LEGISLATIVE COUNCIL

Thursday 18 June 2009

The PRESIDENT (Hon. R.K. Sneath) took the chair at 11:03 and read prayers.

STANDING ORDERS SUSPENSION

The Hon. P. HOLLOWAY (Minister for Mineral Resources Development, Minister for Urban Development and Planning, Minister for Small Business) (11:03): I move:

That standing orders be so far suspended as to enable petitions, the tabling of papers and question time to be taken into consideration at 2.15pm.

Motion carried.

ROAD TRAFFIC (MISCELLANEOUS) AMENDMENT BILL

In committee.

Clause 1.

The Hon. D.W. RIDGWAY: I had put some questions on the record and the minister has responded. I am a bit intrigued with some of the responses. To start with the cost, we are talking about IAP and the cost of putting the unit in a truck or vehicle and the cost of monitoring. The minister indicated an estimate of $2,800 for equipment and installation, and a monthly monitoring fee of about $80 for 24 months or $140 for 12 months. That seems to be per month and not per annum, so we are looking at perhaps $1,600 per annum per truck and installation of $2,800. Does the minister or her advisers have any idea of what this will cost? I think that is the key for the industry, which is struggling at the moment. What will it cost per vehicle, what is the monitoring cost and who will bear it?

The Hon. G.E. GAGO: The figures that I gave to the honourable member are correct and his interpretation is correct; that is, they are monthly amounts. I am advised that four providers are currently providing these sorts of services. They all operate commercially and they all set their fees slightly differently. So, the example that I gave, to which the leader just referred, is indicative only of the sorts of costs that are being charged on the market today.

I think I have put on the record previously that we believe that, as the IAP system expands, it is likely to reduce overall costs for those states using it and across Australia generally. So, we believe that costs are likely to reduce rather than increase. However, obviously, that is speculative.

The real issue around costs is that we have put on the record quite clearly that, if it is only those truck companies or providers that have assessed this to be to their overall benefit, in terms of cost and efficiency, they would then seek to go down this pathway. We have put on the record quite clearly that, with respect to any extension of this measure to the low-loaders and other vehicles about which we are currently engaged in discussion with the industry, we have given a commitment that we will consult and involve them, and it is only where they deem there to be net overall benefits to them, including cost efficiencies, that they would go down this path. So, it is an indicative cost, and it will only be where the transport organisations deem it to be in their interests that we are likely to pursue more work in those areas.

The Hon. D.W. RIDGWAY: One of the reasons why the opposition is opposing the clause with respect to the IAP is, indeed, the cost. The minister said that there will be benefits and some efficiencies. Where does she see them as being? Certainly, members of the industry are telling me that if they do not get new access there will be no benefit to them.

The Hon. G.E. GAGO: Some of the efficiencies include things such as participating in the IAP system would enable vehicles to travel with greater mass because more protections are included. There are some conditions where vehicles would have greater use—for instance, currently, over-width low-loaders can be on the road only during daylight hours. This system would offer the potential for those vehicles to be able to travel at night. So, a vehicle would be able to go to its destination and turn around and come home the same day.

Those are the sorts of things in which we are engaging directly with members of the industry to ensure that they can understand and have an opportunity to weigh up the benefits and cost imposts and determine whether, in their view, there are overall benefits for them to go down that path.

The Hon. D.W. RIDGWAY: My reading of the legislation is that at this stage the government is only talking about low-loaders and those sorts of vehicles using this. However, in her comments the minister said:

> When providing additional access to the type of heavy vehicle with the agreement of the industry sector, it may be necessary to require all vehicles of a particular type to have IAP, whether or not every vehicle of that type takes advantage of the additional access.

To me, that is saying. 'We are going to put it on every vehicle. As an operator, whether or not you use it is up to you, but we are still going to make sure that you comply and it will be mandatory.'

The Hon. G.E. GAGO: Those comments were made particularly in relation to the context of the over-width low-loaders. We have had discussions with representatives of the peak industry group that represents low-loaders, the Civil Contractors Federation, and it was they who suggested that this system would only work if it was determined that it was in the industry's overall interest to apply IAP. It was their suggestion that it would only work if it was then applied across that part of the sector to ensure that a level playing field occurred. They did not believe that you could require only some to have it and not others because of the access routes that would become available to those people who did not have IAP. I will have to seek clarification on that last comment, but I certainly believe that the first lot of comments are correct.

The Hon. D.W. RIDGWAY: I know the minister will not have this information at her fingertips, but my understanding is that the legislation will actually give the government the authority to require all higher mass vehicles that currently have restricted access to certain routes—so B-doubles, etc.—to participate in IAP across the state. The concern of the industry is that they are operating on those roads—and I suspect that most of the industry are adhering to the rules and not breaking them—but what I want to know is how many vehicles are registered or have permits for those particular routes that are being used in South Australia at present.

The Hon. G.E. Gago interjecting:

The Hon. D.W. RIDGWAY: How many vehicles are participating now with higher mass under the existing permit system that would be replaced with IAP?

The Hon. G.E. GAGO: I have been advised that in relation to higher mass vehicles we have a gazetted network of routes that these trucks can operate on, if they comply with the conditions outlined. No permits are required for that. I have been advised that it is estimated that there are about 2,000 HML operators. I need to clarify that this is the group of vehicles that would be entering into the IAP scheme only in a truly voluntary way. So, none of these vehicles that I have just referred to will be required by the bill before us to adopt the IAP system. These are truly voluntary participants.

These individuals, or their companies, will make an assessment; for instance, as to whether or not they operate interstate. Some of these will already have IAP systems in place because they operate interstate and they are required to have the hardware, if you like, on their trucks to be able to travel through New South Wales, and wherever else, and they are, basically, turning off the system when they cross back over the South Australian border.

It will be quite cheap and easy for some of these operators, and within their interests, to adopt the IAP system here in South Australia. Those who do not want to will continue to operate on this gazetted network where a permit is not required, under certain conditions.

The Hon. D.W. RIDGWAY: One of the sticking points has been this question of whether it is voluntary or mandatory. I have not read anywhere in the legislation that this is voluntary. It seems to me, from the industry's perspective, that it will be the thin end of the wedge—that the legislative framework will be in place. You might like to comment on New South Wales, minister.

You said that it was developed nationally, approved unanimously by transport ministers in December 2005 and the model legislation has been implemented in Queensland, New South Wales and Victoria. My understanding is that New South Wales is yet to implement the IAP; it just has a pre-commit enrolment form, concerning which 80 per cent of operators have indicated that they will probably withdraw when and if New South Wales actually implements an IAP because the cost benefit is not there.

Could you clarify your statements about the other states? Are they actually operating, or is what has happened what you are hoping will happen here, namely, that the legislation will pass but it will sit there and the industry has not yet taken it up?

The Hon. G.E. GAGO: First, the IAP is model legislation which provides a framework. It does not describe when it should be applied; that is a matter of policy. In New South Wales—you are right—there has been a pre-registration period, and I have been advised that they plan to commence on 1 July. It is too early to say what the rate of pickup will be with respect to that. Queensland plans to commence on 1 July, and I have been advised that Victoria commenced on 30 April. In Victoria, it involves only heavy mobile cranes and concrete pumps.

The Hon. D.W. RIDGWAY: In the minister's comments, at the paragraph entitled, 'Decreased road safety and damage to roads can result in direct costs for both the transport industry and the community in general', she states:

> As stated previously, DTEI will not impose IAP on operators without consultation.

Again, the industry is quite concerned about consultation. It is perhaps no fault of yours, minister, but this government has had a poor track record on consultation. It is a little like, 'We'll tell you what's good for you and then we're going to do it.' The comments that I have had from the industry—

The CHAIRMAN: The member should stick to clause 1.

The Hon. D.W. RIDGWAY: I am sticking to the clause, Mr Chairman.

The CHAIRMAN: There is nothing about consultation or the government in any of the clauses.

The Hon. D.W. RIDGWAY: Well, consultation is a very important thing, Mr Chairman. Is there any consideration of a formal agreement between the industry and the department, rather than just consultation?

The Hon. G.E. GAGO: I think I have already put the answer to this particular question on the record. In relation to issues around IAP applying to the higher mass vehicles, I have already put on the record that that is a truly voluntary system. So, those operators will need to determine whether or not it is in their business interests to incorporate IAP. We are not imposing that on them.

In relation to issues concerning over-width low loaders, we have indeed been in quite extensive and intensive consultation with the Civil Contractors Federation and we have, in fact, been listening to its issues of concern and listening to its suggestions and proposals for going forward. I have already put some examples of that on the record in terms of whether or not things are applied industry wide to that particular part of the sector. So, clearly, we have consulted and, clearly, we are listening and taking into account the matters raised. I am advised that the government also has a Heavy Vehicles Forum that we regularly participate in.

The Hon. D.W. RIDGWAY: I asked the minister to qualify an earlier answer, but I do not think she has actually answered it satisfactorily. I think the minister has indicated that it is just a simple matter of an operator of a vehicle self-reporting when conditions change: that they have unloaded the heavy mass or uncoupled the trailer, or that the equipment is in the prime mover and not on the trailer, or they have taken the trailer off and are going somewhere else. That does not solve the issue of cheats in the industry, and I know that they are the people the government is trying to catch.

All of us here are sympathetic to making sure that people who put our community at risk and who break the rules are held to account, but I am not sure how this system traps those people. If they are sneaky and devious they could self-report to say that they had done certain things—uncoupled trailers, removed loads—and the system would not know any different.

The Hon. G.E. GAGO: The honourable member is correct. Unfortunately there are cheats and people who are prepared to do the wrong thing in any industry sector, but we know that most operators in this sector do the right thing. However, we expect that false declarations may be made from time to time, and the bill outlines enforceable penalties associated with that. We will be able to receive non-compliance reports on such activity, and those reports will be used to direct on-road enforcement.

I also reiterate that this group of operators, with the issues of mass changes and when loads are and are not offloaded, will be participating in the IAP scheme only in a voluntary way; no-one will require them to participate in the scheme. They are voluntary participants, and we believe that we have a set of checks and balances within that to catch and penalise any who might seek to deliberately breach these conditions.

The Hon. D.W. RIDGWAY: If it is a purely voluntary scheme, why not impose a mandatory scheme for those who are repeat and serious offenders and not have this legislation at all?

The Hon. G.E. GAGO: I think SARTA would like to see IAPs made mandatory for serious and repeat offenders, and the advice I have received is that the national model legislation does not include requirements for the ways in which IAPs can be applied. The Road Traffic Act currently provides for a court to apply IAP-type systems to systematic and persistent offenders so, once the IAP legislation is in place, prosecutors could be encouraged to request this sanction in appropriate circumstances.

The Hon. D.W. RIDGWAY: I am intrigued. I know this is national legislation, but if it is to be a purely voluntary system, and we have a gazetted network of roads now (and I am sure similar systems operate in other states), what rationale did the transport ministers use to sign off on it?

The Hon. G.E. GAGO: There could be some situations where, for instance, an operator might want to increase the mass beyond a particular standard or have a longer vehicle. They might want access to a route where the risk to the integrity of the road would be so great that the view would be, 'Yes, you can carry that extra load or have that extra length of vehicle but, because the risks are greater, you are required to have an IAP attached to your vehicle so that we can monitor you and assure ourselves that you are travelling on the same route, because the risk of going off route is so great.'

The issue for that operator is that it is their choice. If they want to maintain the current standards according to the gazetted road route, that is available at the moment without a permit being required, but there might be other circumstances, and well within their business interest, in which they might want other considerations. The IAP would allow increased access to operators under certain circumstances.

The Hon. D.W. RIDGWAY: The minister is talking about increased access, so I assume this is not about the really big loads where there is a police escort and all those things. It is about an existing operator who has higher mass accreditation. What you are saying, minister, is that if you are operating now under the gazetted system of roads, and you are an accredited operator, this offers the potential, if you participate in the IAP, to carry higher masses and have longer vehicles.

The Hon. G.E. GAGO: That is correct.

The Hon. D.W. RIDGWAY: What increase in mass are we talking about? It always comes down to cost, minister, and you are looking at $1,600 a vehicle per year. What extra mass are you looking at? I do not think the industry has been aware of that.

The Hon. G.E. GAGO: I am advised that two applications are currently being considered and discussed with the industry: one is the use of a higher mass and the other is the use of over-width vehicles. We have been engaged with the industry in considering those for some time, so it is aware of it. In terms of how much mass or what length of over-width vehicle, those details have not yet been decided, but we are in discussions.

I qualify that, when all the discussions have been undertaken and the parameters established, it will be a matter for these operators to decide whether there is a strong business case for them to incur the impost of the IAP versus the offset of the business benefit for carrying a higher mass or having a longer load. Again, their loads, which other states they travel in, etc., will have a different cost impost for different operators, so they will have to make that assessment for themselves; however, access to the gazetted roads under the current conditions remains available to them. So, they will invest in the IAP only if there are benefits for them.

The Hon. D.W. RIDGWAY: Can the minister explain why the industry is concerned about this being a mandatory scheme? The minister says that it is only voluntary, but my understanding is that the industry is particularly concerned that this is the thin end of the wedge; that, effectively, will have to participate in the IAP; and that the gazetted system will disappear and it must participate in the IAP.

Of course, its concern is that it has to pay the cost of the equipment, and I assume that the operating costs will be borne by the operator, although the minister can correct me on that. So, for no extra access—it still has access to the same gazetted routes and the same system—there will be no benefit unless it has wider loads. I find that hard to understand. Given the width of our roadways, I would not have thought that width came into it, although length might.

The Hon. G.E. GAGO: I can only say—and I did put on the record—that SARTA did agree in principle with IAP, and I met with howls of laughter in interjections from the opposition when I read that into the record in my second reading summary. In fact, it does support it in principle. It has raised with us concerns about some particular elements, which we are working through, but generally it supports this in principle, because it does get it. It does get that there is a component that would be voluntary and that, with respect to the low loaders and the work we are doing with the Civil Contractors Federation, in the longer term there could be some mandatory components to that, but that is still undecided, and those negotiations are still taking place.

SARTA certainly gets it, and the Civil Contractors Federation gets it. It is not a simple, straightforward construct, I have to say; it took me a little while to get my head around the briefings. It is not straightforward; we cannot get up and categorically say that, yes, it is this or it is that. It will have different implications to different operators. Nevertheless, I have put squarely on the record those conditions where it will operate as a voluntary scheme and those conditions where there may be some potential at a future date for applications to be made industry-wide to certain sections of the industry.

These are really about, as I said, trying to improve the access of vehicles to improve businesses so they have other options and choices in the way they can operate, and that gives them the opportunity to improve their businesses and, in terms of the South Australian government, it enables us to protect our assets better.

In terms of the ongoing monitoring and the fees paid for that, the honourable member is correct: a component of the IAP fee will be to install equipment—the infrastructure component—and then there is an ongoing monitoring cost. I have provided indicative amounts for both of those and have said that there are currently four commercial operators and we would hope that with time their costs will continue to come down. I also want to put on the record that none of these fees come into state government hands. No fees are required to be paid to the South Australian government, so it is simply a service provider, providing a service to an operator.

The Hon. D.W. RIDGWAY: So, what the minister is saying is that access as we know it today will not be affected by IAP, because it is a voluntary system. So, every accredited operator can go about their business as they do today, unaffected by this; it is only when an operator would like to carry a higher mass, on a different route, of a different width or on a longer vehicle.

The Hon. G.E. GAGO: I have been advised that, yes, that is the correct interpretation.

The Hon. D.W. RIDGWAY: There is one other comment I would like to make. It is not actually a question of the minister. For the purpose of the record, I noted where the Hon. Russell Wortley spoke, referring to the industry group I referred to, wanting to know whether I was representing 'shysters who are happy to have their drivers speeding on unrealistic schedules'. The Hon. Mr Wortley is not here at present.

The Hon. J.S.L. Dawkins: Does he know what a shyster is?

The Hon. D.W. RIDGWAY: I am not sure whether the Hon. Mr Wortley knows what a shyster is, but I am sure he deals with them on a regular basis. The South Australian Road Transport Association is offended that I have been in here representing its views, and the Hon. Russell Wortley has referred to it as a mob of shysters. I ask the Hon. Russell Wortley to consider correcting the record when he has an opportunity.

The CHAIRMAN: As I indicated in committee last night, we intend to stick to the clauses.

The Hon. D.W. RIDGWAY: We are on clause 1, and I am asking a range of questions.

The CHAIRMAN: I cannot see anything about shysters in clause 1.

The Hon. D.W. RIDGWAY: I realise there is nothing about shysters in clause 1, but I did think it was inappropriate of the Hon. Russell Wortley, and I am concerned. I would like the Hon. Russell Wortley at some point, if he is able, to correct the record and apologise to the Road Transport Association.

At this point, given that the minister has given us a commitment that this is a voluntary system, that access as we know it today will not be affected, that it is only for increased new access and that it is not the intention to impose that on anybody else, I would seek to report progress. I have been in contact with the Road Transport Association and would like to seek its views on it, because that is certainly a point it has made. It does support it in principle; it does think it is appropriate for serious and repeat offenders who are a risk to the community, and it certainly

does not support that. If what the minister has said is correct and that it is purely for new access and there will no retrospectivity to it, I need to speak to the Road Transport Association. The minister may like to respond, otherwise I am happy to report progress.

