before, during and after that event for no more than six hours. A designated event includes an organised gathering, meeting or function relating to a commonwealth election and a person canvassing for votes relating to a commonwealth election.

The government considers that, similar to the prohibition that has been implemented for state election corflutes, this further prohibition will reduce physical and visual pollution caused by these posters, in addition to preserving roadside amenity, and will address concerns about electoral posters presently presenting a road safety risk as a distraction to drivers.

This has been a period of substantial reform to the Electoral Act and has required considerable effort by many people over many months. I would like to thank those who have been contributing and particularly those in the legislative services. I would like to also acknowledge the tireless efforts of Mark Emery, of parliamentary counsel, whose talented work has been integral in developing both these and other reforms. I commend this reform to members and seek leave to have the explanation of clauses inserted in *Hansard* without my reading it.

Leave granted.

Explanation of Clauses

Part 1—Preliminary

1—Short title

2—Commencement

These clauses are formal.

Part 2—Amendment of *Electoral Act 1985*

3—Amendment of section 4—Interpretation

Certain definitions are inserted or amended for the purposes of the measure.

4—Amendment of section 18—Polling places

Pre-polling centres are provided for in the provision.

5—Amendment of section 31A—Itinerant persons

These amendments relate to arrangements for itinerant persons.

6—Amendment of section 32—Making of claim for enrolment or transfer of enrolment

This amendment relates to the making of claims for enrolment in connection with enrolment on polling day.

7—Amendment of section 40—Order in which applications are to be determined

This amendment is technical.

8—Amendment of section 53—Multiple nomination of candidates endorsed by political party

This clause makes amendments related to the nomination of candidates endorsed by political parties.

9—Amendment of section 53A—Nomination of candidate by a person

This clause makes amendments related to the nomination of other candidates.

10—Amendment of section 54—Declaration of nominations

The reference to 'papers' is removed.

11—Amendment of section 58—Grouping of candidates in Legislative Council election

The reference to 'signed' is replaced.

12—Amendment of section 60A—Voting tickets

This clause makes amendments related to voting tickets.

13—Amendment of section 62—Printing of descriptive information on ballot papers

This clause makes amendments to descriptive information printed on ballot papers.

14—Amendment of section 65—Properly staffed polling booths to be provided

These amendments relate to the provision of properly staffed polling booths.

15—Amendment of section 66—Preparation of certain electoral material

These amendments relate to the manner and form of material to be submitted under the provision.

16—Amendment of section 69—Entitlement to vote

This clause makes amendments related to the entitlement to vote in connection with the measure.

17—Amendment of section 71—Manner of voting

This clause makes amendments related to the manner of voting, primarily in relation to voting at pre-polling centres.

18—Amendment of section 74—Issue of declaration voting papers by post or other means

This clause makes amendments related to the issuing of declaration voting papers by post or other means.

19—Amendment of section 74A—Offence to distribute application form for issue of declaration voting papers

This clause makes amendments related to offences relating to the distribution of application forms for the issue of declaration voting papers.

20—Amendment of section 77—Times and places for polling

This clause makes amendments related to the times and places for polling.

21—Amendment of section 79—Vote to be marked in private

22—Amendment of section 80—Voter may be accompanied by an assistant in certain circumstances

23—Amendment of section 80A—Voting near polling booth in certain circumstances

These amendments are consequential on the changes relating to voting at pre-polling centres or in certain circumstances on polling day.

24—Insertion of Part 9 Division 5B

New Part 9 Division 5B is inserted:

Division 5B—Voting for eligible electors using telecommunications technology

84D—Voting for eligible electors using telecommunications technology

Section 84D provides for an eligible elector (which is defined) to vote in an election using a telecommunications technology voting method prescribed by the regulations.

25—Amendment of section 85—Compulsory voting

These amendments relate to the requirements relating to compulsory voting and itinerant electors.

26—Amendment of section 91—Preliminary scrutiny

This amendment relates to the verification of the identity of certain electors during the preliminary scrutiny.

27—Amendment of section 95—Scrutiny of votes in Legislative Council election

28—Amendment of section 96—Scrutiny of votes in House of Assembly election

These amendments are consequential on the changes relating to voting at pre-polling centres or in certain circumstances on polling day.

29—Amendment of section 112—Publication of electoral advertisements, notices etc

One amendment relates to removing the requirement for the name and address of the printer of an electoral advertisement to be included. The other is a special provision for a candidate who is not endorsed by a registered political party.

30—Amendment of section 112A—Special provision relating to how-to-vote cards

Certain amendments make special provision for a candidate who is not endorsed by a registered political party. Other amendments relate to authorising how-to-vote cards combined in a single electoral advertisement.

31—Amendment of section 115A—Automated political calls

This clause makes amendments related to automated political calls.

32—Insertion of sections 115B to 115D

New sections 115B to 115D are inserted:

115B—Certain artificially generated electoral advertisements prohibited

This section contains provisions relating to the prohibition of the distribution of certain artificially generated electoral advertisements.

115C—Prescribed artificially generated electoral advertisements to include certain statements

This section relates to the inclusion of certain statements in respect of certain artificially generated electoral advertisements.

115D—Withdrawal etc of certain advertisements

This section provides for the withdrawal or retraction of certain artificially generated electoral advertisements.

33—Amendment of section 116—Published material to identify person responsible for political content

This amendment inserts a special provision for a candidate who is not endorsed by a registered political party.

34—Amendment of section 116A—Evidence

These amendments are consequential.

35—Substitution of section 119

Section 119 is substituted:

119—Maintenance of order at and near places for voting and counting centres

New section 119 makes provision in relation to the maintenance of order around places for voting and counting centres.

36—Amendment of section 130G—Requisites for appointment

37—Amendment of section 130I—Termination of appointment of agent

These amendments are consequential on the change of references from signatures to endorsements for the purposes of electronic processes.

Schedule 1—Related amendments to *Local Government Act 1999*

1—Amendment of section 226—Moveable signs

One amendment relates to the approval of a sign by the Electoral Commissioner to facilitate the display of signs that are identical to the approved sign during the election period for a State election. Another amendment relates to the control of electoral advertising posters for Commonwealth elections.

2—Insertion of section 226A

New section 226A is inserted:

226A—Control of electoral advertising posters for Commonwealth elections

This provision relates to the control of electoral advertising posters for Commonwealth elections.

Ms SAVVAS: Mr Deputy Speaker, I draw your attention to the state of the house.

A quorum having been formed:

Debate adjourned on motion of Ms Savvas.

ELECTORAL (ACCOUNTABILITY AND INTEGRITY) AMENDMENT BILL

Committee Stage

In committee (resumed on motion).

Clause 1.

The Hon. D.R. CREGAN: I refer to my previous answers to a question put in very similar terms. The question arises in relation to clause 1, which is the short title. I observe that it is perhaps not the best place to ask about the merits of subsequent clauses, and it may be that the member for Heysen takes us to the calibration of various additional clauses. Otherwise, I refer to my earlier answer.

Clause passed.

Clauses 2 to 6 passed.

Clause 7.

Mr TEAGUE: We have a provision that is broadly welcomed. I think I might have referred to it in terms of the Law Society's contribution, for example, that provides for audits by the Electoral Commissioner, the subject of new section 43C. The Law Society, by its letter to the Attorney-General dated 11 July 2024, indicated broad endorsement but by reference more particularly to what was then new 130ZVA, which would give the Electoral Commissioner power to audit the activities and documents of an entity to whom funding is available under part 13 of the act. That has been met with broad approval.

In terms of the audit function generally of the Electoral Commissioner, the government might take this opportunity just to indicate to the committee how the commissioner has been engaged and how those audit functions can be carried out, whether there is additional funding required and the burden that might place on the commissioner and indeed on those participants to the extent that is novel.

The Hon. D.R. CREGAN: I thank the member for his question. I certainly have consulted with the Electoral Commissioner. I have taken the benefit of the Electoral Commissioner's advice, and any additional funding will be provided as may be necessary through the budget process.

The Hon. D.G. PISONI: The audits by the Electoral Commissioner, are they restricted only to political parties, or can third parties who participate in the election process also be subject to audits by the Electoral Commissioner?

The Hon. D.R. CREGAN: I think I can assist the member for Unley by clarifying that this particular provision goes to members who form a corpus allowing a party to be registered, and the inquiries that the Electoral Commissioner might make about the bona fides of those particular members.

The Hon. D.G. PISONI: So is that a yes or a no? I did not pick that up in your answer. Is it only political parties it can audit or can it audit third parties?

The Hon. D.R. CREGAN: To assist the member for Unley, there are certainly additional audit powers and we might come to them later, but this particular provision relates to audits around political parties.

Clause passed.

Clause 8 passed.

Clause 9.

Mr TEAGUE: At clause 9 we see some definitions, and those include at subsection (3), on page 9 of the bill, reference to the definition of 'associated entity' and now an express exclusion of a

registered industrial organisation or entity wholly comprised of registered industrial organisations, into which I read 'unions'.

