LEGISLATIVE COUNCIL

Tuesday 7 June 2011

The PRESIDENT (Hon. R.K. Sneath) took the chair at 14:18 and read prayers.

HEALTH SERVICES CHARITABLE GIFTS BILL

His Excellency the Governor assented to the bill.

SAFE DRINKING WATER BILL

His Excellency the Governor assented to the bill.

CORPORATIONS (COMMONWEALTH POWERS) (TERMINATION DAY) AMENDMENT BILL

His Excellency the Governor assented to the bill.

CORONERS (REPORTABLE DEATH) AMENDMENT BILL

His Excellency the Governor assented to the bill.

SUMMARY OFFENCES (PRESCRIBED MOTOR VEHICLES) AMENDMENT BILL

The Hon. G.E. GAGO (Minister for Regional Development, Minister for Public Sector Management, Minister for the Status of Women, Minister for Consumer Affairs, Minister for Government Enterprises, Minister for Gambling) (14:20): By leave, I move:

That the sitting of the council be not suspended during the continuation of the conference on the Summary Offences (Prescribed Motor Vehicles) Amendment Bill.

Motion carried.

The PRESIDENT: The cameraman should be careful that it does not fall over the side and hit the Hon. Mr Darley on the head.

There being a disturbance in the Strangers' Gallery:

The PRESIDENT: Order! You might aim it only at people who are on their feet.

ANSWERS TO QUESTIONS

The PRESIDENT: I direct that the following written answer to a question on notice be distributed and printed in *Hansard*.

PREMIER'S COUNCIL FOR WOMEN

186 The Hon. J.M.A. LENSINK (24 November 2010).

1. How many times has the Premier's Council for Women met in 2010?

2. (a) How many media releases have been made in the name of the Premier's Council for Women in 2010; and

   (b) What issues did they refer to?

3. How many women attended the following Premier's Council for Women public forums on the update of South Australia's Strategic Plan—

   (a) Naracoorte (22 June 2010);

   (b) Adelaide City (29 June 2010);

   (c) Adelaide North (21 July 2010);

   (d) Adelaide South (7 August 2010); and

   (e) Port Augusta (31 August 2010)?

4. How many Premier's Council for Women members attended each meeting?

5. How many women attended the following forums—

   (a) Tailem Bend (24 August 2010);

   (b) Adelaide City (11 August 2010);

(c) Adelaide City (8 September 2010); and

(d) Adelaide City (14 September 2010)?

6. How many Premier's Council for Women members attended each meeting?

The Hon. G.E. GAGO (Minister for Regional Development, Minister for Public Sector Management, Minister for the Status of Women, Minister for Consumer Affairs, Minister for Government Enterprises, Minister for Gambling): I am advised:

1. The Premier's Council for Women had ten Council meetings in 2010.

2. (a) There was one media release made in the name of the Premier's Council for Women in 2010.

(b) The media release was regarding postponing a consultation session in Port Augusta.

3. (a) 21 women attended the consultation session in Naracoorte on 22 June 2010.

(b) 80 women attended the general consultation session in Adelaide on 29 June 2010.

(c) 32 women attended the consultation session in Salisbury on 21 July 2010.

(d) 31 women attended the consultation session in Noarlunga on 7 August 2010.

(e) 17 women attended the consultation session in Port Augusta on 31 August 2010.

4. (a) Five Council members attended the consultation session on 22 June 2010.

(b) Six Council members attended the consultation session on 29 June 2010.

(c) Six Council members attended the consultation session on 21 July 2010.

(d) Four Council members attended the consultation session on 7 August 2010.

(e) Three Council members attended the consultation session on 31 August 2010.

5. (a) Eight women attended the consultation session in Tailem Bend for Aboriginal women on 24 August 2010.

(b) 25 women attended the consultation session in Adelaide for older women on 11 August 2010.

(c) 17 women attended the consultation session in Adelaide for culturally and linguistically diverse women on 8 September 2010.

(d) 10 women attended the consultation session in Adelaide for young women on 14 September 2010.

(e) Also note that 7 women attended the Aboriginal consultation in Adelaide on 2 September 2010, the Council received written submissions from 17 women and the Council consulted with four women community leaders in Mt Gambier on 21 June 2010.

6. (a) Six Council members attended the consultation session on 24 August 2010.

(b) Five Council members attended the consultation session on 11 August 2010.

(c) Five Council members attended the consultation on 8 September 2010.

(d) Three Council members attended the consultation on 14 September 2010.

PAPERS

The following papers were laid on the table:

By the Minister for Regional Development (Hon. G.E. Gago)—

Reports, 2009-10—
AustralAsia Railway Corporation
Commissioners of Charitable Funds
Tandanya—National Aboriginal Cultural Institute
South Australian Fire and Emergency Services Commission
Reports, 2010—
Department of Education and Children's Service
SACE Board of South Australia
The University of Adelaide—
Part 1—Annual Report
Part 2—Financial Statements
Regulations under the following Acts—
Classification (Publications, Films and Computer Games) Act 1995—General
Development Act 1993—Institutional Riverbank Zone
Legal Practitioners Act 1981—Schedule 2 Fees
Passenger Transport Act 1994—Taxi Fares
WorkCover Corporation Act 1994—Claims Management—Contractual Arrangements
Declarations pursuant to Section 83B(9) of the Summary Offences Act 1953—1 January 2011 to 31 March 2011

By the Minister for Consumer Affairs (Hon. G.E. Gago)—

Regulations under the following Act—
Liquor Licensing Act 1997—Dry Areas—Long Term—Gawler Areas 1-5

QUESTION TIME

STATE ELECTION

The Hon. D.W. RIDGWAY (Leader of the Opposition) (14:27): I seek leave to make a brief explanation before asking the Leader of the Government a question about the 2010 election.

Leave granted.

The Hon. D.W. RIDGWAY: At the March 2010 election for the Legislative Council, some 356,626 people voted for the ALP ticket. The successful candidates were Mr Paul Holloway, Ms Gail Gago, Mr Bernard Finnigan and Mr John Gazzola. The 356,626 people would have expected the team that they voted for to represent their interests in this place. Interestingly, one quarter of that team has not been seen in parliament since early April, some two months ago. My questions to the Leader of the Government are: where is Bernard Finnigan MLC, why is he not in the chamber, and when will he resume his seat in this place?

The Hon. G.E. GAGO (Minister for Regional Development, Minister for Public Sector Management, Minister for the Status of Women, Minister for Consumer Affairs, Minister for Government Enterprises, Minister for Gambling) (14:28): The honourable member knows as well as anyone in this place that our Constitution allows for taking leave of this chamber. The honourable member has done nothing more or less at this point in time than to access the leave that he is entitled to. In terms of the future of the honourable member, this is unknown at this point in time.

The Hon. D.W. Ridgway: Where is he? Who is going to take his place?

The Hon. G.E. GAGO: These matters are unknown at this particular time and, when they are known, an announcement will be made in due course.

BUILDER LICENSING

The Hon. J.M.A. LENSINK (14:29): I seek leave to make a brief explanation before asking the Minister for Consumer Affairs a question on the subject of building contracts licences.

Leave granted.

The Hon. J.M.A. LENSINK: Last week I was contacted by a constituent who I understand has had contact with the minister's office. He runs a business requiring a building licence to

undertake aspects of his operations, which he has been running for approximately 40 years. When changing post office box locations, he admits that he neglected to advise OCBA and, as a result, the renewal notification was not received and his license lapsed. However, he has been advised by OCBA that to re-establish his license he needs to pay approximately $500 and, in addition, undertake a training course in establishing a business, which he has been advised will cost $500 and 32 hours of his time.

I note from the guidelines on the OCBA website that this constituent is likely to follow the document guidelines to apply for a building work contractor's licence and/or building work supervisor's registration. It states on that page that if the licence holder is simply renewing their licence there is no requirement to undertake further study. My questions for the minister are:

1. How many building licences lapsed in the 2009-10 financial year?

2. What process is undertaken by OCBA when renewal notification letters are returned to it marked 'return to sender'?

3. When were these course components to re-establish a licence made a requirement?

4. Why is there not the flexibility in the system for OCBA to consider an individual's professional experience when re-establishing such a licence, which was, in effect, a renewal?

The Hon. G.E. GAGO (Minister for Regional Development, Minister for Public Sector Management, Minister for the Status of Women, Minister for Consumer Affairs, Minister for Government Enterprises, Minister for Gambling) (14:30): I thank the honourable member for her questions. Indeed, if we remind ourselves of the whole purpose behind the requirement to register and licence certain trades, such as builders, we do this to ensure that consumers are protected and to assure them of fair and transparent market behaviours in particular areas and occupations, particularly those areas that could pose significant safety and health risks to consumers if certain standards were not assured. That is the purpose behind licensing.

We know that the building trade is an area that has potential risks, high risks. If our building structures do not maintain the integrity that they are required to and the standards that are required, we can see the potential for accidents to occur that could cause significant injuries, even fatalities. That is the underlying reason that we license and register these particular groups.

In terms of the specifics that the honourable member has asked me about, these are operational matters. Obviously, I do not have the details of how many lapsed building applications there have been. It might surprise you that I do not carry that information around in my head. These are operational matters. I am more than happy to obtain that level of detail for the honourable member and bring that back to this place.

If the honourable member was actually genuine about assisting this particular individual, if she was really genuine about that what she would have done was approach my office. She has done this before, and so too have other members in this chamber. When they have had individual issues they have approached my office, raised the individual matters and given me the details. Honourable members have acknowledged in this place my office's willingness to cooperate, not just with MP inquiries but inquiries from the general public.

We are only too willing to assist. The honourable member could have quite easily approached me, either in writing or in person, as members have done in this place from time to time, given me those details and I would have been happy to follow those matters up and deal with them as expeditiously as possible, as I have done on many occasions in this place. As I have said, the record actually acknowledges the efforts of myself and my office in terms of responding to individual inquiries.

However, that is not the case here today. So be it. As I said, I am happy to take those detailed questions on notice and bring back a response. Obviously, Consumer Affairs tends, wherever possible, to accommodate the individual needs of applicants. It works very hard to be as fair and balanced as possible. Clearly, there are certain parameters that have to be worked within, and most of them are, in fact, industry standards that have been established by industry to ensure that they remain in place and that our structures and buildings remain safe. The office does, wherever possible, attempt to consider the individual case and individual circumstances of personal applicants. In this particular case, as I said, I would need to take it on notice and bring a response.

BUILDER LICENSING

The Hon. J.M.A. LENSINK (14:35): I have a supplementary question arising from the answer. As the minister is taking the question on notice, could she also bring back a response to advise us precisely what risk is mitigated by forcing people to undertake additional training?

MINISTERIAL APPOINTMENTS

The Hon. S.G. WADE (14:35): I seek leave to make a brief explanation before asking the Leader of the Government, representing the Premier, a question about ministerial appointments.

Leave granted.

The Hon. S.G. WADE: In the Supreme Court judgement in the case of Paterson & Ors v MacPherson & Anor, Chief Justice Doyle, supported by Justice Peek, said that minister Gago's letter to Burnside council of 22 July is not well expressed. He also states:

> Unfortunately, the Notice of Appointment is also apt to confuse. It appears to refer to a belief by the Minister relating to unspecified circumstances and perhaps all provisions of the LGA. In this respect it is poorly expressed.

Elsewhere, he states:

> Nevertheless, the letter of 22 July 2009, the Notice of Appointment and the Terms of Reference fall short of what could and should have been achieved in terms of precision.