The Hon. G.E. GAGO: You are absolutely right in your paraphrasing the things I have put on the record. Again, that needs to be clarified in the context of the work that we have also been doing with the Civil Contractors Federation. So, there are two, and that is a separate one. To say there are no changes for anyone, that has to be clarified in relation to the work we have been doing with them. In terms of the gazetted road routes, higher mass vehicles and over-width vehicles, you are absolutely correct. I would welcome an opportunity for the honourable member to have a chance to withdraw his amendments.

Progress reported; committee to sit again.

OUTBACK COMMUNITIES (ADMINISTRATION AND MANAGEMENT) BILL

Adjourned debate on second reading.

(Continued from 16 June 2009. Page 2628.)

The Hon. C.V. SCHAEFER (11:54): Outside this chamber I have expressed to the minister that I am fundamentally opposed to this legislation on the grounds of social justice, nothing more or less. My colleague the Hon. Stephen Wade has amply articulated the concerns of the Liberal Party as to why and how this bill, if it becomes law, will impact adversely on the 30-odd small communities in the South Australian Outback. I wish to focus more on those people who live in the Outback of South Australia but who do not live in a community at all: those who live in extremely isolated circumstances on our pastoral lands.

This bill is an attempt to set up de facto local government across those lands, involving those people, without of course providing them with any of the services that go with local government. As we all know, local government provides services and imposes regulation on those who live in a local government district. Ratepayers elect their representatives and pay rates for services provided. In the case of this legislation, Outback residents will be required to pay rates and a flat levy across everyone. Two types of levies are to be imposed with this piece of legislation: first, a flat levy against everyone who lives in the Outback; and, secondly, a levy to be generated by the small communities. We should not imagine that anyone who lives in the Outback will escape this piece of legislation.

In the case of this legislation, Outback residents will be required to pay rates, a levy, for no services, and they will not have the privilege of electing their representatives, either. Rather, their representatives will be appointed by the minister of the day and they will have no say at all. If the experience of natural resource management boards is anything to go on, at least five years of these levies will be spent on producing business plans for each of the small communities and nothing will be spent on actual on-ground works.

This is a two-pronged process of levies. The first that I will address is a flat rate to be decided by the minister and levied across the whole of the Outback, and this is the one that bothers me most. We know that Outback people choose to live where they do, but they are the caretakers of this vast land. They care for the land and produce a disproportionate amount of this state's export wealth, and we who choose to live in comfort are glad they do. In return, do they have access to subsidised public transport? No! Do they have access to public schooling? No! In fact, I have spoken at another time of parents paying up to $1,200 per month to have access to online distance education so that they themselves can teach their children or, if they cannot do that, they can pay a governess out of their own pocket so that their children are not too far behind when they pay, out of their own pocket again, for their children to go to boarding school.

Do they have access to health services? No! But, if they are lucky, they can prepare an airstrip at their own cost and, if it is of sufficient standard, the RFDS will come in an emergency. If they are really privileged the RFDS may conduct a clinic once a month or so. Do they have access to decent roads? No, they do not. I am trying to illustrate that these people do not have access to what we southerners would regard as basic services. They are in many ways disadvantaged.

South Australians previously have always acknowledged this by providing what meagre services there are from general revenue and, of course, these people already pay their taxes, their pastoral levies—pay, pay and pay. The cost of everything they have is more expensive than it is here: for example, groceries, petrol, freight, and so on, are all much more expensive. All their costs are exponentially higher than they are here.

This bill is being sold under the guise that more services will be provided because more money will be coming in, but I will be interested to hear whether the minister answers the Hon. Stephen Wade's questions on this matter. Will the government commit to maintaining current funding at actual levels or will this levy, by stealth, gradually—drip by drip—replace government funding? Will these people in the Outback in fact be expected to pay for their own services out of their own pockets—an additional impost at a time when a lot of them have suffered drought over many years? I fear the latter.

The second sales pitch is about the second levy. As I said, it is to be imposed at a local level for local projects to be decided by what are currently the voluntary progress associations. These people are being told that they will be given regulatory teeth with this legislation. But do they really want this power if, in fact, they will spend the next four or five years wrapped up in bureaucratic claptrap devising plans in triplicate—because that is what will happen? Many of these tiny communities are fiercely independent. They do not conform, and they do not particularly want to. They survive in spite of governments, not because of them, and I am concerned that they have no idea of what life will be like if they are forced to conform.

In the case of the residents of Iron Knob, which was quoted as one of the small communities that wants this legislation, they live right next door to the local government area of Whyalla, and it would be very easy for them to be annexed within the local government area of Whyalla. However, Whyalla does not want them, because the cost of running a small community is greater than the rates that the Whyalla community can extract. If that is the case for an industrial city like Whyalla, how can we then expect Iron Knob to extract sufficient rates to run its own affairs? It is not going to happen.

I think these people have been sold a pup. At the very least, my colleague the Hon. Stephen Wade will be attempting to move some amendments that will make the system a little more representative. For instance, we will be seeking to make the majority on the authority people who have real and tangible ties to the Outback, and we will be seeking to have independent oversight over the extent of the levy. We will also be seeking to move the bill closer to local government, where residents choose their representatives. However, in the end, if it looks bad and it smells bad it probably is bad. As far as I am concerned, this legislation is ugly and it stinks.

The Hon. J.S.L. DAWKINS (12:02): I rise to support and commend the comments of the Hon. Stephen Wade and the Hon. Caroline Schaefer with respect to this legislation and replicate many of their concerns. This bill (and, indeed, the current Outback Areas Community Development Trust Act) covers a large number of diverse communities across the Outback in the vast area of the state that is not covered by local government bodies.

I think it is worthwhile to put on the record the currently active progress associations that represent and advocate for those communities. As I run through the list, those of us who have moved around the state will notice the wide variance in those bodies. Those associations are: Andamooka, Aroona (which is based at Copley), Beltana, Blinman, Bookabie, Coorabie, Copley, Dunjiba (which is at Oodnadatta), Eastern Districts, Fowlers Bay, Gawler Ranges, Glendambo, Innamincka, Iron Knob (which was mentioned by my colleague the Hon. Caroline Schaefer a minute or so ago), Kingoonya, Leigh Creek, Lyndhurst, Manna Hill, Marla, Marree, Mintabie, North East District, Olary, Oodnadatta, Parachilna, Penong, Pimba, Tarcoola, William Creek, Woomera and Yunta.

The PRESIDENT: Buckleboo?

The Hon. J.S.L. DAWKINS: I think Buckleboo is in a local government area, Mr President. As indicated by the Hon. Mr Wade and the Hon. Caroline Schaefer, there are varying views from some groups about the best way forward regarding governance and service delivery for Outback communities. During the committee stage, the Liberal Party will, first, seek commitments to maintain grant funding; to increase authority staffing; to undertake the increased planning and enforcement roles; and to assess Andamooka's infrastructure needs.

Secondly, we will seek to move amendments to require an independent audit of an asset sustainability levy before it is imposed rather than after. Thirdly, we will move amendments to require each levy or contribution to be tabled in and disallowable by each house of parliament. Fourthly, we will move amendments that require that all five voting members of the authority are residents of the region and are appointed by the minister from nominations by clusters of progress associations, with provision for up to two non-voting members of the authority.

At this point, I should emphasise the view of the opposition that the introduction of levies should not be accompanied by any cut in state government funding. I have noted Appendix 8 in the Outback Areas Community Development Trust 2007-08 Annual Report, which lists the trust's contribution to joint initiatives. I have some questions relating to those contributions, and I would be grateful if the minister could respond to them in the committee stage.

Currently, the Outback Areas Community Development Trust contributes the following to the Northern Regional Development Board (and I recognise that these are 2007-08 figures): $17,926 in resource agreement funding; $1,500 for marketing and participation funding; $5,000 for northern economic development officers; $5,000 for the central northern development officer; $10,000 for the emerging industries officer; $10,000 for the Outback emerging industries officer; $3,000 for marketing for cattle drive events; and $5,000 for the Leigh Creek Service Centre. My question in relation to those contributions is: what impact will the change from regional development board and area consultative committee to the new Regional Development Australia network have on these funding levels?

Further contributions made by the trust include those to Flinders Ranges Outback SA Tourism, otherwise known as FROSAT: cooperative marketing agreement, $20,000; four-wheel drive brochure, $4,000; and Outback photo shoot, $1,000. There is a contribution to Tourism Eyre Peninsula of cooperative marketing funds, $8,000; and the Eyre Regional Development Board resource agreement funding, $5,000. Once again, my question relates to whether that will remain under the new Regional Development Australia arrangements.

In addition, the trust contributes $5,000 for an Outback Connect project to the Department of Further Education, Employment, Science and Technology, and $1,500 to Lifeline Central for a volunteer training contribution. Some of those things may be projects that are no longer happening, but I would appreciate advice about any changes. So, overall, what, if any, changes to these relative contribution levels will result from the new legislation if it is enacted?

In conclusion, I commend the board of the trust for its contribution to the communities within its jurisdiction. In my view, it is vital that the voting membership of the board should all be residents of the area served by it. I also commend the staff of the trust. I might say that it is a lean but efficient unit that works well for the various communities, despite the tyranny of distance.

I look forward to the committee stage of this bill. In addition, Mr President, I expect that, as someone who has worked in and is committed to Outback areas, you will also take great interest in the analysis of the bill. I would also take this opportunity to congratulate you, sir, on your impending 60th birthday. Best wishes.

The PRESIDENT: It is the 39th!

The Hon. G.E. GAGO: Mr President, I would never have guessed. By way of concluding remarks, I would like to thank all those honourable members who have contributed to the second reading debate for their comments, and I take this opportunity to address some of the issues and questions that were raised during that debate.

This bill sets a new framework for governance in the unincorporated areas of South Australia. As the members who spoke to the bill yesterday in this place quite rightly stated, it is the government's intention that the new legislation will replace the Outback Areas Community Development Trust 1978.

Why is there a need for change? Under the current arrangements, local administration is primarily undertaken by volunteer progress associations in individual Outback communities, with the assistance and advice of the Outback Areas Community Development Trust. The roles of the volunteers who make up these progress associations cannot be overstated. I hold these people in high regard and have such high admiration for them. Their commitment, hard work and relentless selflessness is critical to the way these communities operate and to the long-term sustainability and integrity of these communities. They are amazing people. I have met quite a number of them since I have become minister, and they are wonderful people who have extended a great deal of hospitality to me, which I also appreciate.

In recent years, however, these organisations have taken on responsibility for the management and maintenance of essential services and infrastructure, such as aerodromes and water supplies. The roles and responsibilities of volunteer progress associations are becoming increasingly complex, particularly with risk management and insurance compliance matters. Volunteer burnout, the lack of capacity or capability to perform certain functions within some

communities, and the over-reliance on one-off grant funding clearly creates further challenges and pressures for these communities.

This bill has been developed in recognition of and with encouragement from these volunteers, to assist them in their role as community leaders. Communities at all levels have come to expect a more strategic approach to governance, and rightly so. These changes too have influenced the government's thinking in arriving at the proposals being laid before the council. As these new economic and social challenges have arisen, and as the argument for more strategic and considered governance has gained wider currency, so has the case for a reappraisal of governance arrangements for Outback areas.

I will recap on how we arrived at this point, because I was, frankly, quite surprised at some of the assertions that were made in some of the second reading speeches. Following a visit to Outback communities in April 2007, my predecessor, as minister for state/local government relations, the Hon. Jennifer Rankine, whose contribution I acknowledge, initiated the preparation of this legislation.

In May 2007, a review of the operations and governance arrangements of the trust occurred. As part of the review, feedback on possible future governance options was sought by residents, community organisations, agencies and other key stakeholders. The community itself was widely engaged and consulted. In fact, all households—thousands; I do not have the figures—

The Hon. S.G. Wade: There are only 5,000 people in the in the community, in the region—thousands.

The Hon. G.E. GAGO: Well, all households. We were accused of not consulting adequately. It was truly the most outrageous comment I have heard. All households in the Outback regions were sent an issues paper (which canvassed these options), a questionnaire and an open invitation to participate in the review, including through community workshops at Yunta, Leigh Creek, two in Andamooka, Coober Pedy and Penong. Written responses were invited through to 20 July 2007.

Some key themes emerging from the engagement project and reflected in this bill include: the trust being seen as an advocate for the Outback, particularly in an advisory role to state agencies; more systematic consultation processes; support for the trust taking control of wider infrastructure issues, such as aerodromes; more streamlined strategic planning, budgeting and business planning processes; greater transparency and accountability in its operations; and broad recognition of the need for some form of local rating to help support the changes. These were the things that emerged from the consultation engagement process.

Drawing on these and other feedback, the government developed draft legislation. Workshop attendees and the many people who had registered an interest in the consultation process in 2007 were all sent the information on the draft bill, three information papers and a covering letter from me. These were emailed or posted by the staff of the Outback Areas Community Development Trust.

In addition, we also sent copies of this information to all progress associations; all councils that border the area administered by the Outback Areas Community Development Trust; the Local Government Association; regional associations, such as the Northern Regional Development Board; boards such as the NRM board and the Arid Lands NRM board; government agencies with an interest in the Outback; and other interested parties. I also requested that this information be placed on the trust's website and also on that of the department. In addition to that—

The Hon. S.G. Wade interjecting:

The Hon. G.E. GAGO: I think it might still have been Jennifer's. It wasn't mine by then.

The Hon. S.G. Wade: No; your photo's on the website.

The Hon. G.E. GAGO: Thank goodness; I'm pleased. In addition to this, a range of newspaper advertisements were placed in the *Stock Journal* and *The Advertiser*—we have consulted and consulted and consulted for years, but let me finish. The advertisements were placed in the *Stock Journal*, *The Advertiser*, *The Flinders News*, *The Transcontinental*, *Coober Pedy News*, *Roxby Downs Sun*, the *Northern Sun*, and the *West Coast Sentinel* to ensure that engagement reached the greatest number of people.

The mail-out information and the advertisements provided a very broad range of people with an opportunity to let me know of their concerns, and the concerns expressed have been very

few. As I have said, it is simply outrageous to suggest that this government has not conducted a comprehensive consultation process throughout all households involved in the unincorporated areas and that we have not given every opportunity for interested parties to be engaged in an ongoing way in the development of these proposals.

It has already been placed on the record that the Outback Areas Community Development Trust supports this bill, and a number of other associations have also both verbalised and put in writing their support for the bill. That is not to say that every single individual in unincorporated areas, and outside, might have a different point of view about some of these matters. Very rarely can we obtain 100 per cent consensus on any matter, but to suggest that we have not consulted adequately is quite simply incorrect. To suggest that there is not generally overall support—I am not saying full consensus—for this bill and that it does not incorporate the sentiments engaged and the issues raised through that consultation process, again, is grossly inadequate and inaccurate.

Regarding revenue raising capacity, yesterday an honourable member discussed the very broad revenue raising powers. In fact, the revenue raising powers are quite narrow. The rationale for applying the asset sustainability levy is based on the idea of a shared community responsibility to contribute to the maintenance of existing public-use facilities and infrastructure in the Outback, just like all other ratepayers in the city and country council areas. So, to suggest that we were somehow placing a levy on infrastructure that does not occur in any other council area, again, is completely misleading. It similarly occurs in metropolitan council and regional council areas.

Funds collected from the levy would only partially cover the total cost of providing the prescribed services. The remaining costs would still be sourced from the commonwealth local government grant moneys, allocations sought by the Outback Communities Authority through the normal budget allocation process, and other specific commonwealth and state grants. This levy is not about providing funding for any perceived infrastructure backlog; rather, it is about contributing to the ongoing cost of the maintenance of existing infrastructure.

The trust has conducted an infrastructure audit and is currently finalising its asset management plan. The amount of the levy will be based on the annual cost of maintaining these assets and would apply to all properties, including pastoral leases, located within the Outback Communities Authority area—except for those uses of land currently exempt from council rates under the Local Government Act 1999—and would be applied as a fixed charge similar to a local government service charge. When completed, the audit will form the basis for consultation with all communities prior to any recommendation about the amount of the levy.

The bill also provides capacity for a community contribution scheme, a local user-pays system, to raise revenue for municipal-type services and activities. This will be done at the individual community level, so revenue will be expended only in that community. Obviously, each community is unique, so these schemes will be developed in consultation with individual communities but, unlike the general rates system, it will be applied only at the specific request of the individual community on which it is proposed to be levied.

The fact that the legislation will require the Outback Communities Authority to consult extensively on the strategic directions driving the use of its powers, on detailed business planning, and on the planned introduction of the asset sustainability levy, should serve to further allay any concerns and ensure that the community is fully informed of and provided with ample opportunity to contribute to the manner and direction of its governance.

I believe there was a question about whether there was currently an arrangement for residents to pay rates. I am advised that residents contribute through voluntary levies in some communities, fundraising, through committing time and effort, and through grant applications, but not through a structured rating system.

The honourable member who spoke yesterday addressed the issue of membership of the authority and representation, and I can advise that the current act is silent on representation. In developing the appropriate membership of the authority, we need to strike a balance between people who live and work in the Outback and people who have skills and expertise in strategic planning and governance for the whole of the Outback. Obviously, specific legal and financial expertise is also something at which we are particularly looking.