We have to bear in mind that this bundle of provisions that are amending the Electoral Act is partly adapting and piggybacking off what is there, notably part 13A and adjusting the Rau mechanism, but here we are seeing the use of an existing definition in 130A(1). I just refer to that specifically. The existing definition of 'associated entity' in 130A(1) has six specified kinds of entity, and what this provision is doing is specifically excluding a union that becomes registered because it is participating in an electoral campaign, presumably.

I suppose the question is: why did the government find it necessary to exclude from the definition of 'associated entity' a registered union where, on its face, the associated entity definition would appear—to me, anyway—to include at least those affiliated unions? What purpose is the express exclusion serving, and why is it necessary to include here?

The Hon. D.R. CREGAN: Respectfully, it is a very good question. Donations to associated entities are treated in the same way as donations to a political party, and accordingly it is necessary to exclude industrial organisations. There are still, of course, third-party requirements on those other entities.

The Hon. D.G. PISONI: So, as to that exclusion for registered industrial organisations, does it also include registered industrial organisations whose delegates are part of the preselection process for Labor Party preselections?

The Hon. D.R. CREGAN: As I say, the purpose of the clause is to ensure that donations to associated entities are treated in the same way as donations to a political party. In terms of industrial entities overall, I would point the member in the direction of the third party restrictions that are in place in this bill.

The Hon. D.G. PISONI: I am sorry, that is not clear. I am trying to establish whether a registered industrial organisation that plays a role in endorsing political candidates is still exempt or not included in section 130A or whether we have a situation in this new bill where those who are actually participating in the choice of candidates for a political party are exempt from this particular clause.

The Hon. D.R. CREGAN: As I say, I am advised that the particular clause is directed and ensuring that it is a distinction between associated entities so as to make plain that a donation to an associated entity is treated in the same way as a donation to a political party. The member for Unley invites me to speculate on the internal preselection processes of one of the major parties. It would be difficult for me to do that, just as it might be difficult for me to speculate on the contemporary preselection practices of the Liberal Party or indeed any other party.

The Hon. D.G. PISONI: Is it the intent of the legislation to capture organisations that have an association with a political party for the purposes of the donation, or is it the intent that the registered industrial organisation that has a role in preselecting candidates is actually not considered to be an associated organisation to the political party they are affiliated with and for which they provide an input to the preselection process?

The Hon. D.R. CREGAN: I am endeavouring to assist the member for Unley. I think I understand the thrust of his question. I think it is still right for me to emphasise that I am advised that third party regulation is a matter that is contemplated by this bill, but the specific purpose of this clause is to make plain that donations to an associated entity must be treated in the same way as a donation to a political party. I am advised that the risk is that if it were drafted differently it may be that other entities, not just the ones that the member for Unley has in mind—there might be unintended consequences.

Mr TEAGUE: For the committee's interest, I just indicate that I will make a comparison to the treatment of the registered industrial organisations at clause 56. The notes under subclause (3) refer to in note 2:

A registered industrial organisation or an entity wholly comprised of registered industrial organisations is a third party under this Part if it—

and now referring to the second dot point over the page—

- incurred more than [the requisite] expenditure during the designated period in relation to the last preceding general election.

In clause 56, where we are dealing with the registration of third parties and the requirement to register, a third party who incurs or intends to incur more than the requisite expenditure during the designated period in relation to an election must not do so without being registered. So the registration criteria is forward-looking in clause 56. It does not refer to the need to register based on what you did at the last preceding general election, but the definition of 'associated entity' does appear to encapsulate that, so while it might be apparent as the reasons why, was is it the case that there is not uniformity between clause 9(3) and clause 56? Why is clause 56 not, given that we are starting the process saying, 'If you did that last time, then you are in' in the same way as the definition of 'associated entity', saying 'If you did it last time, you are in'?

The Hon. D.R. CREGAN: Respectfully, I think the weight of that question is directed at clause 56 rather than clause 9 and I would endeavour to assist the member once we get to clause 56.

Clause passed.

Clauses 10 to 15 passed.

Clause 16.

Mr TEAGUE: Clause 16 deals with nominated entities and the addition of a new division 2A and a register of nominated entities that the Electoral Commissioner now has to establish and maintain. In terms of dealing with the legacy aspect of this, what is the expectation of the government in terms of the identification of those entities? Are they all identified now? Is there a mystery about this? Is there any possibility for there to be some creative endeavour to establish any nominated entity, or is the government satisfied that it is dealing with a known set of circumstances, the nominated entities are all of longstanding? If the minister can name them then all the better for the record.

The Hon. D.R. CREGAN: I thank the member for his question. As the member will see on the face of the clause, the permission is extended to two nominated entities and if they are nominated, as it were, then of course the benefits of the act apply.

Clause passed.

Clauses 17 and 18 passed.

Clause 19.

The Hon. D.R. CREGAN: I move:

That clause 19, which is printed in erased type, be inserted in the bill.

Clause inserted.

Clause 20.

The Hon. D.R. CREGAN: I move:

That clause 20, which is printed in erased type, be inserted in the bill.

Mr TEAGUE: I move:

Amendment No 1 [Teague–1]—

Page 35, line 43 [clause 20, inserted section 130PE(2)(a)]—After 'election' insert:

and good reason not to repay part or all of any amount received

This is really in consideration of what has been the main substantive government amendment that has emerged in the course of the debate—and rather dramatically—a fortnight ago. Without referring to debate in another place, the effect of the amended section 130PE(2) will be to provide a means by which the Electoral Commissioner will and will not require the repayment of any amount that is

paid in advance to any candidate and then to provide exceptions to that repayment arrangement, particularly in circumstances of an incumbent.

The bill is creating a regime in which there is a threshold of 2 per cent and 4 per cent of the vote for Legislative Council and House of Assembly candidates respectively, below which the candidate is required to repay money that has been paid in advance of the campaign. That has elicited all sorts of excitement, particularly from incumbent members who are not wanting to be facing the prospect of what might be an eligibility for a significant amount of pre-election payment and then not meeting the threshold or not receiving sufficient support at the election the subject of that campaign being liable, then, for the clawback. So that is all there on the record.

One of the positives, I suppose, of that coming to attention only lately was that we have had just that little bit more time to take in the contents of the bill, which is a good thing and a reminder to everybody that it is good not to be too breathless about the process. The amendment the government has added to the bill as a result of all that provides that the Electoral Commissioner will not seek repayment where although an incumbent decides not to contest an election, they have good reason for doing so. That is a sensible change, on one view. That is a means of providing for sympathetic circumstances in which an incumbent receives some electoral funds, participates in a campaign to an extent, spends those electoral funds then does not contest, say for example for reasons of ill health.

My amendment provides, in a way that I think is sensible—and I raised this with the government immediately on seeing this, so it is certainly not taking the government by surprise—that there is a further stipulation that there is good reason why the money should not be repaid anyway. The example of that is if the candidate decides not to recontest and they have also not spent the money that they have been paid, the public funds that they have been advanced for the campaign, then there ought to be, in my view, a capacity for money that is held to be repaid.

That can happen as a matter of practice. One response might be that it is likely that a commissioner would make a request that the funds might not be withheld, but it is good to have the means by which, where moneys have not been spent, the commissioner has the direct capacity to say, 'Those need to come back.' In keeping with the rest of the context of the provision, there is no means by which in those circumstances any moneys being paid back would include reimbursement of funds that have already been committed to a campaign. That is the effect of the amendment, and I commend it to the committee.

The Hon. D.R. CREGAN: I think I understand the thrust of the matters that the member for Heysen has raised with the house. I think it is useful for members for me to reflect that much of the drafting, including in relation to this matter, has been informed by the expert independent report. We take the weight of that report seriously, and we have endeavoured to form up legislation based on not only the community feedback we have received, the benefit of other advice available to the government, but also, as I indicated at clause 1, the benefit of that independent report.

One of the matters emphasised by the independent report is the need to ensure protections for taxpayers. The 2 per cent and 4 per cent threshold tests were therefore preserved in the legislation. Members of the other place—and I am restricted here, or must tread carefully here, because of the rule against reflecting on debate in the other place—indicated that they had some concerns in relation to those matters. The government, in accordance with the consultative approach that it has taken so far, acted to amend the legislation.

It is against that background that the member for Heysen now seeks to move his amendment. I am advised that there is concern that the amendment might work in unfairness on a member who chose not to continue to run, after making an undertaking that they would exhaust the funding available to them on political expenditure, by reason of illness or infirmity, because it is likely that there would be an inquiry extending beyond—and I think this is where there may be a defect in the member's drafting—to trying to recover and take in those funds, or an amount of those funds, that have already been spent. Of course, the good reason inquiry or test is the one that the member for Heysen points to. In any event, the amendment is opposed.