In the same judgement, he states:

> The focus by the Minister on such a general provision is unfortunate, but that is what the Minister has chosen.

He draws the following conclusion:

> No-one can suggest that this is a satisfactory outcome. It is regrettable that all this time has passed, the completion of the investigation not having been achieved. However, the problems begin with the manner in which the Minister has expressed her belief for the purposes of s272(1), and then continue with the manner in which the Notice of Appointment and Terms of Reference are expressed; it is not surprising, when one reflects on the manner in which these documents are written, and the nature of the issues that thereby arose, that things have got to this stage.

Given the minister's failure to get right any of the three documents for the Burnside council investigation, I ask the Premier, through the leader:

1. Does the Premier have confidence in the minister's capacity to discharge her responsibilities?

2. Will the Premier follow the Westminster tradition, hold the minister accountable for the Burnside debacle and demand her resignation?

The Hon. G.E. GAGO (Minister for Regional Development, Minister for Public Sector Management, Minister for the Status of Women, Minister for Consumer Affairs, Minister for Government Enterprises, Minister for Gambling) (14:37): I thank the honourable member for his questions. I cannot believe that he can stand there and ask those questions without a smile on his face. What a hypocrite! What an absolute hypocrite! We are in this place week after week, where he and others demanded that an investigation occur—absolutely insisted that this investigation take place. What is more, he wanted all sorts of corners cut at the time and all sorts of potentially disrespectful conduct towards the courts, as well. Once the court had made decisions about the state of the report, the member came in here insisting that I not abide by those directions, so it is absolutely outrageous that I stand here today listening to the drivel from the honourable member.

I think this matter goes before the court again tomorrow. There are matters still unresolved, and it is most important that nothing is stated at this point that could prejudice those unresolved matters. However, what I can put on the record today is that indeed all the decisions—and I emphasise 'all the decisions'—that I made in my former role as Minister for State/Local Government Relations in relation to this investigation were made on the basis of legal advice, and that includes the terms of reference. Let me put on the record that that was legal advice I did follow; so I can emphasise that.

It is quite clear that I would have been derelict in my responsibility if I had not progressed to put an investigation in place—I would have simply been derelict. I did proceed to put an

investigation in place. I did that in the best of good faith and, as I said, in regard to all of the legal advice that was afforded to me.

At this point in time, that is probably all that I want to put on the record. I know the Minister for State/Local Government Relations will be making further statements after the court proceedings. I stand here in all good conscience, noting that, in good faith, I did progress the matter as expeditiously as I possibly could following the legal advice that was afforded to me.

ENTERPRISE ZONE FUND

The Hon. R.P. WORTLEY (14:42): I seek leave to make a brief explanation before asking the Minister for Regional Development a question.

Leave granted.

The Hon. R.P. WORTLEY: At the beginning of the year, the Hon. John Dawkins and I had the privilege of flying over Lake Eyre to look at the most beautiful expansion of the flood plains in this state's history, I would imagine. We also realised how vast our landscape is, seeing it from above. The vastness and rugged beauty of the area also brings challenges to the area for the provision of services—

The Hon. R.L. Brokenshire: How vast is vast?

The Hon. R.P. WORTLEY: You were supposed to be there, but you piked out on us.

Members interjecting:

The PRESIDENT: Order!

The Hon. R.P. WORTLEY: With these huge, vast areas also come some challenges in providing services to our Indigenous communities, our farmers and our miners who live in the far north of the state. My question to the minister is: how does the government assist outback communities to meet some of these challenges and to take advantage of the expected increase in mining activities?

The Hon. G.E. GAGO (Minister for Regional Development, Minister for Public Sector Management, Minister for the Status of Women, Minister for Consumer Affairs, Minister for Government Enterprises, Minister for Gambling) (14:43): I thank the honourable member for his most important question. I understand he had a very exciting and most eventful visit to Coober Pedy as well. Indeed, the area that the honourable member refers to is one of outstanding beauty and, most definitely, rugged charm. I have also enjoyed visiting that area and flying across Lake Eyre.

This vast part of our state has some remarkable geological features, which have resulted in various ore bodies and mineral resources as well as reserves of gas, such as those at the Moomba gas fields. Obviously, they are a source of great opportunity for economic development in years to come. The state government has recognised that we need to help communities position themselves to take best advantage of the coming wave of mining and other related economic activity in our state through the creation of the Upper Spencer Gulf and Outback Zone Fund.

The Enterprise Zone fund is a $4 million rolling fund available over four years, aimed at capturing the benefits of growing industries to help further strengthen the Upper Spencer Gulf and outback communities. I am very pleased today to announce that $80,229 has been awarded from the Enterprise Zone Fund to Stark Aviation to help reinstate aviation fuel facilities at the Leigh Creek aerodrome by creating a 24-hour refuelling point. Leigh Creek, in the central north-west of the state, will be better placed to provide a fully functional gateway to the Australian outback.

I am advised that these facilities will be available for Adelaide and Melbourne air traffic, not just to access the SA outback but also to refuel before moving north into Queensland and even the Northern Territory. By strengthening the links between remote communities and small remote areas, we hope that their quality of life and amenity will also be improved, providing the opportunity for increased tourism coming into these beautiful areas, with the potential for economic spin-offs from that, such as increased trade and the creation of new service jobs to support tourism.

We know that aircraft tour operators will be able to be based at Leigh Creek to do things like scenic flights over Lake Eyre and the Flinders Ranges. Leigh Creek will be the preferred access point to Lake Eyre and Birdsville, most likely by local and interstate charter operators. We know that, because of the vast distances, a lot of those charter operators are only able to avail themselves of fairly limited access, so this will improve that.

Air tourism is obviously a growing industry, and catering for private commercial aircraft operators by being able to provide refuelling facilities I think sends out a very good sign that that area is open for business. It is also an opportunity for commercial operators carrying an aircraft operator's certificate to be based at Leigh Creek and operate charter and scenic flights round places like the Flinders Ranges, the outback and, as I already mentioned, Lake Eyre.

We know also that there are a number of resource development opportunities there in terms of the Leigh Creek coal mine, the high-grade zinc oxide mine nearby, and the Beverley uranium mine, so a number of mining opportunities in and around that area could also be assisted by improved access to fuel. Airport refuelling facilities also create better access for the air ambulance service or emergency help services provided by the Royal Flying Doctor Service, enabling visits by dentists, specialist doctors and allied professionals, for example, and improving services not only in that respect but also in respect of the fly-in and fly-out opportunities for employees for the mining sector.

I am advised that Stark Aviation, a company which provides aviation fuels at Parafield Airport and distributes throughout South Australia, will install the refuelling capacity at an expected total project cost of over $160,000. The project will provide refuelling capability by installing tank cubes to supply 10,000 litres of avgas and also 10,000 litres of jet A1 fuel. In relation to installation, I am advised that the refuelling facilities, comprising bowsers, hose reels, aviation filters, bond liners and swipe card readers, will include the requisite safety signage and fire extinguishers. These facilities are expected to be operational in the second half of this year.

The Enterprise Zone Fund, which is a competitive fund, supplies up to 50 per cent of funding to projects to develop community capacity and regional development. Eligible projects may come from a wide range of industry areas for projects that make a major impact by capitalising on existing competitive advantages or change competitive advantages in its favour. To access the fund, eligible organisations need to lodge their application with DTED, and they obviously carefully examine those proposals to ensure that they meet guidelines and assessment criteria and contribute to the implementation of key strategic objectives. Also, potential applicants can access guidelines and obtain further information by going online to our website.

RIVERLAND SUSTAINABLE FUTURES FUND

The Hon. R.L. BROKENSHIRE (14:49): I seek leave to make a brief explanation before asking the Minister for Regional Development a question regarding the Riverland restructure grants program.

Leave granted.

The Hon. R.L. BROKENSHIRE: Following work done in the Riverland by the Riverland Futures Taskforce, the government allocated $21 million over the forward estimates to assist new and existing businesses to grow and develop economic opportunity in the Riverland. My questions to the minister are:

1. How much of the year 1 grant funding allocation has been distributed?

2. If it is not all allocated in year 1, will there be a rollover of that money rather than it going back to Treasury?

3. Are existing businesses in the Riverland eligible to apply for the grants program based on expansion opportunities?

4. Can the minister give some indication of the types of businesses that have received grants so far?

The Hon. G.E. GAGO (Minister for Regional Development, Minister for Public Sector Management, Minister for the Status of Women, Minister for Consumer Affairs, Minister for Government Enterprises, Minister for Gambling) (14:50): I understand that you are talking about the $20 million Riverland Sustainable Futures Fund. That $20 million fund is made available over four years and is accessible by organisations, industries or businesses to fund projects that make a major or sustainable impact on the region. It is really about assisting the long-term future of that region.

Critical to its success is the ability to leverage from the fund to achieve even greater impact, from other spheres of government and the private sector, for projects that result in tangible outcomes for the Riverland. DTED is leading the collaboration with Primary Industries and Resources SA (PIRSA) and other agencies and key regional stakeholders, including the Riverland

Futures Taskforce as well as the RDA, and we are also looking at leverage in relation to federal RDA funding. We know that over a billion dollars worth of funding has been announced by the federal government in relation to funds to be made available through the RDA process, and we are also looking to leverage this sort of funding in relation to those federal contributions.

So, not only do you get double for your money in terms of us offering a 50 per cent leverage, there is also another 50 per cent leverage in terms of federal contributions. Members can see how important it is to be able to leverage. The futures fund has guidelines, as well as the Riverland Regional Prospectus, which was launched in the Riverland at the end of 2010. The guidelines and the application forms are accessible from the Futures Taskforce website and the RDA Murraylands and Riverland website or DTED. The details of the eligibility criteria are all outlined there and are on the public record for the honourable member to look at.

As I said, the fund's aim is to facilitate projects and improve infrastructure, support industry attraction and help grow existing businesses. It is expected that over time this initiative will help deliver structural change and population growth, as well as enhanced employment outcomes for the Riverland. The fund will focus on ensuring that the key enablers of the economy are in place to build on the existing strengths of the region and to help improve its competitive advantage as well.

An amount of $2 million has been committed from the fund to the Flinders University Rural Clinical School project subject to its successful application for federal funding, and we have not yet heard back from the federal government. The Flinders application to the federal government Structural Adjustment Fund seeks $25.7 million, and the total project costs are $31.3 million. A DTED interdepartmental assessment panel has assessed applications of greater than $40,000, in accordance with the guideline, and the panel's inaugural meeting was held in February this year, with recommendations forwarded to me for consideration.

Six projects of less than $40,000 each, totalling $0.139 million, have been assessed by the RFT assessment panel for my consideration and, of these, two totalling $30,975 have been approved. I recently announced the awarding of approximately $620,000 to AgriExchange to bring forward the construction of a citrus packing facility, and I am advised that the AgriExchange's expansion project will enable the company to produce an additional 1 million cartons of juice. I have given a number of details about that particular project in this house before, so I will not go over it again.

The 2010-11 funding remains underspent. I have already put on record in this place that I have requested that all outstanding or unspent funds be carried over into the Riverland Sustainable Futures Fund for future funding for this particular project as per our election commitment.

GAMBLING SECTOR REFORM

The Hon. CARMEL ZOLLO (14:56): I seek leave to make a brief explanation before asking the Minister for Gambling a question about the recent COAG Select Council on Gambling Reform.

Leave granted.