Staffing of the trust currently consists of seven full-time positions, with one position vacant. I am advised that that position is likely to be filled in the near future. The government, through officers in the Department of Planning and Local Government, and in particular the Office for State/Local Government Relations, is supporting the existing staff of the trust in working through

these proposed new governance measures. No change in staffing levels is currently being contemplated; however, this will be a matter for the authority itself to consider and to provide advice to me as minister. Obviously I will continue to monitor that and receive advice from the authority.

In terms of the assessment of community infrastructure needs in Andamooka, the immediate focus is on making sure that the existing infrastructure is being maintained. The trust manager has advised that the community infrastructure asset management plans for existing infrastructure have commenced not only for Andamooka but also for other communities. There is already a community asset register for Andamooka, Blinman, Iron Knob, Marree, Oodnadatta, Parachilna, Yunta and Copley. I am advised that the finalisation of these infrastructure asset management plans is being discussed with the consultant this week. Future needs will be included and worked through as part of the new authority's strategic planning process.

In relation to grant funding, security of funding is obviously a very important issue, and I can assure members that before embarking on the review process officers sought assurances from the commonwealth that funding arrangements would not change. In terms of commonwealth/local government financial assistance grants, the Outback Areas Community Development Trust is already recognised as a local government authority for the purpose of receiving these grants, so that remains unchanged.

State government funding contributions are factored into the forward estimates, and I see no reason for any change in that regard. As members would be aware, financial commitments are generally not made outside the budgetary process; however, as a general principle the levies are intended to generate additional income, not provide a vehicle for cost shifting. I can certainly put that commitment on the record.

Once again, I would like to thank honourable members for their contribution to this debate. I am happy to address questions that I have not answered to date as part of clause 1 in the committee stage. I commend the bill to the council.

Bill read a second time.

[Sitting suspended from 12:30 to 14:17]

McLAREN VALE POLICE STATION

The Hon. R.L. BROKENSHIRE: Presented a petition signed by 992 residents of South Australia concerning the closure of the McLaren Vale Police Station. The petitioners pray that the council will—

(a) Reverse its decision to down size police services in McLaren Vale; and

(b) reinstate the one man police station in McLaren Vale.

PAPERS

The following paper was laid on the table:

By the Minister for State/Local Government Relations (Hon. G.E. Gago)—

Department for Transport, Energy and Infrastructure—Report, 2007-08

NATURAL RESOURCES COMMITTEE

The Hon. C.V. SCHAEFER (14:17): On behalf of the Hon. R.P. Wortley, I bring up the report of the committee on the South Australian Murray-Darling Basin Natural Resources Management Board Levy Proposal 2009-10.

Report received.

The Hon. C.V. SCHAEFER: I bring up the report of the committee on the Northern and Yorke Natural Resources Management Board Levy Proposal 2009-10.

Report received.

The Hon. C.V. SCHAEFER: I bring up the report of the committee on the Eyre Peninsula Natural Resources Management Board Levy Proposal 2009-10.

Report received.

QUESTION TIME

MINING INDUSTRY

The Hon. D.W. RIDGWAY (Leader of the Opposition) (14:21): I seek leave to make a brief explanation before asking the Minister for Mineral Resources Development a question about employment in the mining sector.

Leave granted.

The Hon. D.W. RIDGWAY: The ABS figures released today show a rapid fall in mining jobs. On 24 April 2009, the Premier said:

> This continued job creation in mine construction and production in South Australia underlies our pro-mining credentials.

Will the minister explain why employment in the South Australian mining sector has fallen by 37 per cent in the past six months, to reach its lowest level since 2004, and where does this leave the government's mining employment credentials?

The Hon. P. HOLLOWAY (Minister for Mineral Resources Development, Minister for Urban Development and Planning, Minister for Small Business) (14:22): ABS statistics for the mining industry are notoriously unreliable. What we have seen, of course, is the completion of the construction of Prominent Hill Mine. That mine has now moved from the construction phase—it had something like 700 construction workers—and the workers now employed at that mine will be those involved in the ongoing operation of the mine.

Clearly, the numbers involved in construction are about 50 per cent greater than those involved in the ongoing operations of the mine, so that will be one blip on the statistics. Against that, we are seeing a number of new mines; in particular, the Jacinth-Ambrosia project is cranking up, and we hope that production there will begin early next year. I have not yet had the opportunity today to have a look at statistics.

This morning I attended the launch of the BankSA *Trends* bulletin, which had nothing but good news, I have to say, for the South Australian economy. One reason why there is good news is that this state has been less affected than other parts of the country, or other parts of the world, because our mining industry has been more stable than other states as we have had no mine closures.

A few jobs went at Olympic Dam after the EIS was completed and, as I say, the construction phase is finished, but unlike other states there have been no mine closures within this state. Indeed, the number of mines will actually grow over the course of this year, which will not be the case for many other parts of the world. A healthy mining industry with healthy prospects is, indeed, one of the strengths of the South Australian economy, along with the growing defence industry and our continuing success in the education area.

The other good news is that, if the current rainfall that we are experiencing continues through winter and spring, we will return to our more historic levels of rural production. That has been one sector of the state's economy where we have performed not as well as other states because we have had massive cuts.

Members interjecting:

The PRESIDENT: Order! All jobs are important.

The Hon. P. HOLLOWAY: Our economy is very well placed, and that was revealed today with the release of the *Trends* bulletin by Bank SA; it is a pity that the honourable member was not there to hear the good news for our state. In the past we have had statistics relating to mining unemployment, but one has to be careful in relation to these because of the very small sample size–

Members interjecting:

The Hon. P. HOLLOWAY: I am not bagging them; I am talking about the limitation of statistics.

An honourable member: You quote them when you want to.

The Hon. P. HOLLOWAY: I will quote them when I want to, but, as someone who has studied economic statistics, I understand that one needs to look at all statistics with care, depending on the sample size. Clearly, since our mining employment has a very low base, those statistics will obviously show more volatility and fluctuation than other areas.

If the honourable member really believes that we have lost one-third of the jobs in mining then perhaps he could tell us where they are, because I know that the number of mines in this state is increasing. With the completion of construction at Prominent Hill there are, I think, about 700 jobs that have been completed, but against that there are also new mines opening up that will come on stream. As I have said, Jacinth Ambrosia, which will commence operation within the next 12 months (probably in the first quarter of next year), is the most significant of those. In fact, the news on the mining front is good, as it is on the defence front and a whole lot of other areas. We should not be distracted from that picture by short-term statistics.

OFFICE FOR WOMEN

The Hon. J.M.A. LENSINK (14:27): I seek leave to make a brief explanation before asking the Minister for the Status of Women a question on the subject of the Office for Women budget.

Leave granted.

The Hon. J.M.A. LENSINK: Some five years ago the chairman of the Parole Board, Frances Nelson, described the Adelaide Women's Prison as a 'blot on civilised society'. Based on national trends, 81 per cent of the inmates there would have post traumatic stress disorder, 75 per cent would have been physically or sexually abused, 66 per cent would have hepatitis C, 39 per cent would have attempted suicide, 38 per cent would have drug-related problems, and they would have 10 times the normal rate of pap smear abnormalities. My questions are:

1. Is there any allocation from the Office for Women budget to assist these women?

2. Is the matter of the cancelling of the women's prison, as part of the prison's project, a subject for consideration at the Premier's Council for Women?

The Hon. G.E. GAGO (Minister for State/Local Government Relations, Minister for the Status of Women, Minister for Consumer Affairs, Minister for Government Enterprises, Minister Assisting the Minister for Transport, Infrastructure and Energy) (14:28): I thank the honourable member for her most important questions. The responsibility for prisons lies with the Minister for Correctional Services. I am not responsible for that, but I am more than happy to refer the questions to the relevant minister in another place.

In relation to the health and drug issues that the honourable member raised, they come under the purview of a range of other ministers, including the Minister for Health as well as the Minister for Mental Health and Substance Abuse. I am happy to refer those parts of the question to the relevant ministers.

JULIA FARR SERVICES

The Hon. S.G. WADE (14:29): I seek leave to make a brief explanation before asking the Minister for State/Local Government Relations, representing the Minister for Disability, a question relating to Julia Farr Services.

Leave granted.

The Hon. S.G. WADE: On 25 July 2007 this council passed legislation to facilitate the government's dissolution of Julia Farr Services. The council did so only after inserting an amendment requiring annual reporting of the support to clients of the service. Under section 9 of the Julia Farr Services Trust Act 2007, the administrative unit of the Public Service which is primarily responsible for assisting a minister in relation to the provision of disability services in this state must include in its annual report for each financial year a statement that sets out, insofar as is reasonably possible, specified information in relation to persons who are residents of the Fullarton campus as at 30 June 2007. In the committee stage, minister Holloway said:

> The shadow minister in another place asked that the minister give an assurance that the heritage residence, those who were living at the Fullarton campus before November 2003, will be guaranteed a place there indefinitely...The government repeats its assurance that those residents will be able to live at the Fullarton campus

for as long as they wish. I am informed that the Department for Families and Communities annual report will include information on those heritage residents, as well as the numbers of people living in the community.

However, in breach of section 9 and the assurances of minister Holloway, the 2007-08 annual report of the Department for Families and Communities, the administrative unit serving the Minister for Disability Services, does not include the required information on heritage clients. My questions are:

1. Why did the government ignore its statutory reporting obligations under the Julia Farr Services (Trust) Act?

2. Will the minister undertake to ensure that the information required under section 9 is tabled at the upcoming estimates committees?

3. In the meantime, does the government stand by its guarantee to heritage clients of Julia Farr Services?

The Hon. G.E. GAGO (Minister for State/Local Government Relations, Minister for the Status of Women, Minister for Consumer Affairs, Minister for Government Enterprises, Minister Assisting the Minister for Transport, Infrastructure and Energy) (14:31): I thank the honourable member for his important questions, which I will refer to the Minister for Disability in another place. At this point, I remind honourable members—and I am sure they would appreciate being reminded—of the really important and extremely valuable reform work that this government has done in disability services, particularly around Julia Farr Centre.

The former government did not care and took its hands off the wheel and allowed these institutions to grow, and large numbers of particularly young people were put into this institution, with very little regard for the long-term future of often very young people who had the potential to live for many years in these institutions.

This government did a great deal of work to pull down those walls of institutionalisation and undertook a system whereby we identified those clients who were able to be transitioned. Some of those clients took quite a period to be rehabilitated and transitioned into a more home-like community setting. A great deal of work went into this slow process of identifying and transitioning hundreds of these particularly young people, although some were older, into far greater quality care settings, with a far more home-like environment, which had a significant impact on improving the quality of life for these people.

I think we should be reminded of that important work. Clearly, there are many issues surrounding this group of clients, who obviously have a great number of needs, and a great deal of ongoing work needs to be undertaken. Nevertheless, I believe that some of the things we have achieved around Julia Farr and that group of care needs are most important.

JULIA FARR SERVICES

The Hon. S.G. WADE (14:34): I have a supplementary question. Considering that the population of Julia Farr at the time was about 200, I wonder whether the minister can explain where the government found the hundreds of young people it managed to put into the community.

Members interjecting:

The PRESIDENT: Order!

JULIA FARR SERVICES

The Hon. A. BRESSINGTON (14:35): Given the minister's answer to the original question, will she outline for members how service provision has been improved for young people with disabilities given the question I asked last week about the five year old boy who cannot get any services and his parents cannot get any respite at all?

The Hon. G.E. GAGO (Minister for State/Local Government Relations, Minister for the Status of Women, Minister for Consumer Affairs, Minister for Government Enterprises, Minister Assisting the Minister for Transport, Infrastructure and Energy) (14:35): The question the Hon. Ann Bressington asked in the last sitting week has been taken on notice and an answer will be brought back. I am not the Minister for Disability, but it is most important, particularly as Julia Farr was referred to, that we put that into an overall context. As I said, the needs in the disability sector are great and there is a great deal of work to do; and, certainly, I agree with that. As a former health care professional, I do understand the needs of that particular sector.

Nevertheless, there are still some very valuable achievements of this government, particularly in relation to Julia Farr. When I was referring to the deinstitutionalisation of disability clients and I talked about 'hundreds', I was referring not only to Julia Farr but also to the changes that have occurred right across the sector, so that members are clear about where I obtained that figure.

RESIDENTIAL DEVELOPMENT CODE

The Hon. CARMEL ZOLLO (14:37): I seek leave to make a brief explanation before asking the Minister for Urban Development and Planning a question about the Residential Development Code.

Leave granted.

The Hon. CARMEL ZOLLO: The Residential Development Code, which came into force for renovations and extensions in April, is making planning and building approvals for residential housing in this state simpler, faster and cheaper. Many home owners and renovators have been able to save both time and money when lodging development applications with their local council. As long as applications for renovations and extensions meet certain requirements, waiting times for approvals have been slashed to 25 days for many carports, larger sheds, shade sails, verandahs and swimming pools, and to 35 days for alterations and additions to existing homes.

This streamlining of the development application process has provided a major improvement on waiting times compared to the previous system which could sometimes stretch out to 12 months. Will the minister provide an update on the process being undertaken by the government to roll out the Residential Development Code to new homes, and have local councils embraced this reform as a major cost saving for home buyers, especially in new housing subdivisions in the fast-growing areas of our state?

The Hon. P. HOLLOWAY (Minister for Mineral Resources Development, Minister for Urban Development and Planning, Minister for Small Business) (14:38): I thank the honourable member for her very important question. South Australia's planning and development system has undergone a thorough and comprehensive review with the results and recommendations published by the government in June last year. Those recommendations are being systematically implemented to unlock quite significant economic benefits for this state, including the introduction of a more streamlined planning approval system for residential development.

The Residential Development Code and the now soon to be released 30 Year Plan for Greater Adelaide are tangible examples of the Rann government's ambition to make South Australia a much more affordable place in which to live and to own a house. In March I had the pleasure to launch a revolutionary new era in planning approvals for South Australia with the introduction of the Residential Development Code. Initially, the code applied only to alterations and additions.

Prior to that launch I had written to all local councils, asking them to nominate areas in which the code can apply to new homes. I am delighted to say that those responses have been received and that from 2 July the code will be rolled out for some new home applications in these nominated areas. This means that from the first Thursday in July red tape will be slashed for new home applications for detached and semi-detached dwellings.

New home approvals will be simpler, faster and cheaper—as the honourable member said—in many council areas throughout the state. For the first time in most council areas, planning applications for new dwellings will be subject to the more streamlined and simplified Residential Development Code. Code compliant applications will slash assessment times by up to 70 per cent on a large number of new dwellings, yielding a total interest saving on mortgages of up to $5,500 for each new home. By dramatically reducing waiting times for planning and building approvals, South Australia is removing disincentives to investment and putting dollars back into people's pockets.

At a time when governments are looking for ways to stimulate the economy, create jobs and limit the impact of the global financial crisis, this is a very timely reform. We have managed to do this in a little over 12 months since the recommendations of the planning and development review were made public in June last year. The number of approvals required for home improvements and renovations has been dramatically cut already by the government's decision to remove minor matters from the planning system and expand the list of household structures that

now require only building consent. The rollout of the code to new home applications builds on those reforms.

The Residential Development Code also frees up councils from spending time and valuable resources on assessing low impact housing developments. I particularly thank the fast growing Playford and Salisbury councils for embracing the code as a way of delivering more cost efficient planning approval for housing developments. As I have said repeatedly in this place, our geography dictates that much of the new housing that will be required to accommodate our growing population will be built in the north of Adelaide.

These pioneering reforms allow detached and semi-detached building applications to be subject to a tick-the-box planning approval process. Applications that comply with performance control, such as site coverage, setbacks, car parking and height, will be processed far more quickly than the previous assessment system. As envisaged in our strategic rollout of this streamlined system, some local councils have applied for modified performance controls. For example, they want more specific performance controls—more boxes to tick, if you like—in relation to such objectives as building materials and built form.

The idea behind this modified version of the code is to preserve the intrinsic character of our more established suburbs and townships. Dwelling applications in these areas will not be subject to the code at this time; only areas nominated by councils will be covered. These areas will appear in today's *Government Gazette*.

Additional issues raised by councils, including the management of land use conflicts, implications for bushfire protection, and the character of townships and semi-urban areas have been referred to the independent Development Policy Advisory Committee for consideration. Councils will be notified of the outcome of their residential neighbourhood character submissions by September this year. They will have until 30 April 2010 to complete their application for modified code application for character.

This process will prevent new dwellings from having an adverse impact on an identified area's present character, but it also means that people applying for residential development applications in these suburbs will still have access to a modified code and all the benefits of reduced waiting times and interest rate savings that this approach to planning approval delivers.

The Rann government wants to ensure the most efficient planning system in the nation, but it does not want that objective to be achieved at the expense of the characteristics that give Adelaide suburbs and country towns their essential character and charm. Having said that, there are areas of the state that are not conducive to a tick-the-box system, and they have been excised from the application of the code. These include heritage buildings and areas, historic conservation zones and policy areas or high risk bushfire protection areas. It does not apply to development that is subject to a formal referral, such as to the Country Fire Service.