Mr TEAGUE: I just highlight that, by reference to the expert group, of course, this is something that has emerged and seems to have taken the government by surprise. I think the

government's intent was as expressed in what became the introduced version post-draft 83 and the government's intent, the subject of that bill, was to claw back all of these funds from the members who did not get to the threshold. We are all well aware of the threshold. We are well aware of this late change that is not informed at all by the expert group. It is self-evidently looking at the chronology of one to the other.

My understanding is that the minister in this place is responsible for this bill. I have engaged with the government's amendment drafted in the circumstances that it was. I might say it is somewhat galling to hear the government's representative describe some sort of defect in the drafting. As a matter of courtesy, this is a matter that has been raised both in principle and now in practice. If there is a defect in the approach, there is certainly no criticism that I can decipher from the minister's contribution just now, as to the principal.

In response to the criticised defect, the words of the amendment—and I stress, if there is a clumsiness to them, or if there is a better way forward then I just indicate that I have exercised whatever diligence is available to me and I benefit from the assistance of parliamentary counsel and so on, otherwise I take responsibility for it. It applies the same discretion—that is, to a level of satisfaction—in the commissioner to establish a good reason not to repay part or all of the funds.

Having the funds sitting as cash in a bank account is a classic example of that, but the commissioner is there as a responsible public officer, there to scrutinise the circumstances. Obviously, if there are funds that are the subject of undertakings, if there are other reasons why it would not be appropriate to repay them, then that is provided for in that form of amendment.

The general public of South Australia are being asked—the subject of this bill as a whole—in fact, they are not just being asked but being required to step in and provide now some many millions of dollars of funds for parties, members and participants in the political process to administer themselves in between elections. And then, more particularly, at an election the taxpayers of South Australia are now being required to pay money to these people in advance of the election.

I would have thought, just as a matter of ordinary interpretation, that if it happens in those sympathetic circumstances in which the Electoral Commissioner is satisfied that someone is not going to contest, there are plenty of such sympathetic circumstances, then the commissioner is ably placed to serve the interests of the people of South Australia in also inquiring: 'Are there any loose funds that are around that have not been spent? If so, I will deal with that all at once.' There is a deal of flexibility in both aspects of that test.

As I say, if the government finds that defective in terms of its drafting then it certainly had an opportunity to do better. The people of South Australia would be looking on in circumstances where the commissioner forms the view that there are sympathetic circumstances for the candidate not recontesting, and where the commissioner is then going out and saying, 'I am not in a position to do anything more.

I have formed a view that there is a good reason for this candidate not contesting, now I have nothing more to do.' And whatever perhaps very substantial funds have gone undeployed, well, we might have to rely on some sort of convention. We may or may not ask the question. The commissioner might find that, guided by the statute, it is not appropriate to do so.

So I understand the government's position. All of that is on the record and, if the government has a better way of drafting it, and it sees fit to support a form of amendment that achieves that end, then I can indicate my support for that. In the meantime, I commend the amendment to the committee.

The CHAIR: Minister, do you wish to respond?

The Hon. D.R. CREGAN: I thank the member for Heysen for detailing the perceived merits from his perspective of the amendment that he seeks the house's support for. I emphasise that the best advice available to the government is that the amendment might work an unfairness on a member who discontinues by seeking to take in those funds that have already been spent. I understand that that would not be the intention of the member for Heysen, but there it is. That is the advice that we have.

Nevertheless, it is a matter that I am equally advised may be dealt with by regulation, and I think that is the better approach, keeping in mind that there is a certification process and an undertaking that is to be made by members who are otherwise restricted to spending these funds only on political purposes. As I say, there needs to be—if the matter were to be progressed—an appropriate distinction between those funds already spent, and the concern is that the amendment as drafted would seek to gather in those funds and work it on fairness.

Amendment negatived; clause inserted.

New clause 21.

The Hon. D.R. CREGAN: I move:

Amendment No 1 [Special Minister of State]—

Page 40, line 17 to page 43, line 25—Insert new clause 21:

21—Substitution of section 130Q

Section 130Q—delete the section and substitute:

130Q—Payment not to be made or to be reduced in certain circumstances

(1) A payment referred to in section 130P will not be made in respect of votes given in an election for a candidate unless—

(a) the total number of eligible votes cast in favour of the candidate is—

(i) in the case of a candidate in a Legislative Council election—at least 2% of the total primary vote; or

(ii) in the case of a candidate in a House of Assembly election—at least 4% of the total primary vote; or

(b) the candidate is elected.

(2) A payment referred to in section 130P will not be made in respect of votes given in an election for a group unless—

(a) the total number of eligible votes cast in favour of the group is at least 2% of the total primary vote; or

(b) a member of the group is elected.

(3) A payment referred to in section 130P will not be made in respect of votes given in an election for a candidate or group unless—

(a) a certificate was lodged under section 130PF in respect of the candidate or group for the election; or

(b) if paragraph (a) does not apply, within 14 days after polling day for the election (or such longer period as the Electoral Commissioner may allow), the agent of the candidate or group lodges a certificate under this paragraph to receive funding in respect of the election.

(4) A certificate under subsection (3)(b) must—

(a) be accompanied by any information or material required by the Electoral Commissioner; and

(b) be lodged in a manner and form determined by the Electoral Commissioner.

(5) The deductible amount for a House of Assembly election or Legislative Council election must be deducted from the amount of election funding payable in accordance with section 130P(1)(a) or (b) to the agent of a registered political party for the relevant election.

(6) No amount is payable under this Division to the agent of a registered political party in relation to an election if the date of registration of the party under Part 6 is less than 8 months before polling day for the election to which the amount relates.

(7) If the agent of a person to whom Division 6 applies fails to ensure that the person does not incur political expenditure in excess of the person's applicable expenditure cap during the capped expenditure period in relation to an election—

(a) the amount payable in accordance with section 130P to that agent is reduced by an amount equal to 20 times the excess amount; or

(b) if the excess amount is greater than the amount payable in accordance with section 130P—the payment will not be made to the relevant agent.

(8) If, in relation to the payment of an amount in accordance with section 130P to an agent, the Electoral Commissioner is not satisfied, based on an expenditure return under section 130ZQ furnished by the relevant agent, that—

(a) in the case of a payment to be made to the agent of a registered political party—the combined political expenditure of the party and candidates endorsed by the party; or

(b) in the case of a payment to be made to the agent of a candidate not endorsed by a registered political party or a group whose members are not endorsed by a registered political party—the political expenditure of the candidate or group (as the case requires),

exceeds the amount that would, apart from this subsection, be payable in accordance with section 130P to the relevant agent—

(c) in a case where there is no satisfactory evidence of political expenditure—a payment in accordance with section 130P will not be made to the relevant agent; or

(d) in a case where there is satisfactory evidence of political expenditure but the total of that expenditure is less than the amount that would otherwise be payable in accordance with section 130P to the relevant agent—the amount payable in accordance with section 130P is reduced to an amount equal to the amount of that expenditure.

(9) The following provisions apply for the purposes of determining the *deductible amount* in relation to election funding payable to the agent of a registered political party:

(a) for a general election (of members of the House of Assembly), the deductible amount is determined—

(i) by dividing the number of districts in which a candidate is endorsed by the party at the general election by the total number of House of Assembly districts and then multiplying the quotient of that division by the aggregate primary vote to obtain the *relevant aggregate primary vote;* and

(ii) by dividing the sum of the eligible votes given for the candidates endorsed by the party at the general election by the relevant aggregate primary vote; and

(iii) by subtracting 0.33 from the quotient obtained in subparagraph (ii); and

(iv) if the result of the subtraction under subparagraph (iii) is negative, the *deductible amount is* $0; and

(v) if the result of the subtraction under subparagraph (iii) is positive, the *deductible amount* is the amount obtained by—

(A) multiplying the result of that subtraction by the relevant aggregate primary vote; and

(B) multiplying the result of that multiplication by $5.50 (2026 indexed);

(b) for a Legislative Council election, the deductible amount is determined—

(i) by dividing the sum of the eligible votes given for the groups and candidates endorsed by the party at the election by the Legislative Council aggregate primary vote; and

(ii) by subtracting 0.33 from the quotient obtained in subparagraph (0; and

(iii) if the result of the subtraction under subparagraph (H) is negative, the *deductible amount is* $0; and

(iv) if the result of the subtraction under subparagraph (ii) is positive, the *deductible amount* is the amount obtained by—

(A) multiplying the result of that subtraction by the total primary vote; and

(B) multiplying the result of that multiplication by $5.50 (2026 indexed).

(10) In this section—

aggregate primary vote means the total number of eligible votes cast in favour of all of the candidates in a general election of members of the House of Assembly;

deductible amount—see subsection (9);

excess amount, in relation to a person, means the amount by which—

(a) the political expenditure of the person; and

(b) any political expenditure of another person or body incurred as part of a scheme of a kind referred to in section 130ZZE(a3)(a),

exceed the applicable expenditure cap;

Legislative Council aggregate primary vote means the total number of eligible votes cast in favour of all of the candidates (including members of groups) in a Legislative Council election.