The Hon. CARMEL ZOLLO: I understand that the COAG Select Council on Gambling Reform met at the end of last month under the agreement between the Prime Minister, the Hon. Julia Gillard MP, and the member for Dennison, Mr Andrew Wilkie MP (the Gillard/Wilkie agreement). The commonwealth government committed to legislate to achieve gambling reforms if agreement with states and territories could not be reached by 31 May 2011. Can the minister update the chamber on commonwealth/state discussions on the subject of reform to the gambling sector?

The Hon. G.E. GAGO (Minister for Regional Development, Minister for Public Sector Management, Minister for the Status of Women, Minister for Consumer Affairs, Minister for Government Enterprises, Minister for Gambling) (14:57): I thank the honourable member for her important question. I am pleased to advise the chamber that last fortnight I attended the COAG Select Council on Gambling Reform in Canberra and, as the Minister for Gambling, I am one of two South Australian representatives on that select council. The first meeting of the council was held on 22 October 2010, and the second meeting held in February of this year. As the honourable member mentioned in her question, arising from the agreement between the Gillard government and Mr Andrew Wilkie, discussions are currently taking place between the commonwealth and state governments on reforms to the gambling sector.

South Australia has completed two voluntary precommitment trials and a technology-based system and a non-technology based approach for small venues. The results of the trials have shown that precommitment can be an effective tool in reducing the harmful effects of problem gambling. On the evidence available, we have learned that precommitment works when people want to use it and are prepared to set suitable limits to their budget. South Australia, along with Queensland, is leading the nation in this most important policy area.

Members might also be aware that on 6 May the federal joint select committee released a report from its inquiry into the design and implementation of a mandatory precommitment system. The commitment made 43 recommendations in total in relation to the use of gaming machines. The committee has distinguished between high intensity and low intensity machines configured to limit losses to $120 per hour.

The committee has recommended implementation of mandatory precommitment on high intensity machines and the configuration of low intensity machines by 2014. At the most recent select council meeting, ministers agreed that precommitment is a useful tool to help people set limits on how much they want to spend on poker machines and stick to them.

The council has also agreed to support the required infrastructure for precommitment technologies in all jurisdictions, to be available to all players in all venues. However, the council has not yet reached an agreement as to whether the technology should be used on a voluntary or mandatory basis. It is proposed that senior officials undertake further work on developing the required functionality for precommitment and a timetable for implementation and report back to ministers at their next meeting.

The Rann government remains committed to working with the federal and state jurisdictions to achieve a cost-effective evidence-based precommitment scheme which will assist gaming machine players to stay on budget. The select council members have requested that the Council of Australian Governments agree to extend the time period of the select council to allow discussions to continue.

I think that is a very positive thing. So, even though the deadline in terms of the agreement has passed, nevertheless, I think progress has been made. There is obviously a willingness for jurisdictions to continue to work together to form a consensus wherever they possibly can. I think that quite a degree of progress has been made to date, and it is important that the states and territories be given an opportunity to continue that good work. So, I look forward to updating the chamber about the outcomes of the select council meeting in the coming months.

PETITION FOR MERCY PROCESS

The Hon. A. BRESSINGTON (15:01): I seek leave to make a brief explanation before asking the minister representing the Attorney-General questions about the impartiality and transparency of the petition for mercy process under section 369 of the Criminal Law Consolidation Act 1935.

Leave granted.

The Hon. A. BRESSINGTON: As members would be aware from the debate on the Criminal Cases Review Commission Bill 2010, those convicted of a crime which they allege they did not commit and who have exercised their limited appeal rights are required to petition the Attorney-General for their case to be referred to the Supreme Court for an appeal.

As I have argued previously, the Attorney-General, as the chief law officer of this state, when acting to determine an application by way of a petition, is acting in a quasi-judicial capacity and, as such, must act in accordance with the relevant legal principles and only in accordance with those principles. This is clearly the intention of the petition process.

However, many have long complained that this petition process is politicised, that petitions are not considered on their legal merits and that, given that a petition's consideration is entirely at the Attorney-General's discretion, it lacks impartiality and fails to provide a legal right of review per se. Such critics cite the fact that the Criminal Law Consolidation Act 1935 provides the Attorney-General with the opportunity to seek the input of the Supreme Court in the consideration of a petition. However, as I understand it, this has not occurred once under this Labor government.

Many have also complained that the current petition procedure lacks not only impartiality but also transparency, in that the Attorney-General fails to provide detailed reasoning of his determination in writing, with those whose petitions are rejected having to extrapolate his rationale

from the associated media releases and sound bites. Further, those who submit petitions under section 369 also experience a protracted and, in some cases, undue delay in the consideration of their claims.

One such example is Henry Keogh, who submitted a petition for mercy over 18 months ago and has yet to receive a response. While one could understand some delay if a petition was complex or had been referred to the Supreme Court for advice, this does not apply here, as Mr Keogh's petition sets out very clearly, and in accordance with several legal principles established by the High Court, that he experienced a mistrial.

As I have detailed previously, Mr Keogh's key contentions about the unsatisfactory nature of the evidence presented at his trial have been corroborated by a sworn affidavit and the testimony of pathologists who presented that evidence at his trial. My questions to the Attorney-General are:

1. Will the Attorney-General assure this parliament that he will consider all petitions for mercy on their merits and in accordance with established legal principle?

2. Why has Henry Keogh not received a response to his petition submitted over 18 months ago?

3. Does the Attorney-General concede that, due to the entirely discretionary nature of the petition procedure under section 369—meaning that it is not subject to judicial review—those alleging they are wrongfully convicted do not have a legal right per se to a review of their conviction?

4. Why has the Attorney-General failed to exercise his power under section 369(2) to refer questions of merit to the Supreme Court for advice and, in doing so, bring some level of impartiality to the consideration of a petition for mercy?

5. Does the Attorney-General agree that, by failing to publicly publish in writing detailed reasoning for refusing a petition of mercy, the petition process under section 369 lacks transparency?

6. Will the Attorney-General commit to publicly publishing his reasoning for any future refusal of a petition for mercy?

The Hon. G.E. GAGO (Minister for Regional Development, Minister for Public Sector Management, Minister for the Status of Women, Minister for Consumer Affairs, Minister for Government Enterprises, Minister for Gambling) (15:05): My understanding is that the particular case that the honourable member refers to has, in fact, been reviewed previously. I believe that it may have been—I would need to check—reviewed even more than once. However, this is obviously an area that I am not responsible for, and I would be pleased to refer these questions to the Attorney-General in another place and bring back a response.

REGIONAL SUBSIDIARIES

The Hon. J.S.L. DAWKINS (15:06): I seek leave to make a brief explanation before asking the Leader of the Government a question about regional subsidiaries under section 43 of the Local Government Act.

Leave granted.

The Hon. J.S.L. DAWKINS: On 3 December 2009, this council passed the Local Government (Accountability Framework) Amendment Bill which amended the Local Government Act 1999. During the committee stage of the bill, I sought and obtained a commitment from the leader (the then minister for state/local government relations) to introduce regulations that would exempt small regional subsidiaries, such as regional local government associations, from the requirement to establish an audit committee.

On 22 June 2010, I asked the minister in her former capacity whether the regulations had been finalised, and the minister responded by saying:

> In terms of the regulations, I am advised that work has commenced. However, they have not been finalised as yet. They will be completed as soon as we can possibly get them done.

On 29 September 2010, three months after the legislation came into operation and still not having sighted the regulations, I asked again that this matter be expedited in the best interests of these regional subsidiaries. The minister again stated:

I know that I did consider these issues. I know that I was also sympathetic to the concerns they raised and did seek advice...In fact, I understand that the regulations are expected towards the end of this year.

Given that there had been no action by the end of last year, I also raised this matter with the Hon. Bernard Finnigan when he became the Minister for State/Local Government Relations. He indicated that the agency for state/local government relations is working on a number of draft regulations.

We are now onto our third minister for state/local government relations since December 2009, but I was disturbed to hear that the Murray and Mallee Local Government Association advised attendees at its AGM last Friday that it has not had a response from any minister about this important issue. Given that it is now 19 months since I first raised the issue, and 12 months since the leader in her former capacity gave a commitment to commence work on regulations to exempt small regional subsidiaries from establishing an audit committee, I ask the leader:

1. Will she ensure that the new Minister for State/Local Government Relations responds to the Murray and Mallee Local Government Association and other similar bodies?

2. Will the new minister uphold the promise of the former state/local government ministers to introduce regulations exempting small regional subsidiaries from establishing an audit committee?

3. Will the new minister agree to reimburse regional subsidiaries who, in complying with this legislation, may have incurred unnecessary costs to their detriment?

4. Will the new minister, in good faith, show leniency on regional subsidiaries who have not complied with the legislation, having relied on the former minister's (the leader) undertaking in June 2010 (before the legislation was operational) to exempt them by regulation?

The Hon. G.E. GAGO (Minister for Regional Development, Minister for Public Sector Management, Minister for the Status of Women, Minister for Consumer Affairs, Minister for Government Enterprises, Minister for Gambling) (15:09): I thank the honourable member for his important and persistent questions. He is very persistent, and I acknowledge him for that. As the honourable member would know, the responsibility for progressing this particular matter relating to regulations that exempt subsidiaries now rests with the Hon. Patrick Conlon, who is now Minister for State/Local Government Relations.

I know the honourable member appeared to express frustration at there being a third minister in a fairly short period of time. Nevertheless, I can come to this place and confidently say that the Hon. Patrick Conlon is an extremely enthusiastic and very keen Minister for State/Local Government Relations. This is a policy area that he has a great deal of passion for and personal interest in.

The Hon. Patrick Conlon was delighted to be given responsibility for state/local government relations and he has picked up these responsibilities with relish, enthusiasm and passion, as I have said. When I forward these questions to the honourable member in another place, I am quite confident that he will pursue these matters with enthusiasm and deal with them in the most expeditious way that he possibly can.

LOCAL BUSINESS AWARDS

The Hon. P. HOLLOWAY (15:11): I seek leave to make a brief explanation before asking the Minister for Consumer Affairs a question about local business.

Leave granted.

The Hon. P. HOLLOWAY: The Rann Labor government has a proud history in promoting economic growth and encouraging development in local communities. The government aims to help small business develop new products and services, improve processes and business practices, develop business models and apply advanced technology. My question to the minister is: how has the government contributed to the celebration of the successes of local business in our community?

The Hon. G.E. GAGO (Minister for Regional Development, Minister for Public Sector Management, Minister for the Status of Women, Minister for Consumer Affairs, Minister for Government Enterprises, Minister for Gambling) (15:12): I thank the honourable member for his most important question. As you would be aware, each year the Messenger Community

Newspapers Group holds an awards night to celebrate the contribution of local business to our community.

Messenger newspapers publish 11 publications across metropolitan Adelaide. I recently had the privilege of attending the 2011 Messenger Local Business Awards on behalf of the Premier, Mike Rann, who I know was very disappointed to miss this particular event. Now in its 19th year, the Messenger Local Business Awards recognise and celebrate excellence in quality and service amongst local business groups.

As Minister for Consumer Affairs and business, I was pleased to offer my support in promoting the achievements of local business in the area. This is an opportunity to celebrate their successes and promote awareness of the role that local business plays in our community.

Messenger first promoted the Local Business Awards in 1993, with the aim of recognising and rewarding small businesses across Adelaide. The awards are sponsored by Bendigo Bank, SafeWork SA and Network Ten, and their ongoing support ensures that the Messenger Local Business Awards maintains its position as the leading awards program in Adelaide's local business community.