Further information on the new Residential Development Code and other reforms can be found online at the Department of Planning and Local Government's website. I look forward to the further rollout of this innovative code as South Australia moves to a more efficient planning system—one that is simpler, faster and cheaper than ever before.

BANKSA *TRENDS* BULLETIN

The Hon. P. HOLLOWAY (Minister for Mineral Resources Development, Minister for Urban Development and Planning, Minister for Small Business) (14:44): I table a copy of a ministerial statement relating to the BankSA *Trends* Bulletin made earlier today in another place by my colleague the Treasurer.

VISITORS

The PRESIDENT: I draw to the attention of honourable members the presence in the gallery today of the Hon. Mr Gilfillan.

QUESTION TIME

BROMLEY, MR D.

The Hon. A. BRESSINGTON (14:45): I seek leave to make a brief explanation before asking the minister representing the Attorney-General a question about the incarceration of Mr Derek Bromley.

Leave granted.

The Hon. A. BRESSINGTON: Like other crossbenchers, I was recently contacted by Mr Derek Bromley, who is serving a term of life imprisonment for the murder of Mr Steven Dacoza in 1984. Mr Bromley has consistently proclaimed his innocence and in 2006, 22 years after he was first taken into custody, presented to the Governor a petition for the re-examination of what was crucial evidence in his prosecution. No surprises: Dr Colin Manock features heavily in that.

Mr Bromley has now served the traditional 25 years imprisonment required by a life term; however, this is no guarantee of release and Mr Bromley will still have to successfully convince the Parole Board that he is fit for re-entry into society. This possibility has been denied Mr Bromley because he maintains his innocence and, as such, is considered ineligible for many of the rehabilitative requirements imposed by the Department for Correctional Services. Failure to undertake these programs has meant that he is unable to attain the necessary security status which the Parole Board requires before it is able to make a determination.

Whilst I fully understand the value placed on a perpetrator's acceptance of guilt and remorse for the harm caused, this must not become an obligatory requirement for release, particularly within a flawed justice system. In effect, the department is applying the 'witch test' to Mr Bromley, requiring him to undermine his own petition to the Governor by dictating that he admit, against his will, guilt for a crime that he says he did not commit.

This issue was raised in 2007 by the Hon. Andrew Evans, who asked the minister at the time what protocols were in place to deal with prisoners who maintain their innocence. That question, like many asked by Mr Bromley of relevant people in positions of authority, went unanswered. My questions are:

1. Does the Attorney truly believe that our justice system is infallible?

2. If not, can he explain how, within a flawed justice system in which miscarriages of justice can occur from time to time, such miscarriages ever come to light and are resolved?

3. Does the Attorney agree that, in a flawed justice system in which miscarriages of justice do occur from time to time, a steadfast requirement that a prisoner can be pressured to admit guilt for their alleged crime before they are eligible for release is inappropriate?

4. If the government is opposed to an ICAC, will consideration be given to the establishment of a criminal case review commission, as has been established in Great Britain, where over 250 cases have been overturned upon review by this commission?

The PRESIDENT: Order! Parts of those questions from the honourable member seek opinion. I remind honourable members that it is against standing orders to seek opinion and that questions can be ruled out of order for that reason, but other parts of the honourable member's questions are in order.

The Hon. P. HOLLOWAY (Minister for Mineral Resources Development, Minister for Urban Development and Planning, Minister for Small Business) (14:48): Regardless of what one thinks of the justice system, it has in place checks and balances. For those people who proclaim their innocence, there are ways in which that can be tested, and they have been exercised on a number of occasions.

I do not see what relevance the debate about an ICAC would have in relation to a finding of guilt within the court system, in most cases. Obviously, juries will make their decisions. Sometimes they will find people innocent, but a lot of people will scratch their head and wonder how they came to that conclusion. The reverse may also be true, but that is the system that we have had for many centuries and there are obviously checks and balances within the system. If there is anything further that the Attorney would like to add, I will provide him with the questions and give him the opportunity to do so.

NORTHERN CONNECTIONS

The Hon. J.S.L. DAWKINS (14:49): I seek leave to make a brief explanation before asking the Minister for State/Local Government Relations in her own right and representing the Minister for the Northern Suburbs a question about the Northern Connections Office.

Leave granted.

The Hon. J.S.L. DAWKINS: Members may recall the convening last August of a northern suburbs summit by the University of South Australia. This followed a feature article in the *Sunday*

Mail highlighting the concerns of well-known singer and former Elizabeth resident Jimmy Barnes about a lack of government commitment to the area. Just prior to the summit, the Premier appointed the member for Wright in another place as the first Minister for the Northern Suburbs. On 1 August, the day of the summit, the Premier announced the establishment of an office for the northern suburbs, to be known as Northern Connections and based in Elizabeth. It is worth noting that the office, which comes under the realm of the Department of Planning and Local Government, was opened only on 17 April this year, 8½ months after it was announced.

Very soon after her appointment, the minister announced that the area the office would work in and on behalf of would include the cities of Salisbury, Playford and Tea Tree Gully, as well as the Town of Gawler and Light Regional Council. There was no prior consultation on this composition, although I understand that the five mayors were invited to Parliament House by the minister after the announcement.

Subsequently, the five councils were advised in February that a forum involving local government and other major stakeholders would be held in March to determine the role and directions of the Northern Connections office. Four months have passed since that advice; however, the forum has never eventuated. When will local government and other key stakeholders be consulted about the role the Northern Connections office will play in advancing this important sector of the metropolitan and periurban communities?

The Hon. G.E. GAGO (Minister for State/Local Government Relations, Minister for the Status of Women, Minister for Consumer Affairs, Minister for Government Enterprises, Minister Assisting the Minister for Transport, Infrastructure and Energy) (14:51): I thank the honourable member for his important question. I am absolutely confident that the Minister for the Northern Suburbs, the Hon. Jennifer Rankine, will indeed consult in a most thorough way with not only local government but also all relevant stakeholders in relation to any developments and plans in relation to the office for the north.

NORTHERN CONNECTIONS

The Hon. J.S.L. DAWKINS (14:52): As a supplementary question, will the minister responsible for local government in the state government take up this matter with the minister and urge her to consult with the five stakeholder local government bodies in the northern suburbs portfolio?

The Hon. G.E. GAGO (Minister for State/Local Government Relations, Minister for the Status of Women, Minister for Consumer Affairs, Minister for Government Enterprises, Minister Assisting the Minister for Transport, Infrastructure and Energy) (14:52): I can assure the honourable member that I do not need to: I am absolutely confident, given the track record of my colleague. I know that as a former minister for state/local government relations her commitment to and understanding of the local government sector are well established, and her performance as the then minister was quite exceptional. I know that the Hon. Jennifer Rankine is extremely experienced and does understand and is incredibly sympathetic to that level of government, and I am absolutely confident that she does not need to be reminded of the importance of consultation.

NORTHERN CONNECTIONS

The Hon. J.S.L. DAWKINS (14:53): As a further supplementary question, is the minister concerned that, four months after local government bodies were promised a forum, it has not eventuated?

The Hon. G.E. GAGO (Minister for State/Local Government Relations, Minister for the Status of Women, Minister for Consumer Affairs, Minister for Government Enterprises, Minister Assisting the Minister for Transport, Infrastructure and Energy) (14:53): No, indeed; I am not concerned, because I am absolutely confident that the Minister for the Northern Suburbs has this well managed and well under way.

WOMEN'S HONOUR ROLL

The Hon. I.K. HUNTER (14:53): I seek leave to make a brief explanation before asking the Minister for the Status of Women a question on the South Australian Women's Honour Roll.

Leave granted.

The Hon. I.K. HUNTER: Women are very often the quiet achievers and are not recognised enough for the work they do in our communities, whether it be in paid or unpaid

capacities. Will the minister provide an update on the South Australian Women's Honour Roll to the chamber?

The Hon. G.E. GAGO (Minister for State/Local Government Relations, Minister for the Status of Women, Minister for Consumer Affairs, Minister for Government Enterprises, Minister Assisting the Minister for Transport, Infrastructure and Energy) (14:54): I thank the honourable member for his most important question. I am very pleased to inform members that over 250 nominations for the 2009 South Australians Women's Honour Roll have been received. The Women's Honour Roll celebrates women who are passionate and committed and who strive to improve the community in which we live. The 2009 honour roll builds on the success of the 2008 honour roll, when over 140 women were nominated and will acknowledge women who have not previously been recognised. Nominations closed on 5 June, and a diverse range of women across the state have been nominated for their extraordinary work in both paid and volunteer roles.

The women nominated provide a glimpse of the energy, passion and commitment of many women in our community who often do not see their outstanding achievements as anything out of the ordinary. Many of the nominees have provided years—and often a lifetime—of service in their specific area of expertise or interest to provide a safer, more inclusive and culturally rich community. Women have been nominated for their work across a broad range of areas, including women's health, mental illness, domestic violence, sport, community arts, urban planning, public policy, education and also within the Aboriginal community.

The honour roll is an ongoing initiative, and each year 100 women will be added to the South Australian Women's Honour Roll. From these 100 women, 10 will be highlighted for their extraordinary contribution. I am pleased to announce that the Governor and Mrs Scarce are also committed to promoting the invaluable and often unrecognised contribution made by many women in our community.

The Governor has agreed to host a function on Tuesday 6 October at Government House to acknowledge the most outstanding women nominated for the honour roll. The South Australian Women's Honour Roll provides an ideal opportunity for women to be acknowledged by their local community and to profile the wonderful work women do.

BURNSIDE CITY COUNCIL

The Hon. DAVID WINDERLICH (14:57): I seek leave to make a brief explanation before asking the Minister for State/Local Government Relations a question about Burnside council.

Leave granted.

The Hon. DAVID WINDERLICH: In her ministerial statement yesterday, the Minister for State/Local Government Relations referred to the resignation of Burnside council CEO Mr Neil Jacobs and said that media reports stated that he had resigned over a harassment case and that his ability to provide a safe workplace, free from bullying, had been compromised. The minister's statement also referred to a defamation action being taken by several members of the council's DAP against another member of council. On the basis of these two issues the minister has directed officers from the Office of State/Local Government Relations to have a meeting with the mayor and other officers of council as required.

The minister's statement also noted that there appears to be a continued deterioration between various council parties, and that that may not be conducive to good decision making and not in the best interests of the elected body, its administration or the community the council serves. So, two complaints have caused sufficient concern about the decision making of council to cause the minister to call an initial meeting with the mayor and the Office of State/Local Government Relations.

However, these two incidents are just the tip of the iceberg. Other incidents of concern at Burnside council in recent years and this year include: the fact that Burnside council has been the subject of four Anti-Corruption Branch investigations, covering matters such as bullying, misuse of council property and the leaking of sensitive information; a preliminary investigation by the Police Complaints Authority into allegations of entrapment and harassment is currently under way; two allegations have been made of a failure to complete a register of interests; and complaints have been made by councillors against each other of sexual harassment and violations of the code of conduct.

There have been at least 20 complaints, to my knowledge, to the Minister for State/Local Government Relations, alleging that regulations under the Local Government Act are not being

complied with. A ward meeting of 60 people on 8 April 2009 was videotaped by a lawyer from Minter Ellison who would not reveal who was his client, and this was interpreted by the meeting as an attempt to intimidate free discussion. There have been at least five requests to the Minister for State/Local Government Relations for an investigation of the council.

There is concern about the influence of a businessman who financially supported the election campaigns of several councillors and who has told another councillor that he would not be getting financial support because he was not making the right decisions. Given this history of conflict on council, my questions are:

1. Does the minister believe that part of her role under the Local Government Act is to intervene to prevent councils from becoming dysfunctional?

2. When did the minister first realise that Burnside council was consumed by conflict between elected members?

3. Given at least five years of conflict on this council, why did the minister wait until Wednesday 17 June to take action?

4. Given the long history of conflict and the current experience of conflict on Burnside council, will the minister scrap the softly-softly approach of initial meetings and move straight to the appointment of an investigator under section 272 of the act?

The Hon. G.E. GAGO (Minister for State/Local Government Relations, Minister for the Status of Women, Minister for Consumer Affairs, Minister for Government Enterprises, Minister Assisting the Minister for Transport, Infrastructure and Energy) (14:59): Don't worry about due process. Guilty before given any chance. I will take the issues one at a time, and I thank the honourable member for his most important questions. I do not need to go over the actions that I have taken in relation to the matters that I put on the record yesterday; I have outlined the steps that I am taking in response to that.

The honourable member asks why it has taken me so long. As the honourable member rightly points out, there have been a number of actions taken in response to a number of different complaints and issues that have been alleged in relation to individuals and certain actions and standards of performance over a number of years. To the best of my knowledge, each and every one of those has had some action associated with it across a number of jurisdictions.

For instance, I know that the police are currently investigating complaints and five members of the City of Burnside Development Assessment Panel are taking of legal action for defamation that is occurring in the District Court at this point in time. Obviously, that is a matter before the courts and it would be most inappropriate for me to talk about it here. When there are breaches, particularly those that go to the Criminal Law Consolidation Act, for instance, they are dealt with in other jurisdictions such as the District Court.

There have been a number of issues and complaints that have been raised with the Ombudsman. In fact, on 2 January 2009, in accordance with the Ombudsman Act, the Ombudsman provided me with a report setting out his findings in relation to a complaint against the City of Burnside. Based on the Ombudsman's investigation, the Ombudsman formed a view that there was, in fact, no evidence to support the complainant's allegations. Nevertheless, the Ombudsman did find that the council's internal controls were inadequate.

In response to that, I wrote to the council on 19 February 2009, requesting that it provide me with a submission in response to that report, detailing how it has reviewed its internal processes and what improvements are being made in order to prevent the reoccurrence of that particular incident.

The council has responded to my request, advising that it has implemented appropriate internal measures to ensure that investigations are carried out and that a follow-up system is put in place for future complaints. I am satisfied that the council has responded adequately to the issues outlined by the Ombudsman and will be writing to the council to inform it that in light of the actions that it has taken I will not be taking any further action in relation to those matters raised in that most recent Ombudsman's report.

So, there are two levels where quite considerable resources and actions have been invested into investigating complaints and following those up. My office has also received complaints—in fact, a number of complaints, I have to say—and it is usually by the same one or two people, and they are as regular as clockwork. They continue to come in and I have passed

many of those complaints on to officers for investigation, not formally under the act but to make preliminary investigations to ascertain the validity of those allegations to determine whether or not it would warrant a trigger for a formal investigation.

I have to say that, of those matters that we have had an opportunity to investigate, none of the allegations can be substantiated. The allegations remain unsubstantiated. I have written back to the complainant to ask that they provide any other information they have that they believe would substantiate those allegations to me and my office or, if they want to complain to the Ombudsman, they can find redress through that means.

I cannot begin to describe the amount of resources and effort that has gone into investigating the large number of complaints we have received. Given that the police are yet to lay charges, and given that the Ombudsman—after his extensive investigations up to this point and the information he has had put before him—has found no evidence, and in spite of the investigations I have conducted so far, the allegations remain unsubstantiated. All I can say is that if we are able to obtain evidence of a breach I will be more than happy to enforce the powers we have to rectify that, as I am sure other jurisdictions would be. To suggest that the police, the Ombudsman and I have all been sitting around doing nothing is misleading and quite offensive in light of the considerable work that the Ombudsman and my agency, in particular, have undertaken in these matters.

In relation to the most recent events, I read in the newspaper (I think it was yesterday) a further statement about an unsafe workplace. That was the first time that issue came to my attention, and I acted upon it straight away—as I reported yesterday. It was a quite serious allegation, but it was an allegation made in a newspaper that I read. I am not aware of it being a formal report anyone had sent me; it was simply something I read in a newspaper. Nevertheless, even though no other evidence was provided, I acted upon it straight away to ensure that at least preliminary investigations would be conducted to determine whether further investigation was warranted.

As I said yesterday, due process must be afforded to all parties. It is most important that we do not try people by public opinion. These allegations can often lead to people being charged with a particular offence, and that has the potential to impact on their reputations and livelihoods for the rest of their life. It is most important that we get our facts right and afford all parties due process—and that is what is being done here.

I would also like to put on record how incredibly frustrating this is—and not just to myself. A ratepayer of that particular council said to me today that I should just sack the lot of them; that is how fed up they are with the conduct of some of these councillors. I understand their level of frustration because, historically, this particular council has had a series of councillors and staff members involved in quite significant personality clashes. There has been, shall we say, an unconstructive internal dynamic going on; in fact, one could say that there has been a great deal of internal squabbling occurring. This persistent, internal squabbling does not assist us because it creates a noise in the background that makes it even harder for us to see what is really going on and clarify the issues.

This behaviour not only reflects badly on those individuals involved in the squabbling and, at times, schoolyard-type behaviour but it also undermines the reputation of the whole local government sector. So, I will be recommending that that sort of behaviour is stopped and that we clarify and identify if and when real issues arise and act on them promptly, which is what I am doing.

BURNSIDE CITY COUNCIL

The Hon. DAVID WINDERLICH (15:10): I have a supplementary question. Given that the minister has confirmed her knowledge of the extensive range of allegations, and given that the minister has expressed her concerns about the long-term squabbling in the Burnside council, why did the minister wait until 17 June to initiate a meeting between the Office of State/Local Government Relations and Burnside council?