New clause inserted.

Clauses 22 to 25 passed.

Mr TEAGUE: I have just had handed to me an amendment to be moved by the Special Minister of State that has been filed today. That goes to clause 21, and I just noted that the committee has just dealt with clause 21, so it might be appropriate that the minister might like to move in terms of the amended clause 21—I do not know—I have just been handed it, anyway.

The Hon. D.R. CREGAN: I think I can assist the committee. I moved to insert the new clause. I made myself very clear, but if it would assist the member for Heysen and also others coming to the record later—

The CHAIR: My understanding is that clause 21 the minister sought to insert is actually the money clause which cannot be accepted by the Legislative Council. The minister has moved that and it has also been passed. I am not sure what that other paperwork is but we have dealt with it, in my view. It is my understanding that is what has been agreed to.

Mr TEAGUE: How was it agreed to?

The CHAIR: By inserting it because it was not in the original bill. It cannot be an amendment because there was no clause 21 previously. Even though it seeks to be an amendment, it is actually introduced for the first time in this chamber because it could not be accepted by the upper house because it is a money clause. The Clerk concurs with my view.

My understanding is that the clause in erased type is not in the bill, and has been taken out and the minister is inserting a new clause, the form of which is as distributed. That is my understanding, which has happened.

Mr TEAGUE: The point goes then to the last two words: 'as distributed'. As distributed, as it was passed, is the bill as received from the Legislative Council.

The CHAIR: No, it is not distributed by the Legislative Council because it is not in the Legislative Council.

Mr TEAGUE: The bill as received from the Legislative Council includes a number of clauses that are struck out because they are money clauses. We have moved a number of these clauses along the way. This one is the exception in that—I know about the change. The point is that that has been handed to me after—and the committee is in the same position—the committee has dealt with clause 21.

It ought to be clear, and somebody ought to have it to hand, that we are not dealing with clause 21 as struck out in the version received from the Legislative Council. We are dealing,

unusually, with a clause in the form of an amendment that has been filed today and it stands separately. All of that is on the record.

The Hon. D.R. CREGAN: Point of order, Mr Chair—

The CHAIR: Hold on, before we get into—

The Hon. D.R. CREGAN: Just half a moment—

The CHAIR: No, minister, can you just resume your seat. Member for Heysen, resume your seat. Just to remove any doubt, minister, will you please stand up and move that clause 21 as distributed.

The Hon. D.R. CREGAN: I certainly will. I will repeat exactly for the benefit of the committee the words that I used. I move:

On page 40, after line 16, to insert new clause 21 as distributed.

The CHAIR: That is what we are dealing with. Everybody clear on that?

Mr TEAGUE: I have a question. So how come? Is there a correction, if so, what is it? What are we here for.

The CHAIR: The member for Heysen just said to me a minute ago you understood the difference in the one that was struck out and the one that was in the paper circulated. You know that. Is that correct?

Mr TEAGUE: Yes, but the committee needs the benefit of it.

The Hon. D.R. CREGAN: That is what you said.

Mr TEAGUE: Of course it is what I said.

The CHAIR: Okay, that is what you said. You are speaking on behalf of the opposition.

The Hon. D.R. CREGAN: It has been passed—done.

Mr TEAGUE: Not at all. I do not know what the difficulty is.

The CHAIR: The advice to me by the Clerk is that the matter has been dealt with, and if some members are unaware, that is their job, to be aware.

The Hon. D.R. CREGAN: Exactly.

The CHAIR: The member for—

Mr Basham: Finniss, sir.

The CHAIR: The member for Finniss, unless you have a question on the clause which is before us now, resume your seat. Member for Finniss, that is my ruling. The last clause has been dealt with.

Mr BASHAM: I seek a view on clarity on how this is to proceed. Only moments ago, I went and collected the bill and the member for Heysen's amendment, and I was told that was all there was. I was handed this amendment after clause 21 had been amended. I do not know the difference between the two and would love some clarity.

The CHAIR: And you are not going to get it, because it has been passed, and you can ask him after.

Mr TEAGUE: It is outrageous.

The CHAIR: The member for Heysen will immediately apologise to the Chair or I will report to the Speaker and we will have the house deal with the matter. It is up to you.

Mr TEAGUE: It might need reporting to the Speaker, because we have to get to grips with what has just gone on. It is completely to assist the committee. It is not a matter of process; it is a matter to assist the committee.

The CHAIR: I have just said to you what the advice from the Clerk to me was.

Mr TEAGUE: Yes, but it is not secret squirrels.

The CHAIR: I am not saying it is.

Mr TEAGUE: If they are going to come along with an amendment—

The Hon. D.R. CREGAN: You have already got it.

Mr TEAGUE: The committee needs it on the record.

The CHAIR: Do you wish to report progress and I will raise it with the Speaker?

The Hon. D.R. CREGAN: Point of order, Mr Chair: this is just so straightforward. The member for Heysen already knows there is one digit that has been corrected. For the benefit of the member for Finniss, that is what it is.

Mr TEAGUE: Where is it?

The Hon. D.R. CREGAN: Page 42, line 35, insert at section 130Q(9)(a)(v)(B), '$8.00' be deleted and substituted with '$5.50', and then consequential amendments. I observe the member for Heysen is already aware and so I emphasise that he already informed the house that he is already aware.

The CHAIR: My understanding is, irrespective of what people knew or did not know, or perceived to know or did not know, that clause, as moved by the minister, has been passed by the committee.

Mr TEAGUE: Without it being to hand to anyone in the committee and therefore—

The Hon. D.R. Cregan interjecting:

Mr TEAGUE: It was not actually available to anyone in the committee at the time that it was passed. As a result, what we have in front of us is the struck-out version, which is consistent with those previous. There is no controversy about this. It is a matter of what is clear on the record.

The Hon. D.R. CREGAN: The motion was the new clause. That is what is in *Hansard*. Move on.

Mr TEAGUE: That we have not actually had handed around the committee—that is the trouble. It ought to be possible to ask a question about the change. There is no difficulty about that. It is a matter of understanding why there is a change.

The Hon. D.R. Cregan interjecting:

Mr TEAGUE: No, we do not.

The CHAIR: I am just trying to find—

Mr TEAGUE: I am seeking the call to ask a question on the new clause 21. It could be dealt with very quickly. I would have thought the government would like to explain.

The Hon. D.R. CREGAN: I just did, in relation to the member for Finniss's question.

Mr TEAGUE: Chair, I am seeking the call to ask a question that can be dealt with really rather quickly.

The CHAIR: We are up to clause 26.

Parliamentary Procedure

CHAIR'S RULING, DISSENT

Mr TEAGUE (Heysen) (20:44): I move:

That the Chair's ruling be disagreed to.

I dissent from your ruling. I have not had this to hand, and so—

The CHAIR: You are moving a motion to dissent from my ruling?

Mr TEAGUE: Yes.

The CHAIR: That is fine; we will deal with that. Under standing order 136:

1. the Member makes known the objection at once, and puts it in writing—

you need to put your objection in writing—

2. and then the Chairman leaves the Chair and the House resumes,

3. and the matter is laid before the Speaker.

When the matter has been disposed of, the proceedings in Committee are resumed…

If you would like to put that in writing, we will report it to the house. Were you a doctor in a previous life? My attention has been drawn to the state of the house. Ring the bells, please.

A quorum having been formed:

The SPEAKER: The Deputy Speaker has reported that there has been some sort of objection to his ruling from the member for Heysen. I have chatted with the Deputy Speaker and I uphold his ruling. I just wonder whether maybe we can just get on with the proceedings now, unless anyone wants to keep this going all night. Is everyone happy to go back into committee? Is it the will of the house to go back into committee? Yes, alright, we will go back into committee.

Bills

ELECTORAL (ACCOUNTABILITY AND INTEGRITY) AMENDMENT BILL

Committee Stage

Debate resumed.

Clause 26.

The CHAIR: This is the last call for any questions on clause 26. Minister, do you wish to move the insertion of clause 26?

The Hon. D.R. CREGAN: Just to be sure, I will wait for the member for Heysen. Does the member for Heysen have a clause?

Members interjecting:

The CHAIR: Order on my left! Part of the previous dissent from my ruling was based on members not having the necessary paperwork, so the minister is just making sure that you had the relevant information before you while we discuss this clause.

The Hon. D.G. Pisoni interjecting:

The CHAIR: Member for Unley, do you wish to leave the chamber?

Members interjecting:

The CHAIR: No, I cannot do that but I can report it to the Speaker and he can send him out—and I am happy to do it. We can be here all night; it is up to you guys. Yes, I am happy to be here all night and all tomorrow and the day after. Any debate or questions on clause 26?