The awards also provide Messenger readers with a meaningful way of expressing their gratitude as satisfied customers by giving voters the chance of winning a $1,000 prize for participating. Readers are able to vote for their favourite local business, or register their own business. Categories include things like: retail, hospitality, professional and trades services and also real estate. There are a number of great prizes available for business and voters. The major prize winner can receive $10,000 in cash and $40,000 in advertising services.

Winners include Gold Award winner, under Speciality Retailer, the delightful young businesswoman, Alice MacDonald and her small business, Flowers by Alice, which I am advised has been operating since 2002 and has been growing from strength to strength. The Silver Award went to the inspiring Leanne Hoad Singing Studio in the category of recreation and leisure.

Messenger newspapers coordinates the awards in four geographic regions across Adelaide with the aim of acknowledging and celebrating the success of local business. The evening was also an opportunity to celebrate the diversity and talent which is obviously cherished in our community, as award winners came from a wide variety of backgrounds. Unlike any other medium, community newspapers have a really unique relationship with readers, local businesses and the community. The importance of recognising community achievements and excellence is something this government sees as crucial in developing local business and also helping to drive the South Australian economy.

ADELAIDE PARKLANDS

The Hon. M. PARNELL (15:15): I seek leave to make a brief explanation before asking the Minister for Regional Development representing the Minister for Urban Development, Planning and the City of Adelaide a question about development on the Adelaide Parklands.

Leave granted.

The Hon. M. PARNELL: Last Thursday, the government published new regulations in the *Government Gazette* under the Development Act that have the effect of providing fast-track approval for certain developments in the Adelaide Parklands. The regulations apply to the Institutional (Riverbank) Zone and will be tabled shortly, no doubt, in both houses of parliament. I understand that the key reason for these regulations is to facilitate the upgrade and expansion of the Convention Centre. However, the regulations apply to the whole of the area south of the Torrens between the Morphett Street and King William Street bridges and North Terrace. As I understand it, the regulations apply to all of the area that is not under the care and control of the Adelaide City Council, which includes Parliament House, the Festival Theatre and the railway station. My questions to the minister are:

1. Will the use of these regulations be limited to the upgrade and expansion of the Adelaide Convention Centre, or does the government have other projects in mind?

2. What process of engagement with the general community does the government intend to use in relation to developments caught by these new regulations?

3. Can the minister assure the parliament that these regulations will not be used to fast-track any expansion or redevelopment of the Adelaide Casino?

The Hon. G.E. GAGO (Minister for Regional Development, Minister for Public Sector Management, Minister for the Status of Women, Minister for Consumer Affairs, Minister for Government Enterprises, Minister for Gambling) (15:17): I thank the honourable member for his important questions and will refer them to the relevant minister in another place and bring back a response.

WATER PRICING

The Hon. J.S. LEE (15:17): I seek leave to make a brief explanation before asking the Minister for Regional Development a question about high water prices in the Mid North.

Leave granted.

The Hon. J.S. LEE: As reported on ABC Radio on Tuesday 17 May 2011, the Clare Region Winegrape Growers Association President, John Bastian, raised concerns about the high price of bulk water in the state's Mid North. Grape growers in the Clare region say that they pay nearly three times as much for water as their counterparts in the Barossa. Clare growers are paying 250 per cent more for their irrigation water than they did five years ago.

The Australian Competition and Consumer Commission is investigating the South Australian government's water pricing in the state's Mid North. The Clare growers' association says increased water prices could force some growers in the region to abandon their vineyards. My questions to the minister are:

1. With the ACCC investigating the water pricing in the Mid North, has the minister consulted with the water minister to advocate for the grape growers in the Mid North?

2. When the story was reported in May the association said that it had written to the government but was still waiting for a response from the government, so can the minister give us an update on that?

3. Also as reported on *Efficient Farming,* 'These prices are an added blow to growers who have had to grapple with vine disease, heavy rain and low grape prices this season.' With few growers making a profit this season, what consultation has the Minister for Regional Development had with grape growers in the Clare Valley?

The Hon. G.E. GAGO (Minister for Regional Development, Minister for Public Sector Management, Minister for the Status of Women, Minister for Consumer Affairs, Minister for Government Enterprises, Minister for Gambling) (15:19): I thank the honourable member for her important question. I believe that she is referring to the price of groundwater that is used mainly for irrigation purposes. Is that so?

The Hon. J.S. LEE: Yes.

The Hon. G.E. GAGO: The prices for groundwater used for irrigation are set by the NRM boards. The NRM boards are made up of local community members.

The Hon. P. Holloway interjecting:

The Hon. G.E. GAGO: I do not think the Hon. Caroline Schaefer is on that particular board.

An honourable member interjecting:

The Hon. G.E. GAGO: She is the chairwoman of the NRM board, I am advised. So, there you go: the Hon. Caroline Schaefer, a former Liberal member in this place, is the chair of that particular NRM board. So, you can see, Mr President, that these boards are made up of local community members. The board is, in fact, responsible for water planning, the prescription of water in those areas and the pricing of water. Local community members are responsible for setting water prices.

Legislation requires that these boards undertake really extensive public consultation in setting their water plans. These plans have to be made publicly available and be consulted on so that all key stakeholders, including irrigators, have an opportunity to input into that water plan and have their say and make sure that their interests are represented in that plan.

The purpose of those plans is multifold, but one of the primary purposes is to ensure the long-term viability of our water supply so that industries such as grape growing, and other industries that rely on irrigated water supplies, are able to have security in terms of their industry and can make long-term business plans and offer security and viability to that industry and to their

vested interests. That is what the purpose of those plants are all about—ensuring that the water that is available is fairly distributed amongst water users, that it is done in a fair and open way and that the cost of water reflects the cost of doing that.

Those particular matters are dealt with through the water planning process and the NRM boards that are appointed, and members of the public, members of the local community, such as the Hon. Caroline Schaefer, take responsibility for them. I would suggest to the Hon. Jing Lee that she perhaps writes to or meets with the NRM board and expresses her views to that particular board.

WATER PRICING

The Hon. J.S. LEE (15:23): I have a supplementary question. They have written to the government. When does the government intend to write back to them?

The Hon. G.E. GAGO (Minister for Regional Development, Minister for Public Sector Management, Minister for the Status of Women, Minister for Consumer Affairs, Minister for Government Enterprises, Minister for Gambling) (15:23): That would be a matter for the minister responsible. I cannot possibly read his mind.

WATER PRICING

The Hon. R.L. BROKENSHIRE (15:23): I have a supplementary question. Further to the answer from the minister, the minister is on the public record earlier this year, on radio, as saying that there would be charges for rainwater catchment to landholders. The next day, or the day after, the Premier said there would not be.

Members interjecting:

The PRESIDENT: Order!

The Hon. R.L. BROKENSHIRE: It's relevant, sir.

The PRESIDENT: No speeches, supplementary question. The Hon. Mr Brokenshire has been in parliament for long enough to know what a supplementary question is.

The Hon. R.L. BROKENSHIRE: The question is: who's right—the Premier or the minister?

The PRESIDENT: The Hon. Ms Lensink has a supplementary question.

WATER PRICING

The Hon. J.M.A. LENSINK (15:24): I have a supplementary question. Does the minister understand that NRM water levies are a separate issue from the supply that the Hon. Jing Lee was referring to?

The Hon. G.E. GAGO (Minister for Regional Development, Minister for Public Sector Management, Minister for the Status of Women, Minister for Consumer Affairs, Minister for Government Enterprises, Minister for Gambling) (15:24): That is why I qualified the question, that that was, in fact, what the Hon. Jing Lee was referring to, and she indicated that it was, so I answered the question accordingly.

ANNA STEWART MEMORIAL PROJECT

The Hon. I.K. HUNTER (15:24): I seek leave to make a brief explanation before asking the Minister for the Status of Women a question about the Anna Stewart Memorial Project.

Leave granted.

The Hon. I.K. HUNTER: The Anna Stewart Memorial Project, which commenced in Victoria in 1984, is held annually to commemorate the achievements of Anna Stewart. In this state, SA Unions continues to run the wonderful Anna Stewart Memorial Project. Will the minister tell the chamber about this year's Anna Stewart Memorial Project?

The Hon. G.E. GAGO (Minister for Regional Development, Minister for Public Sector Management, Minister for the Status of Women, Minister for Consumer Affairs, Minister for Government Enterprises, Minister for Gambling) (15:24): I thank the honourable member for his most important question. As he noted, the Anna Stewart Memorial Project is held annually. The program works to encourage women's active involvement in the union movement, and it gives women an insight into how unions operate and how women can be more active in their unions.

As members may recall, the Anna Stewart Memorial Program involves taking a group of women union members and placing them in different unions or even their own union—they can choose to be allocated to their own union or a different union—for a two-week period. During this time participants see how the union is organised and its relationship to other unions. Participants can become involved in the issues which are important to members in union offices and meetings with members, officials and also other unions and, of course, SA Unions.

Members would know my own history with the union movement. I am a very proud member of the Australian Nursing Federation, and I was secretary of that union for a number of years. I worked in that union initially as an organiser and then went on to become assistant secretary and then secretary. They were wonderful years and very formative years in terms of my training and preparation for politics. In fact, it whetted my appetite considerably for politics.

Honourable members would also be aware that I am also a former Anna Stewart participant. In fact, I believe it was the second group to go through this particular training course, and I was very privileged to be a member at that time. I still recall only too well what a valuable experience that was for me personally in terms of gaining a much better and deeper understanding of the union movement, how it operated, how it was organised and what its relationship was to other unions.

So, in my view women are essential to the union movement, not least because they are aware of the issues that really impact on women workers. That is why I am always so pleased to support the Anna Stewart Memorial Program. I would like to place on the record here my thanks to my colleague the Hon. Frances Bedford, member for Florey, who hosted this year's Anna Stewart Memorial Program lunch. The Anna Stewart participants celebrate the end of the program with an event here at Parliament House and this year's program ran from 23 May to 3 June.

I understand the program participants enjoyed not only lunch but also a tour of this place and that they also had a session on Muriel Matters with Frances Bedford. I am sure members in this place will be aware of the member for Florey's unending enthusiasm and passion for Muriel Matters. Indeed, it is thanks to her commitment and dedication that this place has been honoured and allowed to house for a short period of time some very important historical artefacts. I am sure members will have seen the three historical items from the women's suffrage struggle that I am referring to.

As you know, Muriel Matters was born in South Australia and chained herself to the grille of the Ladies' Gallery in the British House of Commons in October 1908. The grille was a piece of ironwork placed to obscure the women's view of the parliamentary debates. The grille became a symbol of oppression of women and their exclusion, and it was Muriel's firm conviction that the grille should be removed. We are honoured to have a piece of the grille here and, in addition, South Australia can boast that we have for a time the chains that Muriel used on the grille as well as the medal that she was awarded for spending time in Holloway prison after her conviction.

These three historic items are together again after more than 100 years, and I would like to commend the Muriel Matters Society for their hard work in making the important exhibit possible. I am told the Anna Stewart Memorial participants were delighted to hear about Muriel's life and that Frances' presentation was a fitting end to another year's very successful program.

ANSWERS TO QUESTIONS

FAMILIES SA

In reply to the **Hon. A. BRESSINGTON** (6 May 2010).