The Hon. G.E. GAGO (Minister for State/Local Government Relations, Minister for the Status of Women, Minister for Consumer Affairs, Minister for Government Enterprises, Minister Assisting the Minister for Transport, Infrastructure and Energy) (15:11): The honourable member has not listened to a word I have said. I thought I had outlined in quite considerable detail the series of actions and investigations undertaken. I would not want to have to repeat myself, although I am happy to do so. As I outlined in what I thought was considerable detail, there has been a series of actions and investigations over a significant period of time, not

just involving myself and my agency but also at other jurisdictional levels, such as the police and the Ombudsman's Office.

BURNSIDE CITY COUNCIL

The Hon. D.G.E. HOOD (15:12): I have a supplementary question. What measures has the minister taken, or will the minister take, to satisfy herself that a similar situation is not being played out in other local councils?

The Hon. G.E. GAGO (Minister for State/Local Government Relations, Minister for the Status of Women, Minister for Consumer Affairs, Minister for Government Enterprises, Minister Assisting the Minister for Transport, Infrastructure and Energy) (15:12): I am extremely pleased to have this opportunity to talk about some of the things we are putting in place to improve the situation. We have been doing a number of things to improve both the conduct and accountability of local councils, one of which is the proposed changes to the accountability audit and the accountability of local councils. There is a series of reforms, which I would take great delight in going through in detail but, given the time of day, I will not, unless I am encouraged to do so.

The PRESIDENT: The minister could ask for an extension of time.

The Hon. G.E. GAGO: I could, too; that's a possibility. We have put in place a significant number of reforms in terms of improving the accountability, reportability and transparency of local government and increasing the powers of the minister, and it goes to the very nub of the situation.

I know the Hon. Mr Winderlich will support these reforms when they come through, because one of the reforms is to increase the minister's power to intervene. The honourable member would be aware what a blunt instrument the current act is. The current act is really all or nothing in that the minister has powers to investigate. However, the only powers to intervene, other than investigation if certain breaches are identified, is to basically sack the council; there is nothing in between. It is a very crude, blunt instrument that can really be conducted only at the end of a series of problems.

One of the aspects of the reform agenda that we are looking at is to increase the powers for early intervention so that matters are able to be identified more quickly and dealt with at a much earlier stage. So, we are very much looking forward to the Hon. David Winderlich's support for those reforms.

Our office has recently introduced a series of information circulars, and they go to identifying those policy areas where we see that some councils might be struggling. It appears that there might be some confusion, or perhaps some things are not being done as well as we think they should be.

They are picked up in those guidance instruction circulars and sent out to local councils, and we have had some very good feedback in relation to those. That is another area. We also have a very good working relationship with the Local Government Association and, of course, we are always looking at programs that allow us to provide better education, support and mentorship to those councils whose performance needs to be lifted. As I said, we work very closely with the LGA on that aspect, and a number of very good initiatives have been put in place to assist councils in that way. I can provide many other examples, but at this point I am happy to leave it at that.

CALL DIRECT

The Hon. R.D. LAWSON (15:15): My question is directed to the Minister for Consumer Affairs concerning consumer scams, and I seek leave to make an explanation before asking it.

Leave granted.

The Hon. R.D. LAWSON: The minister issues sporadic media releases and responds to Dorothy dixer questions with assurances that unfair trade practices are being stamped out by her government. She condemns scams and rogue traders, as she calls them, and issues dire warnings. Her departmental website shows that the minister has 'a strategic focus on vulnerable and disadvantaged consumers'. Call Direct is a service operated by the South Australian government-owned SA Ambulance.

Call Direct is a personal emergency alarm monitoring service with which members would be familiar. It is an extremely good service. It is not, however, a cheap service. According to the schedule of fees, the annual rental fee amounts to $554.40 on the commencement of the

agreement, $417 for purchasing a unit and an annual monitoring payment of $356. The service acknowledges in the annual report of SA Ambulance its unique nature. It says that it has some 4,000 Call Direct members. The annual report states:

> Due to the nature of the Call Direct service and the fact that some clients only require the service for a short period, member numbers vary throughout the year.

SA Ambulance is acknowledging the fact that members occasionally will have to go into care and some, of course, will die. I was recently contacted by a constituent whose relative was a subscriber to Call Direct. She was in good health. She paid her annual fee in advance but, shortly after the new term commenced, she passed away.

Call Direct refused to refund any part of the unexpired term, pointing to the fine print in its contract. This was a windfall gain to the service and by no means a genuine estimate of the loss which had to be suffered in consequence of the termination. My questions to the minister are:

1. Does she believe that Call Direct clients are vulnerable and disadvantaged and entitled to proper consumer protection?

2. Will she encourage SA Ambulance to introduce a fair refund policy in the case of early involuntary termination of the service?

3. In any event, will she demand that the consumer information given to clients and potential clients of Call Direct contain a prominent warning of the extortionate refund policy being operated by this government agency?

The Hon. G.E. GAGO (Minister for State/Local Government Relations, Minister for the Status of Women, Minister for Consumer Affairs, Minister for Government Enterprises, Minister Assisting the Minister for Transport, Infrastructure and Energy) (15:19): I thank the honourable member for his important questions. The honourable member is quite right that the scammers are always looking for opportunities to exploit vulnerable people. Just when we think we have got one area cleaned up, these dishonest scoundrels seem to find another opening somewhere else. It is something about which our office remains vigilant, and that is why we have an ongoing monitoring system throughout the year that looks at a range of areas in terms of scrutinising and monitoring different activities which I outlined yesterday.

I will not waste the time of this chamber going through those things again. Part of it is about providing advice and warnings to the public in relation to various scams and get rich quick schemes, such as illegal pyramid schemes. Warnings are usually published by a media release with information on specific schemes, through the consumer affairs' telephone advisory service, the internet site, and booklets that are circulated. Quite a considerable amount of resources are dedicated to ongoing monitoring and the following up of those scammers.

In relation to the specific issue that the honourable member asked about today, to the best of my knowledge I am not aware of any complaints I have received in relation to Call Direct, but I am happy to have the information that he has provided today followed up in order to ensure that nothing untoward is occurring.

ANSWERS TO QUESTIONS

REST STOPS

In reply to the **Hon. D.G.E. HOOD** (24 September 2008).

The Hon. G.E. GAGO (Minister for State/Local Government Relations, Minister for the Status of Women, Minister for Consumer Affairs, Minister for Government Enterprises, Minister Assisting the Minister for Transport, Infrastructure and Energy): The Minister for Transport has advised:

1. South Australia already has a substantial number of opportunities available for rest stops on the state's main heavy vehicle freight routes. These include Department for Transport, Energy and Infrastructure (DTEI) rest areas and other locations such as those attached to service stations in or near towns where heavy vehicle drivers can take rest breaks. DTEI's recently completed rest area strategy was developed in consultation with key stakeholders, including the South Australian Road Transport Association. This strategy, together with proposed improvements to existing rest areas, will ensure the rest area provision in South Australia is adequate for future needs.

The South Australian Government commenced a $10 million rest area improvement program in 2007-08. This has already resulted in reducing the shortfall in rest areas identified in DTEI's rest area strategy, with nine new rest areas now opened, including two on the Adelaide—Port Augusta road, one on the Sturt Highway at Yamba, four on the mid-north freight route between Peterborough and Warnertown, and two on the Riddoch Highway.

A further eight new rest areas are proposed to be constructed in 2008-09 as part of this program, including two on the Barrier Highway, one on the Mallee Highway, four on the Lincoln Highway and one on the Flinders Highway. A significant number of existing rest areas are also being upgraded as part of the program.

At the same time, Australian Government funding is resulting in improvements to rest area provision on key inter-state routes. These include one major new rest area on the Sturt Highway at Waikerie and another planned for later this year as part of the Sturt Highway duplication project, between Gawler and Nuriootpa.

2. DTEI's rest area strategy for the development of rest areas in South Australia is particularly aimed at routes frequently used by heavy vehicles, including providing for rest stops approximately one hour out of Adelaide.

3. Additional rest area capacity is proposed to be provided this financial year on the Barrier Highway, as part of the South Australian Government's $10 million rest area improvement program.

COPPER COAST DISTRICT COUNCIL

In reply to the **Hon. M. PARNELL** (28 October 2008).

The Hon. G.E. GAGO (Minister for State/Local Government Relations, Minister for the Status of Women, Minister for Consumer Affairs, Minister for Government Enterprises, Minister Assisting the Minister for Transport, Infrastructure and Energy): I am advised:

1. Wallmans Lawyers have completed the legal due diligence audit and their Report was put to the Council at its meeting on 1 April 2009. The Report is available on the Council's website at www.coppercoast.sa.gov.au in the 'Quick Links' section on the website's home page. The Report does not contain specific Terms of Reference.

2. The purpose of the Audit was to perform a governance review of the operations of the District Council of the Copper Coast. The Audit assessed processes against legal requirements and therefore it was not necessary to conduct consultation to undertake it.

3. Yes, the workshop was held on 26 November 2008.

WINE-GRAPE TRANSPORT

In reply to the **Hon. J.S.L. DAWKINS** (12 November 2008).

The Hon. G.E. GAGO (Minister for State/Local Government Relations, Minister for the Status of Women, Minister for Consumer Affairs, Minister for Government Enterprises, Minister Assisting the Minister for Transport, Infrastructure and Energy): The Minister for Transport has advised:

1. The Department for Transport, Energy and Infrastructure (DTEI) is currently considering road train access between the Victorian border to Paringa with a Riverland transport operator. DTEI officers are consulting closely with Vic Roads on this matter.

2. DTEI is currently working with a well-established transport operator in the Riverland to explore the possibility of road train access from the South Australia/Victoria border to a break-up point prior to the Paringa Bridge to assist the transport task. Road train access is also being considered from the existing road train route at Burra to a break-up point north of Berri.

Under the Heavy Vehicle Access Framework, DTEI is negotiating with Vic Roads, transport companies and the local councils to maximise the use of these high efficiency combinations, such as road trains, in this region.

3. The Australian Logistics Council commissioned a report into cross border transport issues and a Multi State Cross Border Task Force has since been set up to identify future issues and ensure full consultation is achieved with all stakeholders.

BUILDING WORK CONTRACTORS

In reply to the **Hon. J.M.A. LENSINK** (28 April 2009).

The Hon. G.E. GAGO (Minister for State/Local Government Relations, Minister for the Status of Women, Minister for Consumer Affairs, Minister for Government Enterprises, Minister Assisting the Minister for Transport, Infrastructure and Energy): I am advised:

1. The objectives and principles of the national licensing system will also include the promotion of national consistency in the approach to disciplinary matters which was agreed to by the Council of Australian Governments on 30 April 2009.

NATIONAL ELECTRICITY (SOUTH AUSTRALIA) (NATIONAL ELECTRICITY LAW—AUSTRALIAN ENERGY MARKET OPERATOR) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 17 June 2009. Page 2692.)

The Hon. P. HOLLOWAY (Minister for Mineral Resources Development, Minister for Urban Development and Planning, Minister for Small Business) (15:21): In closing the debate, I will take the opportunity to answer questions that were asked by the Hon. Mr Lucas in his contribution on this bill and the Hons Mr Ridgway and Mr Parnell on the cognate bills. I will use the opportunity to answer questions on the three cognate bills.

The Hon. Mr Ridgway asked what the impact of this package would be on retail pricing to consumers. I assure the council that this package will have a limited direct impact on prices. In accordance with the Australian Energy Market Agreement (AEMA), retail pricing remains a jurisdictional responsibility. As members would be aware, the Australian Energy Market Commission (AEMC) has undertaken a review of the effectiveness of competition in South Australia in accordance with the AEMA.

The AEMC found that the market was effectively competitive and recommended that retail price controls be removed. The government has responded to the AEMC, indicating that there needs to be a greater consensus on the effectiveness of competition.

In addition, with the significant uncertainty regarding the design and impact of the Carbon Pollution Reduction Scheme (CPRS) on the major transformation of the energy supply industry that will occur as we transition to a carbon constrained future, there is a clear need for an independent umpire to review and determine whether any price increases are fully justified. Accordingly, the Essential Services Commission of South Australia (ESCOSA) will be meeting its legislative responsibilities by undertaking reviews to determine the standing contract prices that will apply from 1 January 2011 in electricity and 1 July 2011 in gas. Network pricing will continue to be regulated by the Australian Energy Regulator (AER).

The area where this package has the potential to impact on prices was highlighted in the second reading explanation, with the Australian Energy Market Operator (AEMO) having responsibility as the national transition planner (NTP) to develop a national transmission network development plan (NTNDP).

The AER must have regard to the NTNDP when making a price determination in response to a transmission network service provider's (TNSP's) regulatory revenue proposal. In addition, the NTP's independent strategic view of the network will add value to a TNSP's regulatory test assessments of investment proposals.

AEMO's ability to make submissions will assist in ensuring that local network investments complement the broader strategic direction of the network. This recognises that even small investments in one section of the network could potentially have significant impacts on the wider grid. Accordingly, the NTP will promote an efficient investment framework across the national electricity market. This should be of benefit to customers generally and to South Australia as a preferred source of renewable energy to the rest of the national electricity market.

Mr Ridgway has also asked about impacts on the gas supply. Nothing in the package fundamentally changes the current framework for market supply of gas in the relevant jurisdiction, noting that the Gas Statement of Opportunities (GSOO) will become a valuable source of information on the outlook for the gas industry.

The current retail gas market rules in each jurisdiction will be transferred with minimal charge to AEMO and the national framework. Accordingly, Victoria will maintain its wholesale gas

market while the other jurisdictions will maintain their current processes to enable retail customers to transfer and market settlement to occur. Bringing these together into one organisation will provide the opportunity to develop and rationalise the procedures across jurisdictions over time where that can deliver benefits.

The next development in the gas industry is the proposal for the implementation of a short-term trading market to enable more transparent short-term pricing, initially with trading hubs in Sydney and Adelaide. This development has been led by the industry through the Gas Markets Leaders Group under the guidance of the Ministerial Council on Energy.

In relation to Mr Parnell's contribution with respect to the role of customers, it is important to recognise that AEMO's functions are conferred by this law and the National Gas Rules (the rules). Importantly, consumers have the opportunity to influence the development of the rules through the rule change processes set out in the law.

While Mr Parnell indicated that he did not think that this package assisted with the transition to a carbon constrained future, the NTNDP will clearly need to take into account the impact of various policies to address climate change, such as South Australia's feed-in tariff, the Carbon Pollution Reduction Scheme (CPRS), increased Renewable Energy Targets (RET) and energy efficiency programs.

The significant increase in large-scale renewable energy associated with RET and CPRS will transform supply. Distributed generation, such as the solar systems encouraged by feed-in, as well as the energy efficiency programs, such as South Australia's hot water standards and the Residential Energy Efficiency scheme (REES), are likely to significantly change customer demand.

The collective impact of these policies will place new and different pressures on the development of the national transmission system. In preparing the National Transmission Network Development Plan, AEMO is required to undertake detailed consultation processes on inputs and scenarios and must take those submissions into account when preparing the NTNDP for release. These processes should ensure that the national plan developed properly reflects these changing needs.

Clearly, understanding the implications of these climate change policies will be a key output of the NTNDP. Information within the development plan, such as current and future congestion and network development strategies under a range of different future supply and demand scenarios, will take into account the various policy, technological and economic inputs on climate change and will assist all participants in the ongoing development of and investment in the energy supply industry.

Mr Lucas asked what the mechanism was for determining the 60 per cent vote for jurisdictions and the 40 per cent vote for industry membership of AEMO. Each of the participant jurisdictions—that is, all states except the Northern Territory and Western Australia—or their nominated proxies will have an equal share of the 60 per cent of voting rights at a meeting. Similarly, industry members or their nominated proxies at a meeting will have an equal share of the 40 per cent voting rights.

Mr Lucas inquired as to who would be undertaking the review of membership of AEMO in three years and what is its purpose? is it just confirming the 40 per cent or could it go up or down? The Ministerial Council on Energy will be undertaking the review. Its purpose will be to review the effectiveness of the new governance arrangements associated with providing industry with a role in managing the market operator. While there is a range of views across jurisdictions, there is a clear recognition that there continues to be significant public interest associated with the operations of the market.

Mr Lucas wanted clarification as to the NTP submissions; are they to be AER, revenue resets or some other regulatory body? As was highlighted in the response to Mr Ridgway, AEMO will be able to provide submissions as part of the AER's revenue reset process. The AEMC also proposes in its rule for regulatory investment test for transmission that AEMO be consulted by a transmission network service provider in carrying out a regulatory test assessment.

Mr Lucas asked whether an NTMDP will be published in 2009. As an interim measure, due to the timing associated with its establishment, AEMO will publish a more limited national transmission statement by 31 December 2000.

Mr Lucas asked about the commitments regarding the AEMO regional office, including with regard to resources and the most senior officer for AEMO. As was indicated in the second reading

explanation, the strategic nature of the NTP will require the establishment of regional offices. I am advised that all of the staff of the Electricity Supply Industry Planning Council (ESIPC) are transferring to AEMO, including the chief executive, who has been appointed to a senior executive position of AEMO.