Mr TEAGUE: I will just ask the question then, just to be clear. Wherever there is a motion to insert a clause that appears in strikeout in the bill as received from the Legislative Council, then I have that.

The CHAIR: You have that, yes.

Mr TEAGUE: Right, and if there is an amended version like this one that was the subject of a new clause 21, then—

The CHAIR: Member for Heysen, I am aware of your reasoning. You have explained that reasoning on a number of occasions already. There is no need to repeat it, thank you very much. We can go through the whole routine again, if you want; I am happy to.

Mr TEAGUE: With respect, you just interrupted the proposition. I am prepared to deal with those clauses that appear in the version of the bill as received from the Legislative Council. For good

measure, I am prepared to deal with amendments that are in the form that we have just seen, provided they are brought to my attention and that of the committee before they are moved.

The Hon. D.R. Cregan interjecting:

The CHAIR: Order!

Mr TEAGUE: Rather than respond to interjections, I will just make it clear that I will be very straightforward about what amendments are familiar to me and which take me by surprise. My purpose in this regard is to ensure that the committee is appropriately informed and that the public record is actually coherent in the sense that it can be understood that what has passed through this place is not the same as what has been received from the Legislative Council. There is absolutely nothing more to it than that. It is a matter of identifying the merits.

So, as I understand it, what is being moved now and hereafter are struck-out clauses that we have in our hand based on what has been received.

The CHAIR: Do you wish to deal with substantive nature of that clause now or you do not have any questions on the clause.

Mr TEAGUE: No questions on the clause.

The CHAIR: So the question before the Chair is that clause 26, as inserted in the bill, as presented to this chamber in strikeout form in the bill, be agreed to.

Clause inserted.

Clause 27.

The CHAIR: Minister, can you move the insertion of clause 27, which appears in the bill in strikeout form from the upper house?

The Hon. D.R. CREGAN: You got this one, Josh?

The CHAIR: Minister!

Members interjecting:

The Hon. D.R. CREGAN: That was the basis of the objection earlier, so I am just double-checking. I move:

That clause 27, which is printed in erased type, be inserted in the bill.

The Hon. D.G. PISONI: Point of order: members must be referred to by their electorates. The minister—

The CHAIR: The member for Unley will resume his seat.

The Hon. D.G. PISONI: The minister did not do that.

Members interjecting:

The CHAIR: Order! Given the nature of the debate on both sides, I think we will just carry on. Minister, you have moved the motion and I would appreciate if you can keep your commentary to yourself, please.

Clause inserted.

Clauses 28 to 30 passed.

Clause 31.

The CHAIR: Minister, clause 31 you need to insert. It is a strikeout clause.

The Hon. D.R. CREGAN: I move:

That clause 31, which is printed in erased type, be inserted in the bill.

Mr TEAGUE: This is a further amendment to part 13A and it is the establishment of a new division 5A, provision for policy development funding for certain political parties. The entitlement in

this regard recognises the need and the role of political parties in policy development. In terms of the use of such funds and, if you would like to return to the audit theme, the means by which the government might be able to satisfy the people of South Australia that those funds are applied for the intended purpose, is there anything the government will apply in order to ensure, beyond the 2027 review, that these provisions are doing the intended work?

The Hon. D.R. CREGAN: I think I can reassure the member that the Electoral Commissioner has to certify that the expenditure, which is provided on a reimbursement basis, falls within the definition.

Clause inserted.

Clauses 32 and 33 passed.

Clause 34.

Mr TEAGUE: At clause 34 we see the expenditure caps and the insertion across the board of '(2026 indexed)'. Just for the avoidance of doubt at this point, this is, as I read it, providing a new form of indexation that these are the numbers that will apply as at 2026 and then they will move forward from there.

The Hon. D.R. CREGAN: I am advised and can reassure the member that the indexation is already set to the 2026 election.

Clause passed.

Clauses 35 and 36 passed.

Clause 37.

Mr TEAGUE: As a point of curiosity, I go to the current section 130ZC. The current section 130ZC is a prohibition on arrangements to avoid applicable expenditure cap. The new section 130ZC is a provision for recovery. As I read it, it is necessary in part because of the provision for payment of funds in advance, but there is a removal of the discrete maximum penalty provision that is the subject of the current section 130ZC. Instead, as I read it, that will be replaced by the general offence provision that is the subject of clause 61, which will be the new section 130ZZE, which will mean that instead of a $25,000 penalty there will be a $20,000 penalty but now potential imprisonment for four years.

Is there anything that the government is able to elucidate in terms of the rationale for the internal, as it were, repayment provision that is the subject of the new provision—10 times the excess—and am I correct in reading it that way that otherwise there is the substantial penalty provision that is the subject of clause 61 that can apply as well?

The Hon. D.R. CREGAN: Respectfully, the member, I think, has correctly understood the thrust of the sections and the effect of the penalty clauses. Both can apply.

Clause passed.

Clause 38.

Mr TEAGUE: We are here dealing with the insertion of new division 6A, which is the substantive division that is prohibiting donations but also loans. It is quite an all-encompassing clause. The clause deals with both donations and loans. In terms of the treatment of those two categories separately, what considerations has the government given to needing to regulate loans as distinct from donations, and what particular safeguards are in place to prevent all forms of contribution, including those that might be undocumented loans to individual candidates?

The Hon. D.R. CREGAN: I thank the member for Heysen for the question; it is an important one. There certainly are safeguards in place for contravention of the scheme as anti-avoidance provisions, which are particularly significant. We discussed those a moment before. It is important to observe that considerable thought has gone into the regulation of loans, as has gone into the regulation of donations, and of course those measures are set out in the act. It is important to emphasise as well that loans from registered financial institutions are emphasised to the reader.

Clause passed.

Clauses 39 to 43 passed.

Clause 44.

The Hon. D.G. PISONI: This refers to donations to third parties. I am trying to establish what the intention of the clause is. 'Third parties' are people who have no connection to a candidate or a political party but may wish to support a candidate, a political party or a particular political message during a campaign. If, for example, a street of residents who are very focused on wanting a commitment for an upgrade of an intersection get that from a particular candidate and they then want to promote that candidate by buying social media boosting, radio boosting or space on a billboard that complied with the Electoral Act, would the fees that were paid to the media company that provided that service be considered donations to a third party?

The Hon. D.R. CREGAN: I do not want to disappoint the member for Unley, but what I want to do is make plain that this is intended to capture moneys that might be paid to third parties for state electoral purposes and, in that way, achieves a transparency mechanism by requiring individual returns.

The Hon. D.G. PISONI: I have given you a specific situation and I am trying to determine the intent of the legislation by using that example, which is a real example. What happens in an environment where you can give donations is that people may very well give donations to that candidate, but they cannot do that. They want to support that candidate, so they are actually using a media organisation that will have a bill for the services that they provide and they have all agreed to contribute to that cost because they want to back that particular candidate that has promised to fix that intersection. I want clarity as to whether in that situation that is considered a donation to a third party, or because collectively a group of people are buying a service from a media agency, is that a donation or does that fall within this 130ZHA of the clause?

The Hon. D.R. CREGAN: With great respect to the member for Unley, whether something amounts to a donation or not is not necessarily specifically captured by this clause. I think I can assist the member for Unley by emphasising that the returns are required if a person makes an electoral donation, or electoral donations totalling more than $1,000 to a third party in a financial year, and so it is intended to capture contributions in those circumstances of that particular value or more, over that particular period. In those cases there is the transfer requirement for individual returns to be filed.

The Hon. D.G. PISONI: It is not a donation. They are collectively buying media services, it is not a donation. This is not a charity they are giving money to. It is not a political party they are giving money to. They are buying services to have their message heard, so is that captured by this 130ZHA in clause 44?

The Hon. D.R. CREGAN: In order to assist the member for Unley the question is probably whether it is an electoral donation. We have obviously passed the section which deals with definitions, but in short, if it is for state electoral purposes then, of course, those people should be making an inquiry as to whether they are captured and it may very well be in the circumstances that the member has described that they would be.

The Hon. D.G. PISONI: Would the organisation that was providing those services have to be a registered third party of a media organisation that people were buying media from?

The Hon. D.R. CREGAN: I think I can assist the member for Unley by emphasising that this section is squarely directed at those individuals who would seek to make a donation to a third party, and otherwise I repeat my immediate previous answer, which I think provides the architecture around the matters that the member for Unley has raised.

The ACTING CHAIR (Mr Brown): No, member for Unley, I think you have had four contributions already on this clause.

The Hon. D.G. PISONI: It is a very large clause.

The ACTING CHAIR (Mr Brown): I do not care how large it is, it is a clause.

Clause passed.

Clauses 45 to 55 passed.

Clause 56.

Mr TEAGUE: This is the next substantive new alteration to part 13A, new division 8A—Registration of third parties. I would here perhaps take up the invitation of the minister back at clause 9(3). I think the minister was wanting to deal with the anomaly or the question of the way that the registration obligation is framed in contrast to the definition of 'associated entity' at clause 9(3).