The Hon. G.E. GAGO (Minister for Regional Development, Minister for Public Sector Management, Minister for the Status of Women, Minister for Consumer Affairs, Minister for Government Enterprises, Minister for Gambling): The Minister for Families and Communities has provided the following information:

Under Section 58 (1) of the Children's Protection Act 1993 (the Act), a person engaged in the administration of this Act, has a duty to maintain confidentiality, and must not divulge information relating to personal information relating to a child, a child's guardians or other family members or any person alleged to have abused, neglected or threatened a child.

Accordingly on public interest grounds, I consider it inappropriate to provide the information sought by the Honourable Member and respectively decline to answer the question.

This response is consistent with Standing Order 111 of the Legislative Council.

FAST FOOD LABELLING

In reply to the **Hon. T.A. FRANKS** (10 November 2010).

The Hon. G.E. GAGO (Minister for Regional Development, Minister for Public Sector Management, Minister for the Status of Women, Minister for Consumer Affairs, Minister for Government Enterprises, Minister for Gambling): The Minister for Health has advised:

1. He is a strong advocate for providing clear and accurate information to consumers that will enable them to make healthy choices about the foods they eat. As the lead South Australian Minister on the Australia New Zealand Food Regulation Ministerial Council, he has been instrumental in driving national consideration of better labelling, such as front of pack traffic light labelling.

The policy and law underpinning food labelling is being closely scrutinised by the national Independent Review of Food Labelling, being led by Dr Neil Blewett, former Commonwealth Health Minister.

The South Australian Government is looking forward to receiving this report as it will provide a foundation for addressing many food labelling issues that the community has raised, including how to ensure consumers are not misled about what are the healthy options.

2. & 3. In relation to the provision of nutrition information on menu boards and the New South Wales approach, the Minister has reiterated his public statements that he is very interested in this initiative and will study it closely to see if the same can be done in South Australia.

PERMACULTURE EDUCATION ZONE

In reply to the **Hon. M. PARNELL** (23 February 2011).

The Hon. G.E. GAGO (Minister for Regional Development, Minister for Public Sector Management, Minister for the Status of Women, Minister for Consumer Affairs, Minister for Government Enterprises, Minister for Gambling): The Minister for Environment and Conservation has advised:

1. This Government remains committed to the ongoing conservation of one of Adelaide's most significant heritage sites. Since 2009, $420,000 has been spent on conservation works for the Old Adelaide Gaol. The Department of Environment and Natural Resources has a three year business plan which aims to increase the number of visitors to the Gaol by offering a range of visitor opportunities, while maintaining the heritage values of the site.

2. The Department of Environment and Natural Resources has consulted with the Permaculture Education Zone on its proposal for a site adjacent to the Gaol. While supportive of the idea in principle, the Government is of the view that the level of activity associated with the city farm proposal would not be compatible with the Gaol's setting. It has been recommended that the Permaculture Education Zone explore the possibility of other sites that would be available for the longer term development of their proposal.

3. The Government is not currently in active pursuit of potential new locations on behalf of the proponents.

RAIL COMMISSIONER (MISCELLANEOUS) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 18 May 2011.)

The Hon. D.W. RIDGWAY (Leader of the Opposition) (15:30): I rise on behalf of the opposition to speak to the Rail Commissioner (Miscellaneous) Amendment Bill 2011. This is a short administrative bill that simply ties up some loose ends following the introduction of the Rail Safety Act in 2007. TransAdelaide and the Department for Transport, Energy and Infrastructure's Public Transport Division has come under one management and one business administration function, so duplicate functions need to be removed as part of that streamlining process.

In its briefing paper, the government asserts that this integration has resulted in better public transport services, although I think we can all see that this state, this government, still has a shocking record in reliability of service for buses, trains and trams. For nine years, Labor has neglected South Australia's public transport, leaving commuters to struggle with late buses and

trains, dilapidated carriages, breakdowns, and interchanges and train stations that are not safe. Labor is running an ageing bus fleet that in many cases is more than 25 years old, it spent millions on trams that were not suited to our weather conditions, and it has presided over so many breakdowns that commuters are losing faith in our public transport system.

In the last fortnight, I was fortunate enough to be on a transport-oriented tour of some countries in Europe, and the public transport systems in other cities of the world certainly leave Adelaide's for dead. One would hope that the money the government is investing in the electrification of our rail network will go some way towards improving our services. We certainly have a long way to go to catch up with the rest of the world.

Federal Labor's $61 million O-Bahn project has been scrapped as part of Julia Gillard's cuts to programs and infrastructure projects. The O-Bahn is one of the most highly patronised public transport corridors in the metropolitan area, carrying more than 8 million customers per year. The $61 million would have improved bus priority to Adelaide CBD and streamlined access for buses and passengers to one of the city's major public transport precincts, Currie and Grenfell streets.

In criticising the state government's poor handling of the transport portfolio, I do not take away from the hard work of the department, and in particular Mr Rod Hook, who I congratulate on his well-earned appointment as chief executive of the department. We will, of course, support any legislation which genuinely makes their jobs easier and the department more efficient and effective in exercising its functions.

This bill gives the Rail Commissioner the accreditation to undertake his role under the consolidated model of TransAdelaide and the Public Transport Division. That entity is now responsible for the state's trains, trams, bus contracts and taxi services. It is a big responsibility and a tough job, given Labor's neglect of the public transport system in this state. This government, and indeed the opposition, wants to see increased patronage on our public transport; however, the unreliability of services and their infrequency outside typical working hours make it difficult for people to have confidence outside of using private transport.

Under this bill, the TransAdelaide (Corporate Structure) Act is repealed and the board's role transferred to the commissioner. I note that the board's responsibilities went to the commissioner on 1 September 2010 but that the board was retained until February this year, and I repeat the question asked by Mr Steven Griffiths, the member for Goyder: why was the board retained until February? Did the members meet, and was any remuneration paid for that interim period? I would appreciate the minister seeking that information from the department and providing it to this chamber before we conclude the debate and the third reading of this bill.

This bill also amends the Rail Commissioner Act 2009 to give the Rail Commissioner accreditation to run all these transport services. It also allows the annual report of the commissioner to be included within the Department for Transport, Energy and Infrastructure report, which is, I think, a sensible bringing together of those two reports. The opposition will support the bill, and it hopes that it is one step towards fixing up the public transport mess that has come about under this current state Labor government.

The Hon. A. BRESSINGTON (15:35): I rise briefly to indicate my support for this bill. As indicated by the minister when introducing it, this bill is largely administrative in nature, with two of its three provisions providing for the Rail Commissioner to report in the annual report of the Department for Transport, Energy and Infrastructure and to bestow on the Rail Commissioner the appropriate accreditation under the Passenger Transport Act 1994 to enter into service contracts with the Minister for Transport for train and tram services. This is the same accreditation that was provided under the TransAdelaide (Corporate Structure) Act 1998 and brings to an end the TransAdelaide Board, whose responsibilities were transferred to the Rail Commissioner from 1 September 2010. It is my understanding that this is a final step in the consolidation of the former statutory authority back into the department. This is an uncontentious administrative bill and it has my support.

The Hon. G.E. GAGO (Minister for Regional Development, Minister for Public Sector Management, Minister for the Status of Women, Minister for Consumer Affairs, Minister for Government Enterprises, Minister for Gambling) (15:36): I understand that there are no further speakers to this bill. As honourable members have indicated, it is an administrative bill. Briefings were offered and I understand that it is not a contentious bill, so with those few words I thank honourable members for their contribution to the second reading stage. In relation to the question

asked by the Hon. David Ridgway, I understand officers have a response to that and I am happy, with the indulgence of the chamber, to provide it during the committee stages. With those few comments, I look forward to the committee stage being dealt with expeditiously.

Bill read a second time.

In committee.

Clause 1.

The Hon. G.E. GAGO: In relation to the question the Hon. David Ridgway asked about the board, I have been advised that it was appointed by the Governor to 2/2/11, that it has no role following the transfer of TransAdelaide to RailComm on 1 September 2010 and that payments are made in accordance with appointments.

Clause passed.

Remaining clauses (2 to 5), schedule and title passed.

Bill reported without amendment.

The Hon. G.E. GAGO: I move:

That this bill be now read a third time.

Bill read a third time and passed.

MINING (ROYALTIES) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 18 May 2011.)

The Hon. D.W. RIDGWAY (Leader of the Opposition) (15:40): I rise on behalf of the opposition to speak to the Mining (Royalties) Amendment Bill 2011. As members would be aware, this bill is a result of the government's announcement in the 2010-11 budget that it would reform South Australia's mining royalty regime. As members would be aware, the opposition supported the budget through this place last year and, of course, we indicate that we will support this bill.

Currently, the royalty rate is at 3.5 per cent of ex mine gate value of all minerals, other than extractive minerals, which are based on a volumetric rate, and a rate of 1.5 per cent is applied to new mines for the first five years. Members would all know that Olympic Dam has been and will continue to be a major source of royalty revenue for South Australia. We also have a large stream of revenue from the petroleum sector within the Cooper Basin, and I know a number of other prospective areas in relation to gas and oil are under exploration at present.

I will give a brief history in relation to Roxby Downs. The indenture bill of 1982 set out royalties from that operation at 2.5 per cent of the ex mine gate lease value—the value of the mineral once mined, brought to the surface and removed from the site—for the first five years of operation. After the fifth anniversary of the commencement, it went up to 3.5 per cent. This increase recognised the government's contribution of infrastructure required to support that operation.

As the cut-off for that legislation neared in 2005, the government moved to protect that 3.5 per cent royalty revenue stream and also increased the blanket rate across all operations in the state to 3.5 per cent. That legislative change also included a grace period for new operations, where they paid only 1.5 per cent for the first five years, rather than the new 3.5 per cent. This bill, however, creates a new classification for royalty purposes—a mineral which is mined and processed to a concentrate form on site but then exported for refining, rather than being refined on site. For those operations exporting unrefined minerals, the royalty will be 5 per cent and the rate for that grace period I referred to earlier will jump to 2 per cent.

In summary, the new royalties outlined in the bill are: 5 per cent on exported bulk commodities such as iron ore, coal and copper concentrates; 3.5 per cent retained for metallic products, including copper, gold and silver; and 3.5 per cent will also be retained for certain industrial and construction minerals, such as salt, limestone, dolomite and gypsum. Mines producing refined metal will be subject to a 3.5 per cent rate. The concession rate for new mines will be increased by 2 per cent for any mines approved after 16 September 2010. Olympic Dam will only face increased royalties for its uranium oxide production.

The basic principle behind the main change in this bill is to encourage the retention of on-site value-adding processes and, in particular, operations like Olympic Dam. It is already difficult and expensive to mine in South Australia, as in other states, such as Western Australia. It is important that we protect future investment in our industry. We must be careful—as pointed out by Mitch Williams (the member for MacKillop, the deputy leader in another place and shadow minister for mineral resources)—as, by simply setting our royalty to that of the other states, we are already in heavy competition with Western Australia. The decision to invest in our state is a carefully weighed decision for many company directors.

I was disappointed to hear that the South Australian Chamber of Mines and Energy did not receive a detailed briefing on this bill, although it was aware of the budgetary announcements. I think that typifies the way this government has operated: it really has not consulted and taken the industry along with it. I think that the Hon. Paul Holloway, the former minister for mineral resources development, is, in fact, a Mining Legend—an award he received while he was minister. I know that I sometimes see him wearing his little gold picks on his lapel.