Section 50B of the new national electricity law provides for AEMO to undertake additional advisory functions to be provided in South Australia, effectively duplicating the work of the ESIPC and its resource requirement. These provisions allow AEMO to conduct more detailed electricity network planning in South Australia in addition to the work it will undertake nationally as the NTP. In addition, being part of AEMO will provide access to significantly greater technical expertise and resources.

Mr Lucas asked whether there is any requirement in any of the agreements to repeal the Electricity Supply and Industry Planning Council. The answer to that is no. Mr Lucas asked as to the number of staff who had transferred from ESCOSA to AER and as to the size of the local AER office. I am advised that three officers transferred from ESCOSA to the AER. The local office of the AER, which also includes market monitoring staff, employs 21 officers, although this includes a number who are currently on maternity leave.

Mr Lucas asked why the Victorian transmission revenue was not subject to approval by the AER and why not in Victoria. The AER will continue to regulate the majority of electricity transmission revenue in Victoria. The arrangements for funding AEMO's planning role for the Victorian electricity system are being aligned with AEMO's governance arrangements to reduce unnecessary legislation. The AER will oversight AEMO's pricing methodology for the Victorian electricity transmission planning function. In particular, transmission revenue for the electricity transmission services provided by the owner of the Victorian system transmission system (SP AusNet) will continue to be regulated by the AER in accordance with the revenue determination provisions in the national electricity law and rules that apply to all regulated electricity transmission systems in the national electricity market.

In Victoria the function of planning and directing the augmentation of the transmission system, currently vested in the Victorian Energy Networks Corporation (VENCorp) will be vested in AEMO. As with VENCorp, AEMO will recover its annual revenue requirement for the Victorian system planning and direction function, along with a portion—around 85 per cent—of SP AusNet's annual revenue requirement attributable to shared network services by charging transmission use of system (TUoS) and common service charges. For prescribed services, those charges will be determined in accordance with an AER approved pricing methodology.

Direct regulation of the charges for the Victorian electricity planning function will be discontinued, given that AEMO will be a not for profit entity with independent management, consultation, reporting and industry membership arrangements. In these circumstances, and given the 85 per cent of transmission charges, Victoria will continue to be a simple pass through of SP AusNet's costs, as regulated by the AER

The regulatory requirement for direct AER control of AEMO's charges for the Victorian planning function imposes an unnecessary cost.

Mr Lucas asked, in relation to load shedding, what the new role for the Office of Technical Regulator would be, what was the government's position with regard to releasing the information and whether the government has directive power with regard to this function with the OTR. The OTR will be the jurisdictional system security coordinator. The decision to release the list will be for the Office of Technical Regulator to make. The Electricity Act 1996 does not expressly provide for a power of control and direction of the Office of Technical Regulator by the minister.

Mr Lucas asked whether any statement of policy principle had been released by the Ministerial Council on Energy and whether the AEMC has considered these and disagreed and had to issue reasons. To date, the Ministerial Council on Energy has released one statement of policy principle with regard to the roll out of smart meters. The AEMC considered the statement as part of the Victorian jurisdictional derogation advanced metering infrastructure roll-out rule change.

Mr Lucas asked whether any new regional reference nodes had been issued within regions of the national electricity market. The AEMC has undertaken a detailed review of the regional pricing arrangements, which was finalised in late 2007. The outcome of this review was that the Snowy region, between New South Wales and Victoria, was dissolved so the regional boundaries align with state boundaries, with a new process established for considering future changes.

Mr Lucas indicated that he understands that ESCOSA's analysis of prices since full retail competition up to 2007 indicated that in real terms they are near the same level. He asked whether we could provide a reference and whether ESCOSA or anyone else has updated it. Data provided in the Essential Services Commission of South Australia's 2007-08 Annual Performance Report—Energy Retail Market of November 2008, page 33, indicates that, since 2003-04, average real electricity prices, calculated as total annual revenue divided by total annual consumption for residential customers, have decreased by 10.1 per cent, with small business electricity prices decreasing by 11.4 per cent.

Over the same period, large business has experienced an average price decrease of about 7 per cent, although the reported data indicates a real price increase of almost 9 per cent in 2007-08 over the previous year, following a period of declining average prices. Retail price adjustments for 2009-10 are yet to be determined. ESCOSA is scheduled to release these adjustments later this month.

Mr Lucas asked about the status of the tranche of legislation related to retail issues that was due in 2002 and when we will be likely to see it. The next tranche of national energy reform legislation, which will include retail issues, except for price regulation, is expected to be introduced in the South Australian parliament in 2010. I have already addressed Mr Lucas' question with regard to the AEMC review of the effectiveness of competition in South Australia in my response to Mr Ridgway's question on pricing.

Mr Lucas asked what proposals the government has put to national bodies regarding better operation of the reserve trader. The government made submissions regarding indicating a preference for a standing reserve to the reliability panel in September 2006 and October 2007. Subsequent to the events of this summer, the Ministerial Council on Energy requested that the AEMC undertake a further review of the market framework in light of extreme weather events. The reliability panel is currently consulting on a proposal to provide improved flexibility for the reserve trader to enable NEMMCO/AEMO to establish a panel of reserve capacity that could be implemented at short notice, such as 24 hours.

Mr Lucas asked, with respect to MIOs and MINs, as to the current position of industry and, if still opposed, what is the government's response and what was wrong with the current arrangements. Industry still has ongoing issue with the broad nature of MIOs and MINs. In performing its role as the national transmission planner, AEMO has the function of preparing and publishing the national transmission network development plan.

In order to most effectively undertake this task, the AEMC recommended that AEMO be conferred with broad information-gathering powers, and the MCE agreed with this approach. In addition, the Electricity Supply Industry Planning Council has very broad information-gathering powers to acquire information it reasonably requires for the performance of its network planning functions, while the Victorian regulator has imposed licence conditions to ensure the relevant information is provided to VENCorp.

As AEMO will assume the planning functions currently undertaken by both ESIPC in South Australia and VENCorp in Victoria, it is necessary for it to be conferred with consistent, transparent and targeted information-gathering powers to enable it to most effectively perform its national planning functions and to encourage appropriate future investment choices. In exercising its information-gathering powers in the law, AEMO is required to consider the following:

- whether the exercise of this power is reasonably necessary for the exercise of a relevant function;
- the reasonable costs of compliance with the market information instrument; and
- any written submissions made in response to consultation with persons subject to the instrument prior to its making.

In addition, AEMO's information-gathering powers are constrained by only being available for a relevant function. A relevant function is:

- the NTP (that is, the national transmission planner);
- an additional advisory function;
- a declared network function;
- the GSOO; and

- a declared system function.

However, basic legal protections are maintained when responding to an information instrument, including the privilege against self-incrimination and legal professional privilege. Also, a person is protected when complying with an information instrument from an action for breach of confidence or breach of contract. It is also possible to seek judicial review of the service of an information instrument.

To further constrain any possibility of misuse of an MIO or MIN, the incoming chief executive of AEMO has undertaken to require the approval of a senior member of AEMO (that is, the chief executive officer or the chair) before the instrument is issued. The Ministerial Council on Energy has also indicated that it will be closely monitoring the use of information instruments via the power for the MCE or a minister of a participating jurisdiction to request information, a report or other services.

Whilst the above regime provides a flexible and clear information-gathering basis for particular functions of AEMO, it is anticipated that the current cooperative approach to information gathering which has developed between market operators and market participants will continue.

Mr Lucas asked for an indication of what specific problems either have been experienced or are predicted to occur to require this additional immunity to be included in the legislation. This new provision has been elevated from the National Electricity Rules (rule 3.17.2) into the National Electricity Law and replicated in the National Gas Law, as it is considered a key immunity which is more appropriately located in the National Electricity Law and the National Gas Law.

With those responses to the questions asked, I commend the first of these three bills to the council and look forward to their passage.

Bill read a second time.

In committee.

Clause 1.

The Hon. R.I. LUCAS: Mr Chairman, I am really in your hands or those of the minister. With previous electricity bills we have traversed the bulk of the issues in the clause 1 debate and minimised later discussion on the individual clauses. I am happy to proceed that way if the minister is happy to do so. He is nodding, and the chair is in agreement.

I thank the minister and, in particular, his officers, who have obviously worked hard overnight and this morning to provide replies to the questions asked by the Hon. Mr Ridgway, the Hon. Mr Parnell and myself. I will move sequentially through the prepared speech rather than the way I raised them in my contribution or in order of the clauses in the bill.

The first issue in the minister's response was that of retail pricing. He indicated that the Australian Energy Market Commission had undertaken the review of the effectiveness of competition. Can the minister indicate when that review was completed? In addition, the South Australian government had up to six months to respond. Can the minister advise when the government's response was concluded and sent to the AEMC?

The Hon. P. HOLLOWAY: The second and final report was released on 18 December 2008, and the minister's response is dated 6 April 2009. I would also like to make a correction in relation to answers to the honourable member's questions that I read out previously. In the section relating to the current retail gas market rules in each jurisdiction, I inadvertently said that they would be transferred 'with minimal charge' to AEMO; I should have said 'with minimal change' to AEMO.

The Hon. R.I. LUCAS: I assume that both the report and the South Australian government's response are both publicly available. If they are, would the minister indicate from which websites they can be downloaded?

The Hon. P. HOLLOWAY: I am informed that they are on the AEMC website.

The Hon. R.I. Lucas: Not on the MCE website?

The Hon. P. HOLLOWAY: The AEMC website.

The Hon. R.I. LUCAS: As I indicated in my second reading contribution, in May 2006 the South Australian government—and the Premier, specifically—signed the intergovernmental

agreement in relation to these issues. This basically said that the parties (including South Australia) 'reaffirm their commitment to full retail contestability in accordance with the national competition policy agreements.' I then placed on record clause 14.11 of the agreement, which states that all parties (which, obviously, includes South Australia) 'agree to phase out the exercise of retail price regulation for electricity and natural gas where effective retail competition can be demonstrated'. I then quoted the section that said 'the AEMC will assess the effectiveness of competition for the purpose of retention, removal or reintroduction of retail energy price controls'.

That was the agreement entered into by the South Australian government with all the other jurisdictions. So, put simply, it said that as soon as there was effective price competition the governments agreed to get rid of retail price regulation. Then it said, in essence, that the AEMC would be the independent body that would assess whether or not effective price competition had been introduced into the marketplace. The minister's reply indicates that the AEMC did the review and found that there was effective competition, which is the key part of the agreement.

If I read it correctly (and I seek further clarification on this), I think the minister is now saying that the government's response of April this year is that it would like to see further investigation. It says:

> The government has responded to the AEMC, indicating that there needs to be a greater consensus on the effectiveness of competition.

I seek clarification from the minister on exactly what that means. The agreement signed by the government says that the AEMC would be the one to make this judgment. It has made the judgment. What is the South Australian government's position about there needing to be a greater consensus; from whom; and how is that to be achieved?

The Hon. P. HOLLOWAY: If I can refer to the debate we had when we last visited this issue. I do not have the exact page reference in *Hansard* but, as I said yesterday, it is possible that the government could come to a different view from the AEMC on the effectiveness of retail competition and the appropriate policy responses, and I guess that is effectively what has happened. In his letter to the Chairman of the AEMC we have just referred to, the Minister for Energy made the following comments:

> I appreciate the time and effort both you and your staff have put into the review process and meeting with me over the course of its development. I acknowledge the AEMC has provided an additional level of detail in the final report for a number of the recommendations contained in the draft report. It is currently the government's intention to retain price regulations for both the electricity and gas markets in South Australia.
>
> The submissions received by the AEMC show differing views on the level of effective competition in the South Australian energy market. I note that 33 per cent of electricity and 38 per cent of gas small customers remain on standing contracts with regulated prices. Before accepting a recommendation to remove price controls, the government would want to see less polarisation of stakeholder views regarding effective competition.

And the letter continues. I trust that answers the rest of the question.

The Hon. R.I. LUCAS: Does the reference to 'less polarisation of stakeholder views' mean that the government is setting the test that there would be a lower percentage figure than the 33 per cent and the 38 per cent on standing contracts? Is that the test the government is indicating, or is it talking about companies or industries that have expressed views about the level of competition?

The Hon. P. HOLLOWAY: I think the minister was just pointing that out as an illustration of the issues, rather than indicating that that would be the definitive test.

The Hon. R.I. LUCAS: Then, if the government's position is that there needs to be less polarisation of stakeholder views, given that the AEMC did the analysis and said there was effective competition, which stakeholders in the industry disagreed with that—that is, that there was not effective competition?

The Hon. P. HOLLOWAY: I have no advice on that. The officers we have here were not involved in that particular discussion, so we would have to take that question away if the honourable member particularly wants an answer.

The Hon. R.I. LUCAS: I do seek an answer, and I am happy to accept an undertaking to provide that on notice. However, I am assuming that, whilst the detail is not here, the minister is indicating, via his advisers, that, whilst we do not know the names of those stakeholders, there were stakeholders—either businesses or associations—that were expressing a view to the South

Australian government that there was not yet effective competition in the South Australian marketplace.

The Hon. P. HOLLOWAY: Our belief is that they were consumer groups, but we would have to confirm that, particularly where some smaller groups were expressing that view.

The Hon. R.I. LUCAS: As I have said, I am happy for the minister to take that on notice. Can the minister therefore indicate that it is the South Australian government's position that, because of these stakeholder views (and the minister will provide the names of these stakeholders who do not agree with the AEMC's position that there is effective price competition in South Australia), the South Australian government, should it be re-elected, will continue price regulation for an indeterminate period, or perhaps until the South Australian government of itself makes a judgment that the polarisation has disappeared or dissipated?

The Hon. P. HOLLOWAY: My advice is that, at some stage in the future, the AEMC is likely to conduct a further review. I cannot give the honourable member any indication when, but we understand that it will be undertaking a further review in the future. I guess that the government would reconsider it then.

The Hon. R.I. LUCAS: To make it clear to the committee, as I indicated in my second reading contribution , the government has a political imperative as well—it does not want to make this decision prior to the state election in March 2010. If this government is re-elected or if there is a new government, it is entirely possible—even if this inter-governmental agreement has been signed—for a re-elected Labor government minister or a future Liberal government minister to maintain indefinitely retail price controls in South Australia, because the minister can take the view that they do not agree with the AEMC's first, second, third or fourth reviews that there is effective price competition in South Australia.

The Hon. P. HOLLOWAY: Commensurate with what I said the last time we debated this, it is possible that the government could come to a different view than the AEMC on the effectiveness of retail competition as a result of the appropriate policy responses. I suppose that if there is no shift in evidence, if I can use that word, that is possible. I suppose that one would expect that if the AEMC is doing further reviews there may be some convergence over time. One would think there would be some convergence of views over time. Theoretically, if it continues to be the view of the government, then there is that disagreement on the effectiveness of retail competition. Presumably, future governments could continue to take this position.

The Hon. R.I. LUCAS: Is there any other government in the national market that has taken a similar position? I am aware of only Victoria where the AEMC has made a decision that there was effective competition in the Victorian market, but there may well be others; I am not sure. Have any other governments taken a view similar to the South Australian government's view, that is, even though the AEMC has conducted a review that says there is competition, the government has disagreed and has therefore not abolished retail price controls?

The Hon. P. HOLLOWAY: My advice is that, at this stage, only Victoria has price control, but I understand that there will be future reviews in New South Wales and Queensland. Following the review, price controls have been removed in Victoria, but in New South Wales and Queensland the review has not yet considered those jurisdictions.

The Hon. R.I. LUCAS: That is all on that issue. The next issue relates to the structure of the AEMO. I was asking about the 60 per cent vote for jurisdictions and the 40 per cent vote for industry membership. My recollection of the structure of NEMMCO, which AEMO replaces, is that you have a board of NEMMCO with a chair, a chief executive and the staff who do all the hard work underneath. Is AEMO to be structured similarly, that is, a board, a chair, a chief executive and all the people doing the work underneath?

The Hon. P. HOLLOWAY: I am advised that there will be a board, a chair, a managing director and staff beneath that, and 10 directors.

The Hon. R.I. LUCAS: When we are talking about the jurisdictions having 60 per cent of the voting rights at a meeting, I assume we are talking about a meeting of the board of directors.

The Hon. P. HOLLOWAY: This would be at a special general meeting, so it would not be the directors but, rather, the members. The directors are appointed by the Ministerial Council of Energy, but there are two classes of shareholders: the first being the seven jurisdictions that have 60 per cent of the vote and the second being the industry members that have 40 per cent of the vote.

The Hon. R.I. LUCAS: In terms of the ongoing operation of AEMO, there will be a board of 10 directors but, in relation to the 60/40 per cent, are we talking about an annual shareholders' meeting in relation to the general policy directions of AEMO? If that is the case and the 60 per cent is to be the seven jurisdictions, are we saying that the shareholders' meeting will be one representative of each of the jurisdictions, each with about 8 per cent of the vote, and 40 per cent vote for industry membership? Who are the industry members of AEMO? Are they individual companies? Are they industry associations? How do you come to be an industry member of AEMO?

The Hon. P. HOLLOWAY: The industry shareholders are registered participants in both the electricity and gas industries who apply to be members. No-one has yet applied so we do not know who they are. Collectively, they will have 40 per cent of the vote and the seven jurisdictions will have 60 per cent of the vote, distributed equally amongst the seven of them.