The Hon. D.R. CREGAN: The member for Heysen asks a good question, and I certainly had also earlier appreciated the thrust of the matters that he had wished to ventilate with me. I am advised, of course, that we are dealing with third parties that incur or intend to incur political expenditure, and it is forward looking. I hope that that provides the guidance that the member for Heysen is seeking, but it may be that he would want to elucidate further matters with me.

Mr TEAGUE: Not really. The new section 130ZUA—Political expenditure by third parties—is a requirement that any third party who incurs or intends to incur more than the threshold of political expenditure during the designated period must not do so unless they are registered. It is forward looking, and it is to be contrasted, as we have dealt with back at clause 9, with that of an associated entity and the particular example is given at note No. 2 where, for reasons that might be understood, you are establishing association as of the time that the scheme commences and you are doing that according to past form. Why not do so in respect of the stipulation in the new section 130ZUA? I am quick to acknowledge, there is no proposed amendment; I am looking for the rationale.

Given that a bunch of the subject matter for this bill is to deal with incumbents of various kinds, and clause 9(3) in fact contemplates that very thing by reference to association, the way this will work is that if there has been a third party who participated to some significant extent in the last election, they are not going to have to register by virtue of that fact; however, they may be regarded as an associated entity.

So I ask the question again: why not, as a matter of rationale, require the third party that has participated in the threshold way last time to register based on that behaviour rather than entirely about what they might do going forward? Is it not in the public interest, and in the interests of the structure of the bill, that such parties are required to be registered, and even perhaps conceding the possibility for exemption, if they have been since wound up or if there is some other reason why they no longer exist, much the same as incumbent political parties?

The Hon. D.R. CREGAN: I am advised that a register is necessarily forward looking because it is contemplating the circumstances that relate to the election to hand and, of course, the case of the next state election in 2026. I emphasise that the expenditure that is relevant is that the third party incurs or intends to incur or has incurred at the relevant date. But it is forward looking. One can imagine the scope of the inquiry that might be invited if alternative drafting was to be the drafting that the government had preferred.

Mr TEAGUE: I am not sure what that means. Just to be clear and in part because the minister specifically directed attention to clause 56, in my view it is equally as relevant at clause 9(3). There is specific provision at clause 9(3) for a registered industrial organisation being a third party under that part if it has participated in the previous election. So much has been said before. We are dealing with this for the first time.

If one reads this after the next election, and we have then got registered third parties for the first time, because they will have registered, then clause 9(3) will be doing yet new work in that it will be defining as third parties those registered industrial organisations that participated the previous time. So it is a matter of substance. Is the intent to establish the point that once registered under the new 130ZUA, then for future purposes the definition of 'associated entity' will have some work insofar as the carve-out is concerned? Is that the limit of it?

Until then, for the purposes of the coming election, a would-be registered industrial organisation, that is an organisation that is going to participate in the next election, is within the new definition of associated entity because they are not yet registered. Is that the way that works?

The Hon. D.R. CREGAN: My advice is that it might assist the member and also the house for me to reflect that, if the third party is not intending to engage in political expenditure, they might not choose to register, after taking appropriate advice and forming a view about their position. They might, nonetheless, based on their conduct to date, be subject to reporting requirements. I think that is the crispest possible indication that I can give.

The Hon. D.G. PISONI: Under the registration of third parties, would a media seller, a media buyer or someone providing media services or creative services in media be considered a third party if they were simply selling their services to others who may be registered as third parties or individuals who wish to participate in the political process?

The Hon. D.R. CREGAN: I thank the member for Unley for the question. I think it is important for me to emphasise that I am advised, and of course you are aware, that 'third party' means a person other than a person engaged in a broadcasting service within the meaning of the Broadcasting Services Act. As well, the general threshold for third parties, of course, are those that are incurring or intending to incur expenditure of $10,000.

The Hon. D.G. PISONI: That is still not clear to me, minister. If that media company was providing a whole service, including designing a campaign, being paid for that—not doing it as a gift, not doing it as a donation but being paid for that—by, say, a private individual who has the means to back a particular message or a particular candidate, will that media organisation be required to be a registered third party?

The Hon. D.R. CREGAN: I thank the member for Unley for the question. I think it is very important to emphasise that the test might well be in the circumstances where the political expenditure is being incurred, and that invites a closer scrutiny of what exactly it is that the organisation is intending to do. It might be informed, for example, by the nature of the contract that might be in place between the parties.

One could think of other extrinsic circumstances or documents that might inform the nature of the relationship. One could continue to speculate in that sense, but otherwise the relevant test that I have emphasised or the matter to which the member for Unley might look and others who read these remarks later might look is to determine whether it is in fact political expenditure.

The Hon. D.G. PISONI: If somebody receives fee for service for designing a political campaign and provides the ability to then buy that media, whether that be on social media, whether that be newspapers, whether it be on television, is the minister telling this chamber that that media organisation must be a registered third party?

The Hon. D.R. CREGAN: If the services that are being performed are services of a mere contractor, then it may be that the organisation has the comfort it requires but an inquiry will necessarily need to be made into whether it is political expenditure. Of course, one of the tests is the amount, but further inquiry would have to be made into the exact nature of the activities that are being undertaken.

The Hon. D.G. PISONI: Minister, I am sorry but it is still not clear—

The CHAIR: Member for Unley, you have actually asked your three questions.

The Hon. D.G. PISONI: This is a supplementary, sir. I still do not understand the intention of this clause and I am trying to get some clarity from the minister.

The CHAIR: Member for Unley, that is not a basis for a supplementary. A supplementary is to get further information or to elaborate on points—

The Hon. D.G. PISONI: Yes, it is further information.

The CHAIR: Hold on, let me finish. I will allow this on this occasion.

The Hon. D.G. PISONI: Thank you very much, sir, you are very gracious. Minister, it is a very simple question but I am not getting an answer from you. The question is: if someone is selling services, whether they be selling shoes or selling political messages, must they be registered as a third party in order to sell those political messages?

The Hon. D.R. CREGAN: I think I have been tolerably clear. Mere contractors, somebody who just has an engagement—presumably subject to certain terms with the political party—is not intended to be captured, and in that sense I am advised no substantive change is intended to the meaning of 'third party'.

Clause passed.

Clause 57 passed.

Clause 58.

Mr TEAGUE: Here we have the further provision for audit by the Electoral Commissioner—so two new sections, 130ZWA and 130ZWB. We first have the Electoral Commissioner's power, as might be the subject of regulations as well, to audit activities and documents of applicable entities, and then the 130ZWB provision requires registered political parties to provide details of associated entities. I am interested in the whole audit process, but the question might also more particularly be directed to these obligations on political parties to provide details of associated entities.

In circumstances where the obligation is on the agent to provide information with an objective test as to the reasonableness of their knowledge about each associated entity, and then to do so as soon as practicable after an entity becomes an associated entity, what sort of safeguard is there in terms of the agent's obligations and in terms of notice to the associated entity that they are then subject to the provision of information and in turn to the audit provisions that are otherwise the subject of 130ZWA?

The Hon. D.R. CREGAN: As I understand it, if I have grasped it correctly, the member is interested in the types of inquiries that might be made by the Electoral Commissioner that might precede an audit. In that sense, of course, these are steps that are taken wholly by the Electoral Commissioner. It must be remembered in terms of associated entities that a nomination has to be made by the nominating party and that up to two can be nominated, so I think it is going to be tolerably clear who those associated entities might be.

I need to be plain speaking: of course, there are associated entities and nominated entities and we need to be clear about that. My earlier comments were in relation to nominated entities, just for clarity.

The Hon. D.G. PISONI: The audit powers of the Electoral Commissioner, do they extend to the Electoral Commissioner having the powers to compulsorily audit businesses that have for a fair market price sold services to registered entities who are participating in the political process?

The Hon. D.R. CREGAN: It is important to emphasise that the audit powers extend to a person or body to whom funding is payable under the act as it would be amended or an associated entity or a third party. Those are the organisations to whom the audit powers extend.

The Hon. D.G. PISONI: So it is not about expenditure, it is about money payable by the government? Is that what the audits are about? In this auditing process, there is no ability for the Electoral Commissioner to audit the donations, money received, or how the money is spent by these registered entities? Is that what you are saying?

The Hon. D.R. CREGAN: I think I can best assist the member for Unley and the house by emphasising that you must first be an applicable entity before the audit threshold is crossed, if that is tolerably clear. In that case, it must be because the act is very plain about what an applicable entity means: a person or body to whom funding is payable under the part or an associated entity or a third party. Here I hesitate to emphasise but feel strongly that the question strikes again at what a third party might be and equally there are provisions of course in the act that provide the architecture for that.

The Hon. D.G. PISONI: Just to be clear, audit is only about money received from the government; it is not about auditing money received by those entities through donations or the money that those entities spend. I just would like some clarity on that please, minister.