It Is a shame that the South Australian Chamber of Mines and Energy was not consulted and given a detailed briefing on this bill. The former minister and the current minister, the Hon Tom Koutsantonis, championed the mining sector yet did not really have the decency to provide a detailed briefing. I think it really is a sign of Labor's risky approach to a lot of decisions which can largely influence the future direction of our state's economy.

The opposition has always been appreciative of the mineral wealth of this state, and some of the benefits must flow through to the state. It is the responsibility of our state government to reinvest that money in worthwhile projects whereby the benefits can be advantageous to future generations.

Royalties are an important source of revenue for our state. We are lucky to be rich in mineral wealth, and we must nurture the industry which exploits that wealth so that our revenue can continue to grow along with the multitude of benefits that flow on to our economy. I indicate that the opposition is happy to support these changes to the royalty structure in South Australia, although I think we also need to understand that we do have significantly less royalty revenue in this state than some of the other bigger states, such as Queensland and Western Australia.

Interestingly, I recently had a discussion with some industry players in the finance sector here in Adelaide who talked about how our royalty stream was so large because of the great expansion in mining. I pointed out that in Victoria—most people think it does not really have many mines at all—the royalties paid by the Victorian coal industry to the government are far greater than the royalties that we receive here in South Australia.

So, the opposition certainly does support these measures, but we also need to be mindful of the fact that we have a long way to go to catch all the other states in relation to the income received for mining royalties. It should not just be about increasing royalties all the time but developing industries and supporting those industries to expand in the state. With those words, I indicate that we support the bill.

The Hon. A. BRESSINGTON (15:47): I rise to indicate my support for the Mining (Royalties) Amendment Bill. Announced as part of the 2010-11 budget, the bill in effect raises the royalties payable on bulk export commodities such as coal, iron ore and copper concentrate to 5 per cent of the ex-mine gate value and it also increases the discounted new mine rate to 2 per cent, up from 1.5 per cent.

Sensibly, the proposed new regime rewards those who refine bulk ore and concentrates in South Australia by retaining the royalty on such products at 3.5 per cent. Additionally, those materials associated with construction, such as limestone, dolomite and gypsum, will also remain at 3.5 per cent.

I am pleased that the increase in the new mine rate is not retrospective, and those mines currently paying 1.5 per cent will continue to do so until their concessional five years expire. Only operations given new mine status after 16 September 2010 will be liable to the 2 per cent rate. It is my understanding, though, that no new mine has so far applied for such status in this time.

While there are many points one could make in relation to mining in South Australia—or, more accurately, the lack thereof—or how revenue generated through royalties should be spent, the only point I seek to make in relation to this bill concerns the federal national Resources Rent

Tax which, in effect, will largely override this parliament's ability to henceforth raise mining royalties.

While this state's intention is to raise royalties were announced prior to the national Resources Rent Tax and, as such, has seemingly been accepted by the federal government, in the case of Western Australia, which has more recently announced its intention to raise its royalties on some products, we have seen the reaction that this parliament can expect if we propose to again raise our royalties in the future. The Western Australian Premier, Colin Barnett MP, has come under fire from the Labor government threats that the federal government will penalise Western Australia via a reduction in infrastructure spending as a consequence.

This is because the national Resources Rent Tax indemnifies mining companies against state royalties and, hence, if South Australia increases its share, it comes at the expense of federal revenue. Western Australia's increase has supposedly cost the federal government $2 billion over four years, hence the reaction that Premier Barnett has seen.

While I believe there is, ultimately, little this parliament can do to change this, I do believe it is necessary to recognise that in effect this parliament has been forced to concede its right to fluctuate mining royalties as it sees fit without threat of consequence from the federal government. To me, this is simply another example of this parliament losing its relevance to its federal counterpart, even if it is indirectly.

Debate adjourned on motion of Hon. Carmel Zollo.

ELECTRICITY (MISCELLANEOUS) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 19 May 2011.)

The Hon. D.W. RIDGWAY (Leader of the Opposition) (15:51): I rise on behalf of the opposition to make some comments in relation to the electricity (Miscellaneous) Amendment Bill 2011. The initial feed-in legislation was announced some few years ago, I think, as a political stunt by the Premier at a Solar Cities conference. Over his time, the Premier has been obsessed with pushing his green credentials, and this has been done at the expense of presenting sensible, well-considered legislation. His priority was to be the first jurisdiction in the nation to have a legislated solar feed-in scheme.

To those who have been able to afford the capital cost of installing a photovoltaic system in their home, the scheme has been accepted with open arms, due mainly to its extreme generosity. The scheme has financially rewarded a handful of people who could afford the sustainability measure. It has been summed up to me as being one that has socialised the costs but privatised the benefits.

The initial scheme was legislated in 2008 and set a feed-in tariff of 44¢ per kilowatt hour. The government suggested at the time that the scheme should run for five years, but the Hon. Mark Parnell pushed for a time limit of 20 years. So, the opposition deliberated and decided that if this scheme was to achieve everything that the government purported it would then we would support the 20-year lifespan. Subsequently, the feed-in scheme will be open to existing entrants until 2028.

Coupled with various system rebates, a 44¢ tariff and rising electricity prices, the scheme's popularity has grown at an exponential rate. The government had said that it would review the scheme once the installed capacity reached 10 megawatts. The expectation had been that they would get 20 megawatts over about five years, and the government said that the scheme would be cut off at 60 megawatts.

The installations quickly exceeded the 10 megawatt capacity, but at that time there was no review. The opposition repeatedly asked for that review and the government finally succumbed to pressure at the end of October of last year. By this point, we were probably truly past the 60 megawatt capacity. I understand, from a government briefing provided to my office, that 59 megawatts is currently installed and a further 35 are approved for installation under the current scheme, although I have seen other estimates of far more than 35 megawatts of likely installation under the scheme, depending on when the scheme is cut off, or not.

For those who are not on top of the technicalities, the installed capacity of an energy network is the collective maximum energy production of all assets attached to it. A network operates at maximum capacity and there are a multitude of problems associated with exceeding

that. The government has seemed to exercise little caution in preventing a solar uptake which could potentially cause problems for the network.

Solar energy's peak is provided in the heat of the day, yet in the middle of summer the peak demand comes when the solar energy is diminishing because of the sun being lower in the sky, so the network is constructed to, and has to, have the capacity to supply the maximum electricity required at the peak demand time. The bill also increases the tariff from 44¢ to 54¢ per kilowatt. This will be for existing customers and new customers who join before 1 October this year. It will continue to be paid for those customers until 2028. As mentioned, the scheme will cease on 1 October 2011 under this bill, rather than at the 60-megawatt cap.

As stated, the opposition feels that this legislation was flawed from the beginning. However, the increase in the tariff of 10¢ really defies common sense. It is interesting to note that the increase in the tariff from 44¢ to 54¢ was announced by the Premier when he gave the keynote address on South Australia's leadership within a carbon-constrained economy. Mr Rann said that an extra 10¢ was not the only benefit available to South Australians who invested in solar energy, and he went on to talk about a whole range of perceived benefits. He made this particular announcement on 31 August 2010. Members will certainly be aware that that was at a time when the state budget had been delayed after the election and the Sustainable Budget Commission was reporting where the government could either cut expenditure or raise extra revenue.

We saw significant cuts proposed by treasurer Foley and the government in relation to public sector jobs and, yet, at the same time, the Premier was suggesting that we should increase the feed-in tariff by 10¢—again putting another burden on those in the community who perhaps do not get the benefit of solar power but actually have to pay the extra cost for those who have it installed. Again, we see an example of the Premier making a policy announcement by press release rather than by having a well-considered sustainable structure in relation to providing some incentive for South Australians to install solar panels.

As mentioned in another place by my colleague the shadow minister, Mitch Williams, the current scheme, coupled with the ever-decreasing cost of photovoltaic cells, has seen most households cover the capital cost of installing a system well within 10 years. While I have always been a supporter of solar energy and photovoltaic panels on roofs, and I have followed the progression of payback periods, it does not seem very long ago that the payback periods were somewhere in the vicinity of 18 to 20 or maybe 25 years. Certainly, we are seeing the cost of the panels coming down and the cost of electricity going up, but the payback period now seems to be getting shorter.

The increase in tariff is simply continuing to shift the financial burden of power prices from a small group of South Australians to the majority who cannot afford solar systems. It was mentioned in a briefing with my office that the announcement of a 54¢ tariff excited many people—and justifiably so—but it has aroused very little interest within the non-solar community. Perhaps most people do not understand where the rebates are coming from. The scheme currently adds about $28 to the annual power bill of every consumer in South Australia. Not only does this group continue to feel the burden of increasing power prices but they are paying for the costs of an over-generous scheme and they will continue to do so for the next 17 years.

We should not forget that the tariff itself has no relation to the actual value of the solar energy produced. This is an additional 8¢ per kilowatt paid by the retailer to the solar producer. Solar feed-in schemes were designed to provide a modest reward for people who took the trouble to attempt to create sustainable households for themselves. As the cost of electricity rises dramatically, the financial reward of having a photovoltaic system is significant enough without this excessive payment. Arguably, within five to 10 years the cost of power will have increased and the cost of photovoltaic systems become so low, to the point where, as I said earlier, I suspect that they are self-funding because the benefits gained will pay for the capital cost without having to have any incentives provided.

From a South Australian industry and economy perspective, our concerns are obvious: the feed-in tariff scheme has been a major stimulus for the solar industry. Since the announcement of the 10¢ increase, 40,000 people have joined the scheme, obviously, many of these wanting to install solar systems. Arguably, the scheme has been the main driver for this industry over the past few years. Common sense would suggest that removing that scheme overnight will have a very significant impact on the industry.

This particular bill has raised a great deal of interest and opinions, and we have subsequently arrived at a point where there are several compelling alternatives to what the government is proposing. We have, obviously, a proposal from the Greens, and significant industry sectors have also provided us with a scheme that they think would provide a better solution. I did have some discussions with minister O'Brien just prior to lunch today in that very important place, the Blue Room, where he indicated that he was considering some further amendments which he thought were better than the Greens' proposal and better than the industry proposal.

In summary, the government scheme proposes to cut the scheme on 30 September and increase the tariff by 10¢, lock in the 54¢ tariff until 2028, and make it mandatory for retailers to pay a kilowatt price to solar producers, determined by ESCOSA. The Greens want to modify the government's proposal. Having said that, the minister indicated to me today that he has additional amendments that he thinks address some of the concerns that have been raised during this debate.

The Greens, by their amendments, want to modify the government's proposal. They want the retailer to pay the price for the electricity feed-in, determined by ESCOSA, but based on a broader assessment of the value of that energy. They want to include a retailer contribution in the new 54¢ tariff rather than it being additional, and after 30 September a transition scheme comes into play at 30¢ per kilowatt hour, including the retailer contribution and, as the cost of power increases, the tariff reduces. They want to exclude concession cardholders from paying the cost of the scheme. They estimate that to be some 200,000 householders (I assume); so that may well be some 400,000 (or thereabouts) South Australians.

Sadly, some concession holders are very needy in our community; but I am reminded of examples where some people on health-care cards a few years ago were travelling in the Himalayas and trekking in the Andes, and in other examples I know that some pensioners are having their 28th or 29th overseas cruise. So, I am not sure of a broad-based approach saying all concession card holders should be included, or excluded, from the scheme. The Greens also want to ensure that residents in retirement villages can have access to the scheme.