The Hon. R.I. LUCAS: First, from what the minister seems to be saying on advice, if an individual company such as AGL, or any electricity or energy company, a retailer, was to apply to be a member, they can be a member. Who either accepts or rejects applications for membership of AEMO? Secondly, can industry associations, such as ESAA and the national generators forums, and those sorts of bodies, be industry members, as well, of AEMO?

The Hon. P. HOLLOWAY: The short answer is that those industry associations cannot be a member, but any of the registered participants within the meaning of section 2 of the National Electricity Law can apply for admission as an industry member. Perhaps I will put it this way: in the case of an application for admission as an industry member, it is a person who is a registered participant within the meaning of section 2 of the National Electricity law; or is a registered participant within the meaning of section 2 of the National Gas Law; or is a service provider within the meaning of section 2 of the National Gas Law; or is required to provide information to the operator of the National Gas Services Bulletin Board under section 223 of the National Gas Law.

The Hon. R.I. LUCAS: To whom do you apply? Who rejects you?

The Hon. P. HOLLOWAY: The directors of AEMO would make that decision.

The Hon. R.I. LUCAS: The ministerial council would set up the directors of AEMO and then there would be applications from registered participants, saying, 'We want to be an industry shareholder,' and it would be up to the ministerial council's nominees or directors on the board of AEMO either to accept or reject, based on some rules or guidelines.

The Hon. P. HOLLOWAY: They will decide it in accordance with the constitution.

The Hon. R.I. LUCAS: I confess my ignorance in relation to the structure of AEMO; I had not realised we had a second level. In relation to the 10 directors, are they jurisdictional representatives and industry representatives or is there no restriction on the ministerial council in terms of who these directors are going to be? Is it possible that the ministerial council employed 10 bureaucrats, departmental advisers from each of the jurisdictions, to be the sole directors of AEMO?

The Hon. P. HOLLOWAY: I am advised that the 10 board members have been appointed to the AEMO transitional board. Following the passage of this legislation they will be transferred on 1 July. They are: Dr Thomas Parry (chair), Matt Zema (managing director), Ian Fraser, Leslie Hosking, Greg Martin, Patricia McKenzie, Karen Moses, Kathryn Spargo, Michael Lavarch, and Dr Michael Sargent AM. There is I believe a skills matrix with which they have to comply, six of those directors must be independent of the industry, and the whole 10 must not represent any particular jurisdiction.

The Hon. R.I. LUCAS: I do not recognise all the names. A number of those obviously have past experience within the electricity industry, but the minister has made it clear that none of the 10 are jurisdictional representatives. I take it that none of the 10 are currently advisers or departmental representatives of governments within the national electricity market.

The Hon. P. HOLLOWAY: That is my advice.

The Hon. R.I. LUCAS: Under this process, the 100 or 200 registered participants seek application to be industry participants for this 40 per cent voting right. Let us say that they are all approved. Can the minister indicate how at the general meeting the 40 per cent vote works? You have 200 separate interests (from AGL through to the smallest possible electricity company), you

have transmission providers, generators and retailers. How do they agree to vote their 40 per cent, or does it all just get divided up by the number 200 and they have half a per cent of the vote each?

The Hon. P. HOLLOWAY: As I indicated earlier, they have equal voting rights. So, if they are a registered participant, they each get the same vote. So if there are N companies, they get 40 over N of the vote each.

The Hon. R.I. LUCAS: Under the current operations of NEMMCO (and, therefore, AEMO) the main task is to operate the national market, to run it as an ongoing operational business throughout the year. So, the directors are clearly going to be taking most of those decisions on a daily, weekly or monthly basis, controlling the staff. What are the sorts of decisions that the shareholders' meeting (the 60 per cent and the 40 per cent) is intended to take?

The Hon. P. HOLLOWAY: A member of AEMO can do five things. They can dismiss directors, although greater than 50 per cent of members would need to vote in favour of that; they can set directors' pay; they have the power to call a general meeting; they can alter the constitution, although more than 75 per cent of members need to vote in favour to do that; and, because it is a shelf company, they can contribute to the winding up of the company.

The Hon. R.I. LUCAS: I take it that one of their powers is that they can wind up AEMO.

The Hon. P. HOLLOWAY: If the board decides that it has finished its job, that is what it would have to do. I do not think we are expecting that to happen, but it has to be part of any constitution of any organisation. You have to allow for the disbursement of assets in the event of its finalisation, but we do not expect it to happen.

The Hon. R.I. LUCAS: I take it from the second function or power that this shareholders' meeting (if I can refer to it that way; I am not sure whether it is the correct description) will have the power to reject executive pay increases or salary increases. I think that is clear from what the minister has said. I would assume it has no power in relation to either the appointment or dismissal of the chief executive and that that would remain a board function.

The Hon. P. HOLLOWAY: The managing director is a board member, so I am not sure; we would have to check. We are trying to check the constitution. It would appear that directors can remove the managing director.

The Hon. R.I. LUCAS: Shareholders presumably can, as well.

The Hon. P. HOLLOWAY: It would appear not: it is only the director. If there is anything different, we will check. Our understanding is that the managing director, even though he is a director, can be removed only by the other directors. We will confirm that.

The Hon. R.I. LUCAS: I am happy for the minister to take that on notice and confirm that advice or anything different, but specifically I want to know whether a shareholders' meeting can dismiss the managing director, given that the managing director is a member of the board of directors of AEMO. Finally, in relation to the powers of the shareholders' meeting, I think the minister indicated that it had the power to vary the constitution of AEMO, I presume. In doing so, does it therefore have the power if it gets this 75 per cent vote to change the 60 per cent/40 per cent voting division between jurisdictions and industry participants?

The Hon. P. HOLLOWAY: We will confirm that. It is probably best that we look at this in some detail.

The Hon. R.I. LUCAS: I am happy to receive an undertaking, perhaps in writing after the debate confirming the answer to that. If that is the case, it is possible that the 40 per cent industry shareholders, together with three or four of the jurisdictions, could combine to get the 75 per cent vote required to change the constitution to change that number, which may or may not be in the interests of a smaller jurisdiction such as our own.

The Hon. P. HOLLOWAY: We have been able to check, and it does appear that, apparently, the formula for the voting rights, the 60/40 rule (it actually reminds me of the ALP at one stage, which had a 60/40 voting rule and it was 75/25) is part of the constitution, so obviously that could be changed, but obviously it needs 75 per cent of the vote. Presumably, if jurisdictions did it, that would have broader implications for the whole agreement. I think we probably do not need to go into that.

The Hon. R.I. LUCAS: I thank the minister for that. The next issue that was canvassed was in relation to—I think in the second reading explanation—the reference to AEMO in terms of

making submissions. I am just clarifying that the bottom line of the minister's reply is that we are talking about the capacity for AEMO to make submissions to the Australian Energy Regulator on various issues. Is that correct?

The Hon. P. HOLLOWAY: Yes, but in addition AEMO will have to comment on regulatory test proposals. For infrastructure investment they will be able to comment on those proposals as well.

The Hon. R.I. LUCAS: Is this a new power, that is, NEMMCO did not have the capacity to make similar submissions and this rewrite is now providing a new power for its replacement body, AEMO, to make these submissions?

The Hon. P. HOLLOWAY: I understand it could, but this makes it more explicit and specific in the national electricity rules. However, it could do it previously.

The Hon. R.I. LUCAS: If it could do it, did it make submissions in the sort of examples the minister's advisers are indicating? Did NEMMCO make submissions in relation to these issues?

The Hon. P. HOLLOWAY: My advice is that that was not generally the case, because it did not previously have the function of enhanced transmission planning. Now that that function is enhanced, obviously that power will become more important, and that is why it is made explicit in the rules.

The Hon. R.I. LUCAS: The next issue raised related to the AEMO regional office. I thank the minister and his advisers for the answer to the related question on whether there was a requirement on any of our intergovernmental agreements to repeal ESIPC, and the answer is no, but nevertheless this package is proceeding with the repeal of ESIPC. The minister's reply indicates that all the staff of ESIPC are transferring to AEMO, and that the chief executive has been appointed to a senior executive position of AEMO. Is the chief executive of ESIPC going to be the head of the AEMO regional office in South Australia or has he been appointed to a senior executive position of AEMO, wherever AEMO's headquarters will be—I presume in Melbourne?

The Hon. P. HOLLOWAY: My advice is that he will have a national executive position, but located in Adelaide.

The Hon. R.I. LUCAS: What is the government's knowledge of what the senior operational executive position in South Australia will be? I presume the chief executive is still David Swift. If he is to be located in Adelaide but have a national senior executive position, what is the most senior position in the South Australian regional office; has a person been designated to undertake that position as soon as this legislation goes through; and what authority will that most senior position have in South Australia in relation to the functions we will be seeking for the regional office of AEMO?

The Hon. P. HOLLOWAY: My advice is that Mr Swift will be the senior officer in the Adelaide office and the AEMO contact in relation to local issues, but he will have a national function as well. I think his national title is manager, regulatory development, but effectively he will be the regional contact and head of the office here in Adelaide.

The Hon. R.I. LUCAS: When the South Australian government is seeking advice from AEMO—and the minister's second reading explanation indicated that some of the ESIPC functions in terms of providing advice for South Australia will be provided by AEMO—will the South Australian government and its minister direct Mr Swift as the most senior officer in relation to these issues? What will be the process of interaction between the South Australian minister and AEMO in relation to the specific functions relating to South Australia?

The Hon. P. HOLLOWAY: The formal powers are provided under section 50B, relating to additional advisory functions, and under that section the minister can require a report, as I think was mentioned earlier. The presumption is that that would involve the managing director of AEMO.

The Hon. R.I. LUCAS: That adds to the concerns I expressed on the second reading, namely: how will it be possible under this model for people who are working for a national regulatory body such as AEMO to, at the same time, put on a South Australian hat and provide advice to the South Australian government and minister? I would have thought that, if there are relevant South Australian senior officers such as Mr Swift (or his replacement in future), the South Australian minister would be able to seek advice directly there.

The answer we have been provided with is that, in essence, a future South Australian minister would have to go to the managing director in Melbourne and through the managing

director in Melbourne, I assume, request that work be undertaken to advise the South Australian government. As I said, I think that places South Australia in a much weaker position in terms of getting comprehensive, expert and prompt advice, as we have in the past from ESIPC.

The officers, such as Mr Swift and others, will then, I assume, be placed in a position where they are undertaking their expected work on behalf of AEMO. As the minister has indicated, Mr Swift will have a national director's position, a national regulatory function—

The Hon. P. Holloway: Corporate development.

The Hon. R.I. LUCAS: Corporate development—for which he will be responsible for the whole market, not just South Australia. That will be, in essence, almost a full-time job. The South Australian minister will then say to the managing director, 'We want Mr Swift and his team to do some work to advise the South Australian government on particular issues,' and that team will then have to try to meet that particular additional work requirement over and above its national responsibilities as well.

The concerns I expressed in the second reading debate, and I do so again today having received this reply, is that inevitably we in South Australia, being one of the smaller jurisdictions at one end of the national electricity market, will not be in a position to get the sort of advice and expertise that we have in the past. I have expressed my reservations on that and confirm them on the basis of the replies that the minister has given in the committee stage.

The Hon. P. HOLLOWAY: I will make one comment on that before we let it rest. It should be pointed out that that, as I understand it, South Australia is the only state that has section 50B, the particular provision for requesting that information, so that should allay some of the fears. The reality is that the officers who were doing the work previously for the Electricity Supply Industry Council are doing the work for AEMO, and Mr Swift will effectively be the head. I do not think it would be any different if one looks at some of the commonwealth departments or agencies, for example, Telstra; you have your local heads, and they do their function here. I do not think it will impact at all at an operational level in terms of the service that we would get.

The Hon. R.I. LUCAS: We will agree to disagree and I will not prolong the debate or the argument. I do not accept the minister's argument on that, but let us leave it at that. The next issue that was canvassed was why the Victorian transmission revenue was not subject to approval by the AER. I must admit that I have now looked twice at the minister's response and I am still not clear, in simple terms, as to why that is not the case. The minister states in his reply:

> The AER will continue to regulate the majority of electricity transmission revenue in Victoria.

Yet, as I said, the minister, in his second reading explanation, states:

> Relevant amendments to chapter 6A of the NER will ensure that AEMO's revenue for its Victorian TNSP function is not subject to approval by the AER.

Can the minister, in simple terms, if it is possible, explain how he says that AEMO's revenue for its Victorian TNSP function is not subject to approval? Can he also respond to my question about whether the AER will continue to regulate the majority of electricity transmission revenue in Victoria?

The Hon. P. HOLLOWAY: I will try to explain it. There are two bodies, and I referred to those in my answer. One is SP AusNet, which owns the assets in Victoria. It has 85 per cent of the revenue, and that will be regulated by the AER. In relation to AEMO—and we have had the planning functions—that is not subject to regulation, but it approves the pricing methodology. The costs of SP AusNet are already passed through and have already been regulated once. They are regulated by the AER as costs are passed through, so in that sense they are regulated but they are not double regulated because SP AusNet, with 85 per cent of the revenue, is already regulated by AER. I think that is a reconciliation of the points.

The Hon. R.I. LUCAS: I was going to ask a question on clause 11, which, from the minister's reply, may well impact on the questions that I am asking. Clause 11 provides:

> However, the AER—
>
> (a) cannot make a transmission determination—
>
> (i) regulating the revenue AEMO earns or may earn.

What revenue does AEMO earn from a transmission determination? To me, AEMO is a replacement for NEMMCO, which is a market operator; I may be wrong but I was not aware that NEMMCO, for example, earned revenue from transmission determinations.

The Hon. P. HOLLOWAY: The reason for this change is that VENCorp has now moved up into AEMO. Previously, VENCorp would have been a transmission network service provider (TNSP). That now becomes part of AEMO, so that is where it captures that revenue, from services they purchase off SP AusNet and other parties.

The Hon. R.I. LUCAS: So previously NEMMCO could not earn revenue, and it is because of these changes that AEMO is earning revenue?

The Hon. P. HOLLOWAY: Yes.

The Hon. R.I. LUCAS: I thank the minister and his advisers for that explanation. I could not work out how AEMO was earning revenue when I understand NEMMCO was not earning revenue. That clarifies those issues for me.

I turn now to the vexed issue of load shedding. I had a series of questions on this that relate to various clauses later in the bill—36 to 43 or 44—but I will raise the issues here, because it is still unclear to me. The minister's reply was that the Office of the Technical Regulator in South Australia will now be the jurisdictional system security coordinator. Was ESIPC the jurisdictional system security coordinator in South Australia up until now?

The Hon. P. HOLLOWAY: Yes.

The Hon. R.I. LUCAS: So, the Office of the Technical Regulator will be the new jurisdictional system security coordinator. If I understand it correctly, the minister's advice to the committee is that, under the new arrangements, the Office of the Technical Regulator will make the decisions in relation to load shedding—that is, which suburbs will be cut off, in which order, and on what basis—and it will do that completely independently of the South Australian government or any other national body.

The Hon. P. HOLLOWAY: Yes; it determines the load shedding list, so it is independent.

The Hon. R.I. LUCAS: I asked this question in my second reading contribution, but I want to explicitly nail it because it was an issue of public dispute and controversy with the recent load shedding—

The Hon. P. Holloway: I remember it well.

The Hon. R.I. LUCAS: You are a bit similar to me when I was minister: everything went wrong when you were acting minister. Under these arrangements, will a future minister have the power to direct the OTR in relation to changing the load shedding order? That is, a minister might say, 'I don't want Thebarton to be cut off first; I want the leafy suburb of Toorak Gardens to be cut off first', or vice versa (depending on who is the minister). Also, 'Whatever decision you take I want you to indicate publicly that this is the order, that you are going to knock off Thebarton, Richmond, Prospect and Toorak Gardens in this particular order.' I put that question in my second reading contribution, and the best I got from the minister was:

> The Electricity Act 1996 does not expressly provide for a power of control and direction of the Office of Technical Regulator by the minister.

I would like to know the government's legal advice. It clearly says that the Electricity Act does not provide the power, but does that mean that under some other provision the minister has the capacity to direct the OTR in both those areas?

The Hon. P. HOLLOWAY: My advice is that there is no express power of direction in the act, and I can certainly say that there were no directions in relation to that. However, I am aware that there are a number of issues that come into this. For example, it is not necessarily suburbs; the electricity boundaries do not conform directly with suburbs, so that makes it complicated for a start. It depends on feed lines. There are also some essential services, like hospitals, which are critical facilities that will not be cut off. It basically just rotates around from the list.

It is very difficult, as I discovered at the time; you do not know how big, or how much load has to be shed. You might have to shed twice as much, and that means twice as many suburbs—or half as many, depending on the actual load that needs to be shed. So, giving advance notice is a much more complicated issue than it appears on the surface.

The Hon. R.I. LUCAS: As a former minister I understand the issues about which the minister is talking; the Victorian power unions pulled the plug on the national grid many years ago and we had to load shed at virtually negligible notice. However, the current minister indicated (and I think the Premier did, as well) that he had no problems with the release of this list but that ESIPC had decided it would not release it; he said that either he did not have the authority to order it to do so or that he would not order it to do so. While I can understand the Leader of the Government's position, the current minister expressed the view, when there was a media campaign on it, that he did not have a problem with the list being released.