The Hon. D.R. CREGAN: Let me be as crisp as I possibly can be. I think I understand the thrust of the member for Unley's question and I am endeavouring to be as helpful as possible. If you are a third party, you can be audited.

The Hon. D.G. PISONI: For expenditure?

The Hon. D.R. CREGAN: Or any activities. Let me just for a moment turn to section 130ZWA. 'Audits by Electoral Commissioner etc' is the heading in the clause. It provides:

> (1) The Electoral Commissioner may, in accordance with any requirements of the regulations, audit the activities and documents of an applicable entity.

So, as I have earlier guided the member for Unley, we then return to the entity and one imagines that the Electoral Commissioner or others seeking to crystalise their potential liabilities or burdens that might be imposed on them by the act will ask themselves the question as to whether they fall into the range of organisations that I earlier outlined.

The Hon. D.G. PISONI: Is it then reasonable for somebody who might be providing services in an area to then take from this bill once it is proclaimed that because they have sold services to an entity—they are not an entity themselves but have sold services to an entity—they will not be subject to audit?

The Hon. D.R. CREGAN: I will answer now and also seek additional advice. I refer the member for Unley to my earlier answer as I was advised in relation to third parties. I think the position is tolerably clear. I emphasise to the house that, if you are a mere contractor, it is not intended that the act would capture you, but, nevertheless, if you are a person or a body to whom funding is payable under the act or an associated entity or a third party within the meaning of the act you are potentially subject to audit.

Clause passed.

Clauses 59 and 60 passed.

Clause 61.

Mr TEAGUE: Clause 61 deals with offences and it imposes a new form of offence that covers two divisions of part 13A; that is, the existing division 6, which deals with electoral spending caps, and the new division (6a), which deals with the bans. That is the new regulation of donations division. In so far as division 6 is concerned, there are several offences the subject of civil money penalties for things like breaches of expenditure caps under the existing section 130Z and arrangements to avoid applicable expenditure cap, which is the old ZC. Some of it, therefore, has been amended. What we have now is a blanket maximum dollar penalty of $20,000 for an offence relating to any act or omission under division 6 or 6A or imprisonment for four years.

Where there is still a specific maximum civil penalty that applies to any of the division 6 offences, and maybe the answer is that they are all gone, but is there any overlap and what is the rationale for on the one hand reducing, in several cases, the maximum dollar penalty but at the same time imposing a common maximum penalty of four years' imprisonment?

The Hon. D.R. CREGAN: I thank the member for the question. It is a significant one and I appreciate the opportunity to make these remarks on the record. I am advised that in relation to the amendment of section 130ZZE—Offences, before subsection (1) it is intended that we insert a penalty, and that is (a1). The maximum penalty is $20,000 or imprisonment for four years. It is intended that this be an offence that depends on the knowledge of the person concerned where that person does an act or makes an omission that is unlawful; I emphasise 'knowledge'. In terms of (a2):

> (a2) A person who does an act or makes an omission that is unlawful under Division 6 or Division 6A…

And there follows the contemporary formulation of an offence that we are customarily expecting to read based on the excellent drafting of Mark Emery and others. In this case, the test is 'ought reasonably' know. That partly informs the reason for different penalties.

The member for Heysen is right: there is overlap. It is intended. Of course, it would be for the charging authority to ultimately determine which penalty might be sought.

Mr TEAGUE: Just going further to the rationale for the provision of a penalty of imprisonment for four years in the subsection (a1) circumstance and a maximum of two years in the subsection (a2) circumstance, all of which apply to the whole of division 6 or 6A, as I read it, presently—I think I gave one or two examples in the course of my second reading contribution, and if I can turn them up I might test that.

A penalty of imprisonment is not new to the act. In section 109—Bribery, for example, there is a maximum penalty of imprisonment for seven years. For undue influence, the subject of section 110, there is also a maximum penalty of imprisonment for seven years. For interference with the free exercise of any relevant activity under the act, there is also a maximum penalty of imprisonment for one year. So a penalty of imprisonment for these electoral offences will now sit alongside those of bribery, undue influence and other forms of interference.

In terms of what has informed those penalties, it would appear that the seriousness of them would reflect either just that or something analogous to an equivalent perceived interference with the conduct or outcome of an electoral process.

Is there a rationale that the government has followed that is therefore relating those existing serious offences under the act? Does it stand alone? If so, where is the rationale for proportionality, and is the government satisfied that there will not be if only some initial flurry of circumstances in which people are caught with these very significantly increased criminal outcomes where previously, even if people are familiar with the division 6 sort of circumstances, there had been a whole different approach to compliance in that respect?

The Hon. D.R. CREGAN: I thank the member for Heysen for the question. The government intends to make plain that these are serious offences. They are intended to effect specific and general deterrence in relation to possible breaches of the act. They have been placed accordingly on the criminal calendar, reflecting the seriousness with which the state would wish those who might be contemplating or who need to guard against contraventions of this act to reflect upon the penalties. Allow me to seek some additional advice to possibly conclude my remarks.

Further, it might assist the house and the member for me to reflect that the penalties are drawn out from those penalties that are contemplated or described in the Legislation Interpretation Act. As I say, I think it is right for me to emphasise that the government has obviously taken advice in relation to where it is that we would wish for these penalties to sit within the criminal calendar overall.

Mr TEAGUE: It may be not by way of a question, but I think subsection (a3) is in fact the high watermark of those penalties in terms of the cover-all for division 6 and division 6A offences where there is participation in a scheme and a maximum imprisonment of 10 years. In circumstances where that is both serious and novel, is there a worked example that the government might be able to provide, a classic example of a subsection (a3) circumstance, and is it not the case that there is sufficient provision for circumstances that are contemplated by subsection (a3) in the Criminal Law Consolidation Act?

The Hon. D.R. CREGAN: It might assist the house for me to reflect that subsection (a3) of course concerns a person who knowingly seeks to participate, directly or indirectly, in a scheme to circumvent the act. In that sense, it is an anti-avoidance provision. The penalty is significant. It does, as I earlier remarked, reflect the government's determination to ensure that within the criminal calendar there are penalties for a knowing scheme to circumvent the act. In that way it achieves specific and general deterrence as well, I am advised. As well, the penalty amount, of course, is informed by the Legislation Interpretation Act.

The Hon. D.G. PISONI: Earlier we learnt about the auditing role of the Electoral Commission and now we are learning about the seriousness of these offences. Can the minister advise the additional resources that will be provided to the Electoral Commission for the investigation work to ensure that the act is being complied with and what the process of prosecution will be? At what stage will the Electoral Commission build a case before it hands over to the Director of Public Prosecutions or some other body, police or whoever it is, and where will it go in order for charges to be laid?

The Hon. D.R. CREGAN: I thank the member for Unley for the question. I observe that if there were other offences then it may be that other agencies, including South Australia Police, may well be involved in the investigation. But so far as an investigation might follow, for example, an audit, and it may be necessary for there to be additional resources expended by or exhausted by the Electoral Commissioner, then, of course, they would call on the resources that are available to them.

The government is contemplating what additional resources the Electoral Commissioner might require and, as I have earlier indicated to the house, consultation was undertaken with the Electoral Commissioner.

Clause passed.

Clauses 62 and 63 passed.

Clause 64.

Mr TEAGUE: I note that subclause (5)—this is the clause dealing with review, and there is to be a review shortly after the next election—provides for the appointment of reviewers before 1 January 2027, with the review to be completed nine months after that, so that is making it about 18 months after the election. I note the recommendation of the authors of the October review of the bill. They describe themselves as 'the panel' and made the observation:

> The Panel considers that there are aspects of the proposed reforms that would benefit from further consideration and additional evidence when it becomes available. Accordingly, the Panel recommends that a review be conducted into the operations of the reforms implemented under the Draft Bill subsequent to the 2026 election. Such a review should be completed within 12 months.

Bearing in mind that it is not a matter of many years later, is there any particular good reason why that recommendation could not be adhered to? Is there any particular magic in not commencing until later and then reporting later?

The Hon. D.R. CREGAN: I thank the member for the question. Respectfully, it is a very good one. There is a process following an election where, for example, an additional series of reports might be furnished including, for example, by the Electoral Commissioner to whoever might then be the minister of the day and presumably, also, to other interested parties should the reports be published.

Accordingly, it was a practical consideration to adopt the timeframe that is proposed or contemplated to ensure that that post-election reporting, separate to the reporting contemplated by the bill, can have concluded. In consequence, the reviewers will then be armed with that additional information in the conduct of the review that the bill contemplates.

The Hon. D.G. PISONI: Subclause (4) provides:

> (4) The Minister must not appoint a person under subsection (2) if the person is—
>
> (a) a current employee or executive of a registered political party; or
>
> (b) a current Electoral Commissioner or a member of the Electoral Commissioner's staff; or
>
> (c) a current or former member of the Parliament of South Australia.