A senior industry identity who has spoken to the opposition suggested that an alternative version would be to close the scheme almost immediately, at 30 June, at an installed capacity of around 100 megawatts rather than, potentially, 160 megawatts under the government scheme, and continue a feed-in tariff at the rate of 44¢. The figures suggest that the annual cost of the scheme will be around $28 million less than the government's alternative, by 2028 saving some $481 million. The savings are based on the projected uptake of the systems within 30 June and 30 September.

Mr President, you can see that we have three potential options in front of us. As I said, the minister has already indicated to me that he has some other amendments which he thinks should address it. My colleague, the Hon. Rob Lucas, will make a contribution a bit later on in this debate; he is a former energy minister.

It was discussed yesterday in the Liberal Party party room that maybe a better approach to this whole process is that we have these options. I do not disbelieve the Hon. Mark Parnell figures, but we are now relying on his understanding of industry and energy. I know he has been provided with information by consultants. The government has had information provided to it, and we have industry spokespeople providing information to us. The suggestion from the opposition now is that we need a very quick independent assessment of what is on the table.

We think that one of the options going forward—and the minister has indicated that he is not opposed to this—is for the minister, the Hon. Mark Parnell and Mitch Williams (the shadow minister for energy) to lay their proposals before ESCOSA and get them (and maybe ESCOSA is the independent adjudicator) to give us a very brief but, I suspect, probably pretty accurate assessment of what all these schemes mean and the modelling in relation to the cost to the consumers, where the burden is spread across our community, and ask them to report back to us—to the parliament, to the Legislative Council, to the minister, to the opposition and to the Greens—on the Friday before the last sitting week in June. Effectively, we are giving them about a 10-day window to look at these issues.

I think we have seen from what we supported a couple of years ago that now the community has taken advantage of it, if you like, the horse is starting to bolt away. More and more burden is being shifted onto South Australians who are not able to afford the capital cost of these systems. Everybody has a particular view on how they might like to tweak the system, to even it

out, and I do not think any of us are experts. There is an opportunity now to take a deep breath and get the main spokespersons from each of the parties to give a view and an opinion on which is the best scheme.

If the minister is happy, we ask ESCOSA to be the independent adjudicator and then report back to us so that we can make a decision in this parliament on an informed basis. I think previously the Premier announced that he wanted to be the first, and I think some of the other parties got somewhat excited by that. I do not think we really knew what the uptake would be, and I do not think that either we or the community really understood the increase in electricity prices, the impact it would have, or the impact it would have on those in the community who cannot afford the systems.

I also think a number of questions should be asked if ESCOSA is to be involved. What would the cost implications be for energy consumers of cutting the scheme off either on 30 June or 30 September? What would be the cost implications of phasing out the tariff as the energy cost increases, and at what time does ESCOSA see that those two points would meet? What network benefits accrue from energy fed into the network, such as transmission and network charges?

I also have a question that my colleague Mitch Williams has asked me to put on the record. He is seeking clarification in relation to clause 36AE(5)(a) and (b), on page 6, which refer to 'the holder of a licence', the entity which installs the necessary meter for a person to become involved in this feed-in scheme. The licence holder in this context is ETSA. I am informed that currently in the National Energy Market 'meter providers' (as defined in the National Electricity Act) install metering. ETSA indeed has that accreditation and can perform metering work on behalf of its distribution businesses. Retailers can become a 'responsible person' at a site and appoint their own meter provider. This is done without the distributor's involvement. If this amendment passes, will the distributor (ETSA) be able to deny customers the tariff where the meter provider installs the meter on behalf of the retailer?

I think members are now aware that the opposition is certainly not opposed to this feed-in tariff regime, but we think that we need to catch our breath and ask ESCOSA to look at the options that are on the table and report back in about 10 days so that we can make an informed judgement and decision in this place. If 30 June is the date that is potentially agreed by this chamber, then that can still all happen prior to 30 June. We are not delaying it to a point where it cannot be achieved, but it also gives a chance for an independent adjudicator and the independent experts to make a judgement without any political interference.

I am certain that if we were in government, rather than being in opposition, we would have had a detailed report done by an independent adjudicator to see exactly where this was heading, where the benefits were and where the costs were, so that we could make a fully informed judgement about the benefits or, in fact, negative impacts of such a scheme to the community. With those few words, I look forward to the debate continuing.

The Hon. M. PARNELL (16:10): This is a critical bill for the future of the solar industry here in South Australia. From very humble beginnings, it now looks as if some 5 per cent of households have solar arrays on their roof, and that is exciting. There are some 1,500 people employed in the solar installation industry, up from around 50 people just a few years ago. So, whilst this whole debate about solar panels and the appropriate level of public support for renewable energy is couched in terms of a problem, we should not lose sight of the fact that more and more South Australians are generating their own electricity from their own roof and feeding their excess power back into the grid. That is good on so many levels, both public and private.

The question we now have to address is: what is a reasonable transition for the solar industry to move from public support to being able to stand on its own two feet in the market? Let us not kid ourselves that the market is a level playing field, because it is not. Pollution is still free, and the energy we get from burning fossil fuels adds to the carbon load in the atmosphere, which, in turn, is driving climate change. So whilst the growing solar industry is seen as a problem, it is a good problem to have; nevertheless, we have to be smart about devising solutions.

I know that some members in this place are nervous about government intervention in markets. I do not share those concerns. Provided that we give appropriate policy and price signals, markets can deliver good outcomes. We know that markets have no morality, they have no ethical basis, and we would be fools to rely on markets entirely to deliver good social and environmental outcomes, but with appropriate direction and regulation we can promote and encourage the things we want in society—in this case, more renewable energy.

Just three years ago, before 2008, when the solar feed-in scheme was first introduced, the system was quite simple: if you had solar panels on your roof you got one-for-one. Your spinning disc electricity meter simply went backwards when you were producing more electricity than you were using. That meant, effectively, that you were being paid the same for your solar electricity as you were paying the retailer to buy electricity through the grid. Under the current bill, the payment from retailers could be as low as 6¢ so, arguably, the net impact of government intervention means that households would be worse off than if they had stuck with old-fashioned metres spinning backwards. That is not a good outcome.

This is not an argument against government intervention: it is an argument for appropriate, timely and targeted intervention. To be fair to government, when the original solar feed-in scheme was introduced—in fact, when this bill was introduced—the government did not know what changes were afoot at the federal level. In relation to this current bill, the government presumably did not know that the federal government was about to bring forward the phase-out of the solar credits multiplier; and that one change at the federal level significantly changes the economics of solar purchase.

I will shortly outline the amendments the Greens are proposing that will address the changed environment—the changed environment being the federal environment as well as the state environment. However, what we need to decide in this parliament, the question for us, is whether we will stay the course. Will we finish the job properly that we started three years ago? Are we in this for the long haul, or are we going to cut and run?

I would like to take this opportunity to acknowledge and personally thank the minister, Michael O'Brien, and his staff, who have been readily available to discuss this bill over the last several weeks. They have been open to taking phone calls and to receiving ideas from the Greens about possible amendments to the bill, and I appreciate the time they have taken to look through and consider our material. I also take the opportunity to thank the shadow minister in another place (Mitch Williams) and also the many other MPs, many of whom are in this chamber, who have taken an interest in this bill and who have approached the possibility of improvement to the bill with open and inquiring minds.

I will make some remarks briefly about the history of the solar feed-in scheme so that we understand how we have got to the position we are now in. When the original feed-in scheme was introduced, it was the first in Australia. I was at the International Solar Congress here in Adelaide when the Premier announced with some pride that we were the first state to introduce such a scheme. I think that pride was well placed.

It was a good scheme and it was good to be the first state to introduce it. It was about the right scheme for that time. It was not too generous when it was introduced, and the Greens were pleased to see it expanded to cover more eligible customers. The Legislative Council in its infinite wisdom extended the scheme to 20 years, which was a key request of the solar industry, but everyone back in 2008 knew that, over time, the scheme would inevitably change, and that is why the government committed to a review.

Not long after the scheme came into operation, it became apparent that electricity retailers were not playing ball. Those who had been paying a fair price for the electricity they received back into the grid either stopped paying for it completely or they reduced their payment to a token amount, preferring to rely instead on the community-funded statutory feed-in tariff. That is why the Greens commenced a campaign to stop what we were calling 'the great solar rip-off'. What we wanted was the retailers to pay a fair price for the electricity. The government recognised, as did the opposition, that that was a good call.

The Greens' bill, to give effect to stopping the solar rip-off, went through this chamber. It was taken up by the shadow minister in another place (Mitch Williams) and debated there. In the meantime, the 10-megawatt trigger for the review of the scheme was reached in May 2009, and in June 2009 the member for Light in another place (Tony Piccolo), representing the government, said:

> It is anticipated that the government will be in a position to advise the parliament of the outcome of these deliberations [meaning the review] in September this year.

In other words, the government was telling us that, by September 2009, we would know the state of play and what changes would be made to the feed-in scheme. The government ultimately opposed the Greens and Liberal bill in the House of Assembly. On behalf of the government, Tony Piccolo said at that time:

At this point in time it is too early to agree to any new amendments to the feed-in scheme and they would be premature. Given that, the government will be opposing this bill but undertaking a review and will report to parliament shortly.

As things have turned out, it was not premature: it was the right time to do the review. It was most unfortunate that the review process was dogged by delays, and in fact it was not until over a year later—August 2010—that the Premier announced the changes that he thought were appropriate.

I say that it was unfortunate that this review and the response to it were delayed because a number of other things changed in the meantime, and the cumulative impact of those changes saw the solar industry grow exponentially: first, the price of solar panels plummeted; secondly, the value of the Australian dollar went up, which made the imported panels even cheaper; and, thirdly, the federal government made changes to its scheme. The combination of all those things produced cheaper solar power systems and much shorter payback periods.

The Greens convened a forum after the bill was introduced (in fact, we have convened a number of forums in Parliament House) to bring together representatives of the solar industry. We had some 35 solar retailers and manufacturers here in Parliament House. We also invited—and this is important—the South Australian Council of Social Service. The reason why that is important will become apparent shortly but, clearly, two key stakeholders in this whole debate are those who are in the business of installing renewable energy and also the representatives of the community that ultimately pays for that scheme, in particular, low income people.

Those consultations have gone on now for many, many weeks. I acknowledge the contribution of Craig Wilkins, in my office, who has spent almost every day for the last several weeks in conversation with various energy companies, consultants, customers, government officials and others, because we are determined to try to get the best outcome we can from this bill for the people of South Australia.

The most important consideration for people considering buying solar panels is, undoubtedly, the payback period. In other words, at what point do the savings that you make add up to the amount that you have paid for your solar system? The very early adopters of this technology—looking at the people back in the early 2000s, say, 2000 to 2005—had a very slow payback. In fact, it would have taken those early adopters something like 30 to 40 years to pay off their panels. The panels were expensive, they were less efficient and there were not the same public subsidies.

So, those people showed real commitment to green energy. They need to be acknowledged because, if you do not have early adopters, you ultimately do not have any adopters at all. In around 2008, with the introduction of the scheme, the payback period dropped from about 25 years to, perhaps, 15, maybe, 17 years. That was why it was important that this Legislative Council extended the scheme to 20 years when we first introduced it. It was important to the industry, to be able to encourage the take-up of solar panels, that the payback period was roughly equivalent to the warranty period of the panels, so people could see that it was a reasonable proposition.