The Hon. P. HOLLOWAY: I do not think there is so much a problem with releasing the list, but obviously it is the decision of the Office of the Technical Regulator. However, I suppose—and, again, I can comment, as the minister at the time—the question is of what value that list is. It does not give a lot of information.

The view I expressed when I was asked about it (and I remember it clearly) is that you would like as much information out there as possible, and you would want that information to be as helpful as possible to consumers. However, it became obvious to me that there were constraints because of time. I think the last total load shedding was about 100 megawatts for about an hour, and then a lower amount of shedding but for a little more time. Clearly, that is the complexity. In this case, the load dropped out in Tasmania—it was Basslink, if I recall correctly—and you do not get a lot of time to respond in relation to an event like that and, clearly, you have to shed sufficient load to keep the system stable. Obviously, your capacity to let people know is limited, so it is one thing I do not think the government, in principle, has any problem with in respect of a general view of the list and how the system is done. The problem is getting helpful information out there to consumers at the time they need it. The difficult part is that, with these things, you do not generally have advance notice.

The Hon. R.I. LUCAS: I understand the minister's position and arguments on that issue. In relation to the Office of the Technical Regulator, can the minister indicate who is the technical regulator at the moment, how many officers are in the Office of the Technical Regulator, are they attached to a particular portfolio and do they report to a particular minister at the moment?

The Hon. P. HOLLOWAY: Rob Faunt is the Technical Regulator and has been for some time. He is in the Energy Division of the Department for Transport, Energy and Infrastructure (DTEI), and I believe that there are about 30 officers. If it is substantially different, we will correct it.

The Hon. R.I. LUCAS: Can the minister indicate that it is within the Energy Division of DTEI?

The Hon. P. HOLLOWAY: Yes.

The Hon. R.I. LUCAS: Given that the Technical Regulator and his officers are located within the Energy Division of DTEI, is he answerable to the Chief Executive of DTEI, or senior officers within DTEI, for either staffing or resources of the Office of the Technical Regulator?

The Hon. P. HOLLOWAY: My understanding is that he is employed as a PSM act employee, so that means that, yes, he is subject to those provisions.

The Hon. R.I. LUCAS: In relation to the independence issue of the Office of the Technical Regulator, if the Technical Regulator is a PSM act employee subject to the direction of the Chief Executive of DTEI, what is it that prevents the Chief Executive of DTEI or other chief executives directing one of their employees under the Public Sector Management Act in relation to all issues relating to the office?

The Hon. P. HOLLOWAY: He is a statutory officer and has those powers. I think we had a similar debate in relation to this. The Hon. Mr Darley is not here, but I think the Valuer-General was another case where we appointed someone, probably in the same department, actually. I know there are other officers in similar positions who have these statutory functions but are PSM act employees.

The Hon. R.I. LUCAS: But they are not subject to direction by the chief executive.

The Hon. P. HOLLOWAY: We do not have legal advice on that, but I think the assumption is that, if they have a statutory obligation, their function is mentioned in the act; it is in the electricity act. I am not a lawyer and, not having had legal advice, I will not attempt to provide an answer to that question.

The Hon. R.I. LUCAS: It may well be that the minister says that he cannot do so, but I would be happy if that question could be taken on notice and directed to the Office of the Technical Regulator; and perhaps I or the committee can be advised in writing at a later stage. I assume they have had legal advice over the years in relation to their statutory position and how that will or will not be impacted by this legislation.

I am assuming, for example, that in relation to staffing and resources, he is nevertheless subject to direction from the chief executive and the government. The critical issue of staffing and resources is obviously an issue. I assume that he is subject to the decisions of the chief executive and the government generally, but I wonder whether the minister is prepared to at least refer my observations and questions, through his officers, to the Office of the Technical Regulator to see whether we might be able to get some clarification.

The Hon. P. HOLLOWAY: I can get it clarified. However, Mr Hallion has been the chief executive of my department for a couple of years, and I have enough faith in him to know that he would be well aware of the functions, and he would thoroughly respect those statutory obligations. I am sure the person holding the position of Technical Regulator would discuss these things. I would find it inconceivable that you would get that sort of conflict. However, if there is any further information, we will seek to obtain it.

The Hon. R.I. LUCAS: I accept the point. I am making no criticism of Mr Hallion, but Mr Hallion, like all of us, will not live forever. This legislation may well last for longer than either his, the minister's or my mortality. If the minister is prepared, through his advisers, to at least refer my observations and questions to the Office of the Technical Regulator for a response, I would hope we could get some sort of response.

The next issue that was raised was in relation to the MIOs and MINs in this comprehensive reply from the minister to those issues. The minister has acknowledged that there is still ongoing industry concern about the final position of the ministerial council and senior officers in relation to the use of MIOs and MINs in terms of demanding extra information, and I will not waste the time of the committee by going through the number of representations that industry representatives have continued to make about that. So, whilst there was some movement by the ministerial council and senior officers, industry is still concerned about this. What is still not clear to me is: what is the government's view as to what was wrong with the current system?

The very strong view from industry is, 'Hey, we have willingly complied with the current arrangements with NEMMCO and various other planning bodies and provided information.' Is it the contention of this and other governments that some companies and industries were not complying with requests for what was deemed to be important information to these bodies because, as I said, that is strongly contested by the industry representatives who have spoken to the opposition?

The Hon. P. HOLLOWAY: It is the government's view that there should be clear powers in relation to gathering information. It should be clear that you have the right to do it, but it is not reflective in any way that the system has not worked to date. It is simply government's belief—and I assume that of other jurisdictions—that the powers should be clear. I guess it is not unlike a lot of other legislation where governments have strong powers in relation to information, but very rarely are those sorts of powers used.

The Hon. R.I. LUCAS: The industry view is that there has been no problem. I place on the record that I agree with the industry position; that is, if there has not been a problem, why make these changes which have created this angst among industry representatives in relation to the additional powers that these bodies will have to demand information from industries that operate in the market? Clearly, if there was a problem—if some renegade companies were not complying and not providing information to enable sensible planning of the national grid, and those sorts of issues—one could see the argument. But if the minister is now confirming what the industry has been saying, 'Hey, there hasn't been a problem', it defies common sense and logic that we would create this angst for what appears to be no specific purpose.

The Hon. P. HOLLOWAY: Before we move on, I point out that the Electricity Supply Industry Planning Council had very broad powers, and I presume that is under the legislation we have had for some time. That would require information. If we had not uplifted those powers in the new body we would be going back, I guess, on the powers that we currently had. It is the government's view that we are simply incorporating those powers that the Electricity Supply Industry Planning Council had and lifting those up into AEMO, but in that sense it does not really represent a new power.

The Hon. R.I. LUCAS: The last question I have relates to the question I asked about the additional immunity in relation to software. If I understand his reply, the minister is saying that this is not really an additional power: it has just been moved from the national electricity rules into the national electricity law. Is that a correct understanding of the minister's reply?

The Hon. P. HOLLOWAY: Yes, it is.

Clause passed.

Remaining clauses (2 to 53) and title passed.

Bill reported without amendment.

Bill read a third time and passed.

STATUTES AMENDMENT (AUSTRALIAN ENERGY MARKET OPERATOR) BILL

Adjourned debate on second reading.

(Continued from 16 June 2009. Page 2640.)

The Hon. P. HOLLOWAY (Minister for Mineral Resources Development, Minister for Urban Development and Planning, Minister for Small Business) (16:51): I thank members for their contributions. We addressed the issues in the debate on the previous national electricity bill. Again, I thank members for their contributions to this broad debate and commend the bill to the council.

Bill read a second time and taken through its remaining stages.

NATIONAL GAS (SOUTH AUSTRALIA) (NATIONAL GAS LAW—AUSTRALIAN ENERGY MARKET OPERATOR) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 3 June 2009. Page 2540.)

The Hon. P. HOLLOWAY (Minister for Mineral Resources Development, Minister for Urban Development and Planning, Minister for Small Business) (16:52): We have considered the contents of this bill in the cognate debate about the national electricity amendment bill and also the Statutes Amendment (Australian Energy Market Operator) Bill. I thank all members for their contributions to the cognate debate and commend the bill to the council.

Bill read a second time and taken through its remaining stages.

SERIOUS AND ORGANISED CRIME (CONTROL) ACT

The Hon. P. HOLLOWAY (Minister for Mineral Resources Development, Minister for Urban Development and Planning, Minister for Small Business) (16:54): I table a copy of a ministerial statement relating to the Serious and Organised Crime (Control) Act made earlier today in another place by my colleague the Attorney-General.

ROYAL ADELAIDE HOSPITAL

The Hon. G.E. GAGO (Minister for State/Local Government Relations, Minister for the Status of Women, Minister for Consumer Affairs, Minister for Government Enterprises, Minister Assisting the Minister for Transport, Infrastructure and Energy) (16:54): I table a copy of a ministerial statement relating to the Royal Adelaide Hospital made earlier today in another place by my colleague the Minister for Health.

ROAD TRAFFIC (MISCELLANEOUS) AMENDMENT BILL

In committee (resumed on motion).

(Continued from page 2726.)

Clause 1.

The Hon. D.W. RIDGWAY: Earlier today the minister said that the government had agreement with the Civil Contractors Federation about the future application of IAP in relation to non-daylight hours. I have been advised since we last sat that there is some debate within the civil contractors group as to the level of agreement it has reached with the government. Will the minister clarify exactly what has happened? My understanding is that the department and the civil contractors have had three or four meetings but have not reached agreement at this time.

The Hon. G.E. GAGO: Indeed, no decision has yet been made. As I indicated, discussions are still occurring. The only agreements that have occurred are those of an in-principle nature. No decisions have been made and discussions will continue.

The Hon. D.W. RIDGWAY: I want to explore the broader application of IAP. Let us assume that the legislation is supported. Will IAP provide opportunities at some point in time with technology to look at fatigue management—trucks are going, trucks are not, when they are stopped, when the drivers are resting. The industry has raised a range of other issues with me. For example, the freight council wrote to me about greenhouse emissions. Is it likely that at some point in the future—five, 10 or 20 years—the technology will be used to monitor a range of other truck activities?

The Hon. G.E. GAGO: As previously outlined, included in the model legislation currently is the route compliance, time of day and speed. That is what is in the current model legislation. Work currently under development includes monitoring of mass and monitoring of vehicle configuration. If they were to be incorporated or covered by an IAP, that is, the mass and vehicle configuration, this legislation would require amendment, so currently it would not be able to cover that. In relation to carbon emissions, there is no current intention to use IAP to monitor vehicle carbon emissions and, again, to do so an amendment to the national model legislation would be required.

The Hon. D.W. RIDGWAY: What about fatigue management?

The Hon. G.E. GAGO: I am advised that the NTC is currently working on development of technology to see whether it could be applied to fatigue but, again, if IAP were to accommodate these changes, amendments would have to be passed and agreed to, to be able to accommodate it.

The Hon. D.W. RIDGWAY: I understand that it is obvious the NTC is looking at it but, if you were to incorporate fatigue management then, as standard national legislation, surely you would need to have rest areas and all the other things that are provided by government—not food, but rest areas that provide the opportunities for fatigue management to be able to be used properly and, I assume, to have standardisation across the industry.

I realise this is a little off at a tangent, and the minister may want to take it on notice, but a criticism is that fatigue management has been largely designed for the transport of freight from Adelaide to Melbourne, Melbourne to Sydney and Sydney to Brisbane; it fits those eight to 10 hour routes. There is difficulty going from Adelaide to Brisbane, Adelaide to Darwin and Adelaide to Perth, because they are longer routes, and I am told that when you get to the South Australian and Western Australian border there are different rules. I think it is a 14-hour maximum day in South Australia and 17 hours in Western Australia, so there are some issues when drivers cross the border. I understand it has nothing to do with this legislation, but it is a good opportunity to ask the questions.

The Hon. G.E. GAGO: Obviously, there are many issues associated with fatigue. No doubt, in the current considerations that the NTC is involved in, these matters are being looked at through that process. I am happy to take the question on notice if I can provide any further detail that would be of assistance. However, the bill in front of us really does not relate to fatigue at this time, as I have qualified.

The Hon. D.W. RIDGWAY: I understand that, and this is the last question I will ask on fatigue. Is there a standard design for truck rest stops that the department wants to construct and build? One of the criticisms I receive as shadow minister is that there is inadequate provision for rest stops on these major routes. It is only sensible to undertake a proper fatigue management program. I would be interested to know whether there is a standard design, what is the number of truck spaces and how they are put together. I am happy to have you take that on notice.

The Hon. G.E. GAGO: I am happy to take that on notice.

Clause passed.

Clauses 2 to 5 passed.

Clause 6.

The Hon. D.W. RIDGWAY: I move:

Page 3, lines 18 to 39, and page 4, lines 1 to 4 [clause 6, inserted section 110AC]—Delete section 110AC.

My amendment has the effect of deleting the IAP program from this piece of legislation. I understand that it is national legislation and a national framework. I have spoken to the industry. It has not had a chance to look at the minister's responses, which I have given to it verbally. If this amendment is successful in this chamber and it is deleted, we would negotiate between the two houses and give the industry a chance to sit down with the department and the minister.

The questions I have been raising on its behalf about its being voluntary, new acts and relating only to new routes are issues that have been raised with me. If the technology to which the minister alluded is under development for monitoring mass and configuration, once that technology is available then the IAP absolutely could be used on the serious and repeat offenders who are breaching the rules all the time, rather than where it appears we are heading now.

There are still unanswered questions. The industry and the opposition in principle support it. We understand that the government wishes to have this through by the end of the financial year. That gives us two weeks and we can deal with it when we come back, which will give the industry, the departmental officials and the minister the chance to sit down and negotiate.

One of the minister's advisers spoke to Mr Steve Shearer from the Road Transport Association at the budget lock-up and was a little surprised that the opposition was moving this amendment but conceded that it was an issue that had been raised by the Road Transport Association for some 18 months and, at the end of the day, they acknowledged that more work needed to be done. In moving that we delete the IAP, I indicate that we are trying to get all parties back to the table to thrash out some of these issues prior to a message coming back from the House of Assembly.

The Hon. R.L. BROKENSHIRE: I give notice to the minister that on this occasion Family First will support the opposition amendments. We are not opposed to the concept, and this has nothing to do with the minister in this place, because she is really a messenger for a minister in another place and is merely doing the minister's work here as part of her duties. There are too many imposts on industry at the moment, and the work must be done in consultation, collaboration and cooperation. We are hearing from industry that that has not happened yet. There is a way forward, and Family First would revisit this and look at supporting the government if it goes back to the other place and more work is done with SARTA to give a fair and reasonable outcome. We would look at expediency in supporting the government once the homework has been done. That is our position.

The Hon. G.E. GAGO: My understanding is that we are looking to have this through by the end of this financial year. We do not sit again until 2 July. I understand that this bill is required to pass both houses by the end of this financial year, and that would not allow us the necessary time to do that. I have outlined in no uncertain terms the importance of this scheme and the fact that it does not create imposts. I cannot believe we have a member still coming back into the chamber after all the debate and clarification I have put on the record and claiming that there is an impost. It is quite bizarre and irresponsible. Nevertheless, we need to proceed.

This is a commitment we have given to try to deliver by the end of this financial year. It is an embarrassment for the opposition and Family First to have accidentally positioned themselves in this way. They will end up being very embarrassed by this. They have failed to understand this legislation and are now desperately looking for a face-saving way out. We need to proceed to a vote.

The Hon. D.W. RIDGWAY: In response to the minister, it is interesting that it must be through by the end of the financial year, yet we received it only the last sitting week. This is national framework legislation. The minister claimed that it has been implemented in New South Wales; it has not, but it has been passed in New South Wales, Victoria and Queensland. If it was nationally agreed at COAG and by the ministers, I am dumbfounded why it has taken until late May for it to be introduced at the 11th hour, plus some, in the House of Assembly.

We have tried to do it as quickly as we could in this chamber. We understood a commitment was given, but it is a bit rich to blame the opposition and saying we will be embarrassed, that we are holding up the process and frustrating it, when clearly it has been introduced, passed and dealt with in other states while we are given only a matter of days to do it. The opposition will not be embarrassed; in fact, we are standing up for proper, robust scrutiny of the legislation.

The committee divided on the amendment:

AYES (10)

Brokenshire, R.L.	Darley, J.A.	Dawkins, J.S.L.
Hood, D.G.E.	Lawson, R.D.	Lensink, J.M.A.
Ridgway, D.W. (teller)	Schaefer, C.V.	Stephens, T.J.
Wade, S.G.		

NOES (8)

Bressington, A.	Finnigan, B.V.	Gago, G.E. (teller)
Gazzola, J.M.	Holloway, P.	Hunter, I.K.
Parnell, M.	Zollo, C.	

PAIRS (2)

Lucas, R.I.	Wortley, R.P.

Majority of 2 for the ayes.

Amendment thus carried; clause as amended passed.

Remaining clauses (7 and 8) and title passed.

Bill reported with amendment.

Bill read a third time and passed.

WATERWORKS (RATES) AMENDMENT BILL

The House of Assembly agreed to the alternative amendment made by the Legislative Council without any amendment.

At 17:28 the council adjourned until Thursday 2 July 2009 at 11:00.