Why were staff of members of parliament or ministers not included in that list?

The Hon. D.R. CREGAN: I thank the member for Unley for the question. A policy decision has been taken to ensure that the members conducting the review, the persons conducting the review, are not only sufficiently independent but perceived to be sufficiently independent.

The Hon. D.G. PISONI: So under this legislation, Rik Morris could be appointed to this committee; is that correct?

The Hon. D.R. CREGAN: Chair, the member for Unley invites me to speculate in relation to certain employees. I am unable to assist the member for Unley.

Clause passed.

Mr TEAGUE: At this point, and in accordance with the standing orders, I move:

The reconsideration of clause 21.

It is standing order 253. In so moving, I do so in the following particular circumstances. As is well known, the clauses that are the subject of the bill that is returned from the Legislative Council are in strikeout form and, where convenient, the government in this place properly moves their passage through the house.

In relation to the form of clause 21 that was moved, it was one of those strikeout clauses, so we are dealing, therefore, with the absence of that clause, and the amendment that was moved was a new clause—it was not available to the committee in the strikeout form. So, the committee, indeed the house, is receiving for the first time in its appropriate form whatever might be filed in terms of the amendment.

All that means is that it is appropriate for the purpose of the record that the committee has the benefit of that amended form of words, and we can all pick up and run with it and, as I have indicated, it is an amendment the substance of which I am familiar with, and I have had notice of it. For the purposes of the committee, it is important there is an opportunity to interrogate that and to, therefore, get to grips with what has occurred.

I can indicate, in a completely uncontroversial way, having taken objection to a previous ruling, I do not cavil with it. The committee has moved on and the ruling was that it was inappropriate to then turn back midstream, as it were, to seek the opportunity to ask a question. That is an opportunity that I would seek to take on the reconsideration. I can indicate to the committee that will take no longer than approximately 30 seconds, so far as I am concerned.

Motion carried.

The Hon. D.R. CREGAN: I move:

That clause 21, as printed on a separate schedule, be agreed to.

Mr TEAGUE: I want to ask my question in the course of that reconsideration. That is the bit I foreshadowed takes 35 seconds. Can the government identify the amendment to that which is set out in the version received from the Legislative Council and the effect of that amendment?

The Hon. D.R. CREGAN: I thank the member for Heysen for the question. I emphasise, as I have earlier emphasised, that the section I wish to take the committee to and the member for Heysen to is at page 42, line 35, inserted section 130Q(9)(a)(v)(B), $8.00 be deleted and substituted with $5.00. And at page 43, line 10, inserted section 130Q(9)(b)(iv)(B), $8.00 be deleted and substituted with $5.50. The very crisp answer is that there is a typographical error and the figure needs to be replaced.

Mr TEAGUE: With the result that the substantive effect of the formula is as advertised, for want of a better effect, and with the typo it would be a substantial unintended departure from the formulation as advertised.

The Hon. D.R. CREGAN: Yes, although I observe, of course, that it could easily have been corrected by regulation and/or under what is potentially colloquially known as the slip rule.

The CHAIR: The question is that clause 21, which needs to be inserted but printed on the separate schedule, be agreed to.

Motion carried.

Title passed.

Bill reported with amendment.

Third Reading

The Hon. D.R. CREGAN (Kavel—Minister for Police, Emergency Services and Correctional Services, Special Minister of State) (22:09): I move:

That this bill be now read a third time.

Bill read a third time and passed.

STATUTES AMENDMENT (VICTIMS OF CRIME) BILL

Final Stages

The Legislative Council agreed to the amendments made by the House of Assembly without any amendment.

At 22:09 the house adjourned until Wednesday 27 November 2024 at 10:30.

Answers to Questions

AUDITOR-GENERAL'S REPORT

In reply to **Mr COWDREY (Colton)** (29 October 2024).

The Hon. S.E. CLOSE (Port Adelaide—Deputy Premier, Minister for Industry, Innovation and Science, Minister for Climate, Environment and Water, Minister for Workforce and Population Strategy): I have been advised of the following:

All salt interception schemes in South Australia that were impacted by the 2022-23 flood event have been repaired and are operational except for the Loxton salt interception scheme which is owned and operated by the Murray-Darling Basin Authority on behalf of the joint venture.

AUDITOR-GENERAL'S REPORT

In reply to **Mr COWDREY (Colton)** (29 October 2024).

The Hon. S.E. CLOSE (Port Adelaide—Deputy Premier, Minister for Industry, Innovation and Science, Minister for Climate, Environment and Water, Minister for Workforce and Population Strategy):

The basin plan salinity targets for managing water flows that are relevant to South Australia are:

- River Murray at Lock 6 – 580 EC
- River Murray at Morgan – 800 EC
- River Murray at Murray Bridge – 830 EC
- Lower Lakes at Milang – 1,000 EC

In 2019-20 and 2020-21 salinity levels remained below the basin plan salinity targets for managing water flows for all sites in the River Murray channel. There were minor exceedances of the 1,000 EC target at Milang in the Lower Lakes for 5 per cent of the days in the reporting period.

The Basin Salinity Management 2030 Strategy includes End of Valley Targets to preserve basin-wide monitoring and to inform the assessment of salinity risk to the shared water resources and within-valley assets. The program of salinity controls implemented to date, including improved irrigation practices and salt interception schemes, contributed to the maintenance of in-river salinity levels below target levels for the 2019-21 period.

WORLD WAR II ANNIVERSARY

In reply to **Mr PEDERICK (Hammond)** (31 October 2024).

The Hon. J.K. SZAKACS (Cheltenham—Minister for Trade and Investment, Minister for Local Government, Minister for Veterans Affairs): I have been advised:

26 applications were received.

AUDITOR-GENERAL'S REPORT

In reply to **Mr WHETSTONE (Chaffey)** (31 October 2024).

The Hon. J.K. SZAKACS (Cheltenham—Minister for Trade and Investment, Minister for Local Government, Minister for Veterans Affairs): I have been advised:

Payment of grants to other South Australian government entities relevant to the Trade and Investment program relate mainly to Industry Assistance grants transferred to the Department of Treasury and Finance.

AUDITOR-GENERAL'S REPORT

In reply to **Mr COWDREY (Colton)** (31 October 2024).

The Hon. N.D. CHAMPION (Taylor—Minister for Housing and Urban Development, Minister for Housing Infrastructure, Minister for Planning): I have been advised:

South Australia's Planning and Design Code (the code) speaks to a building height of six levels or 22 metres above ground level under the Urban Corridor (Living) Zone which is applied to the subject land at 10 Anzac Highway, Forestville.

As the site in question exceeds 2,500 square metres in area and has a frontage to the primary road corridor of more than 25 metres, the land qualifies as a Significant Development Site in accordance with code policy, such that additional building height of up to 30 per cent can be contemplated for development assessment purposes.

On 27 March 2024, the independent State Commission Assessment Panel granted planning consent for a mixed-use development involving built form that would reach a maximum height of eight (8) building levels and include

an estimated 44 affordable dwellings (of 209 dwellings in total) or 21 per cent, exceeding the minimum of 15 per cent recommended by the code policy.

The development was supported following detailed assessment which involved public notification and consideration of referral advice provided by statutory referral agencies including the City of Unley, the Environment Protection Authority, the Commissioner of Highways, the Government Architect, the South Australian Housing Authority and Adelaide Airport Limited.

AUDITOR-GENERAL'S REPORT

In reply to **Mr COWDREY (Colton)** (31 October 2024).

The Hon. N.D. CHAMPION (Taylor—Minister for Housing and Urban Development, Minister for Housing Infrastructure, Minister for Planning): I have been advised:

A minimum of 15 per cent of dwellings to be constructed within the Forestville precinct will be affordable housing properties.

LITTLE AMAL

In reply to **the Hon. J.A.W. GARDNER (Morialta—Deputy Leader of the Opposition)** (12 November 2024).

The Hon. Z.L. BETTISON (Ramsay—Minister for Tourism, Minister for Multicultural Affairs): I have been advised:

The SATC managed the contract which comprised Little Amal and two opera performances.

LITTLE AMAL

In reply to **the Hon. J.A.W. GARDNER (Morialta—Deputy Leader of the Opposition)** (12 November 2024).

The Hon. Z.L. BETTISON (Ramsay—Minister for Tourism, Minister for Multicultural Affairs): I have been advised:

The SATC managed the contract for Little Amal, and was not otherwise involved in the delivery of this event. Contractual details are unable to be disclosed due to confidentiality restrictions.

HARVEST ROCK

In reply to **the Hon. J.A.W. GARDNER (Morialta—Deputy Leader of the Opposition)** (12 November 2024).

The Hon. Z.L. BETTISON (Ramsay—Minister for Tourism, Minister for Multicultural Affairs): I have been advised:

The number of tickets provided cannot be disclosed because it is subject to contractual confidentiality restrictions.