By 2011, we find that the situation has changed dramatically. Now, some of the cheaper systems have a payback period of about four to five years. In fact, that is far more generous than the parliament originally intended. I think everyone agrees that some form of correction is required. Where the Greens disagree with the government's bill is that that correction is to simply close the scheme to new entrants. I think we can do better than that.

Under the government's plan—and the government has provided me with these figures, for which I am grateful—after 1 October, people buying solar panels to put on their roof will be facing a payback period of 24 years, possibly more. Now, given the warranty on these panels is only 25 years at most, all of a sudden, you have to be incredibly committed to the environment to make that investment. The government's figure was based on a federal solar multiplier of four and, since then, it has been reduced to three. So, the payback period is now likely to be much longer than 25 years.

The Greens have put forward an alternative that has a second, what we are calling a transition, solar feed-in scheme that would allow people who buy panels to pay them off in around 10 years. I think that is a reasonable amount of time. I might just make a comment at this stage. A number of people have said that these solar panels are only for the wealthy and that only rich people are putting up panels. Now, that is a claim, I think, that is easily challenged by talking to the people in the industry who are out there putting up solar panels.

The typical customer, I am told, is now an older person. Nearly all of the customers, I am told, are over 55 years old. Most of them are retirees, many of them are pensioners and the postcodes where these people live are not dominated by the wealthy suburbs. What we are seeing is that it is ordinary South Australians, older South Australians, who are investing in solar energy as a way of insulating themselves against future electricity price rises which, we all know, are around the corner. So, people are making the decision on economic grounds. Whilst I am sure they enjoy the warm inner glow that comes from helping the environment, for many of these new customers—in fact, for most of these new customers—that was not the driving force.

The government proposal in this bill proposes that people who are already in the system, or those who join up before 1 October this year, will see an increase in the feed-in tariff from 44¢ to 54¢ and the scheme will then close to new entrants. After 1 October, anyone who joins the scheme will only receive a small contribution from the retailers, which will be equivalent to about a quarter, maybe one-third, of what they are paying retailers for electricity they buy off the grid. As I said earlier, that is one of the perverse results of this bill: that consumers will in fact be worse off than they were before 2008.

The main problem with the government's approach has been well described by industry representatives in the various briefings here that members have attended and also in the media. It is best summarised, I guess, by the boom and bust problem: the idea that an industry can be given such a leg up that they are flat out meeting demand and then, at the next moment, the door is closed and they find that they have no work at all. Estimates vary but, of the 1,500 people involved in the solar installation industry, the industry has estimated that a fair chunk—the majority—are likely to go after 1 October. In fact, this bill could kill the domestic solar industry for a number of years.

Over the last few years, I have received correspondence from many hundreds of South Australians who are interested in renewable energy and in the solar feed-in scheme in particular. Many of them have written to me, so I took the opportunity to write back to them recently. I posed some of the dilemmas that are presented by this bill. I wrote to them and asked if they wanted the 54¢. If they were not to get the 54¢, would that be a major problem for them? If we could make some savings by not paying the extra feed-in tariff, would they be happy for that money to be used to fund a transition scheme for a period that is a bit longer?

Having sent out the email with all the different permutations and combinations, and with some trepidation as to the response, I was most pleased that the majority of people who wrote back to me made the point which has been made by industry, that they did not ask for the 54¢. They were happy with the 44¢, and they would be more than pleased to see the industry continue. If the price that they personally had to pay was forgoing the extra 10¢, then they were prepared to do that.

I might just refer to some of those emails. I should say at this stage that the Green's solution, which has now been filed, does involve the payment of 54¢, but it is structured slightly differently to the government proposal and therefore still delivers considerable savings. One of the emails that I got back from a solar household states:

> Dear Mr Parnell, I am very much in favour of a proposal that offers an incentive to as many people as possible to take up the use of solar panels. From a financial point of view, I am not fussed at all if I don't get an increase from 44¢ to 54¢...I would rather an option that encouraged more people to take up this form of energy.

Another householder wrote to me saying:

> ...I would rather receive a slightly smaller feed-in tariff rather than jeopardise the entire solar industry by stopping all feed-in tariff for newcomers after October this year. After all, the system saves me money whilst giving me power, and no other gadget I own has these the dual benefits, as well as actually giving me an income. To me it's about paying a fair price. I did invest in power-producing infrastructure that ETSA doesn't need to maintain. If they do use the excess power that I create for profit, I should be paid something—a fair amount, whatever that is.

Another one wrote:

> I entirely agree...even the payback of 44¢ is very generous and possibly should be dropped a little further to enable more people to participate and ensure that those on low incomes are not unfairly subsidising others.

Another one states:

> Personally, I find the idea of the state government just closing off the scheme completely after 1 October 2011 to be morally abhorrent. As I have written to you previously, this would almost certainly guarantee the history of boom or bust cycles in the renewable energy sector, and contribute to our continued reliance on coal-fired power plants that are harmful to the environment.

There are a number of others, but I will not go through them all. The majority of people who wrote to me said that they were looking for another way. I am pleased to hear the Hon. David Ridgway report to this chamber, after conversations that he has had with the government, that the government is open to looking at another way.

The Green amendments that I have now filed, I will describe in groups. There are seven key issues that the amendments cover. By way of summary, what these amendments do is provide for a scheme that is $70 million cheaper than the state government scheme and that allows for a new transitional feed-in scheme to operate after 1 October. That additional scheme could provide for an additional 80 megawatts of power; in other words, approximately 40,000 extra households.

The payback period would be nine to 10 years for those panels, compared to more than 25 years under the government's scheme, and the average cost per household for this would be about $25 a year compared to the $29 a year that the government scheme locks in.

I also propose amendments to enable those in retirement villages to access the scheme. Currently, they are prohibited due to the way electricity is delivered to those villages. In addition to that, we have an amendment that provides for people on low incomes to be exempted, if you like, or excused, from having to contribute to the scheme.

The net sum of providing this benefit to 27 per cent of electricity customers—the 27 per cent who are already on energy concession cards, so not the health care cards that the Hon. David Ridgway referred to but people who are already in the energy concession system—the cost of exempting those people from having to contribute at all is that they will save probably $25 on their bill. The average cost for everyone else: two cups of coffee a year, maybe $6 a year, if we go down that path as well. So, however you look at it, that is an exciting scheme.

The first thing I want to refer to is the low income concession card holder exemption, and that is amendment Nos 1 and 3, which members will note when they go through it. The cost of the feed-in scheme is currently spread over all consumers. As I have said, if we can actually excuse those low income people from the scheme, the cost on everyone else is absolutely negligible but the saving to those low income people is quite considerable.

The information I have from SACOSS is that there are some 200,000 households that are already eligible for the state government energy concession scheme, and by excluding these people from the cost of the feed-in scheme that effectively increases their concession by 15 per cent while adding less than 1 per cent to the bill of other households. As I have said, if we do not go down this path—I hope we do—then overall the Greens' scheme is cheaper than what the government is proposing.

The second set is amendment No. 2, which is to get some clarity and hopefully increase the amount that retailers pay to solar panel owners for the electricity that they receive. Under the government's bill, it requires the Essential Services Commission to determine a fair and reasonable value to a retailer of electricity fed into the network, and having determined that fair and reasonable value that is the amount that the electricity companies will have to pay the householders.

The amendment that I think is needed to this section is one that takes into account the fact that solar energy has network benefits as well as individual retailer benefits. Part of the reason for that, if we are going to talk about electricity very simply, is that the excess electricity produced at one house is probably going to be going next door or maybe just down the end of the street. It is certainly not going back through any interconnector, back to power stations in Victoria or anywhere else.

There are real transmission benefits that need to be taken into account when determining this fair and reasonable price. There are not the same transmission losses with this solar power that you get from the long distance transportation of fossil fuel electricity. So the effect of the Greens' amendments would be to increase slightly the amount that the retailers pay households, which is currently estimated to be around 6¢ to 8¢. I think these amendments might add a few cents to that.

The magic of the Greens' new transitional arrangements is that if the retailer contribution increases then the contribution paid by the rest of the community is limited to a top-up to 54¢. So that is what the Premier promised South Australians—they would be getting 54¢—and this amendment does it, but it provides that the community-paid component will decrease over time as the retailer component increases.

The next series of amendments relate to what I have described as this new transition scheme. It is a less generous scheme than the one that we supported three years ago. In a nutshell, it provides that for the next four years new entrants to the solar feed-in scheme would be paid 30¢ a kilowatt hour, which includes the retailer contribution, and that that scheme would be limited to 10 years.

This less generous scheme recognises that the cost of solar power has substantially decreased over time and with it the payback period. The industry is confident that in about four years' time solar power will be able to compete with grid power on cost alone. So the transition scheme that the Greens are proposing ensures that the industry maintains a steady flow of work until that time of parity occurs. That will, as I have said, save a considerable number of jobs in the solar industry.

The Greens have commissioned comprehensive modelling on this alternative option, and it shows that it would cost about $42 million but, bearing in mind that there is still an overall saving of $70 million on the cost of the government's proposal, it is a good deal all around. The next amendments relate to ensuring that solar households can still receive at least the retailer contribution if they choose to install additional solar panels on their roof after 1 October.

As the legislation currently stands—and the minister might take this on notice as a question—if a householder with panels wants to increase the size of their system they are completely cut off from the feed-in scheme and they would not even be eligible for the retailer contribution, and that is a major disincentive to solar households increasing the size of their systems. You have to remember that many people, in fact, bought larger inverters than they needed so that they could add extra panels over time.

This amendment would ensure that a household could voluntarily choose to forego the public subsidy in order to install more solar panels and still get paid by the retailer for the electricity that they produce. We also have an amendment which ensures that the solar feed-in scheme becomes a standard part of electricity contracts rather than just an extra. What we do not want to see is the ability of electricity retailers to refuse to allow solar households to connect through them to the grid.

We also want to insert a comprehensive review scheme, and I think we need to include that in the legislation. The government has estimated that by 1 October there will be 110 megawatts of grid-connected PV solar installed in South Australia. The additional transition scheme we have modelled could add an extra 80 megawatts to that—about 20 megawatts a year for the next four years.

We think that it might be overambitious at the high end of estimates, given that the commonwealth's solar credit scheme multipliers are reducing and, in fact, will expire by 2013. However, we do want to make sure that the number of new solar installations does not increase too quickly, for example, if the panel price plummets even further. Therefore, we need a review period, reporting back to parliament so that we can avoid the problem of the past, which was largely driven by the tardiness of the review process.

The final series of amendments that the Greens are proposing is in relation to residents in retirement villages. We want to make sure that they can access the scheme. Under the government's bill, there will be new eligibility criteria, which include a limit of one generator per customer and a maximum of 40 kilowatt hours of electricity per day exported to the grid. This has the potential to rule out of the scheme community titled retirement villages operating under the South Australian Retirement Villages Act.

In many situations, as I understand it, only one meter is provided by ETSA for the retirement village, and from this meter private power distribution infrastructure is installed to each resident, who has their own meter and who is billed individually for the power that they use. ETSA refers to this as a 'bulk supply' arrangement with associated private distribution network.

When the residences of retirement villages have solar systems on their individual roofs, the net power generated from each individual residence that is a fed back through the single meter would quickly max out the daily limit. The Greens' proposal is for retirement village residences to be exempted from the 45 kilowatt hours per day cap in order to enable the residents of these villages to get the benefit of the scheme. As the bill currently stands, retirees, who are largely on fixed incomes, will be penalised and significantly impacted by increasing electricity prices without the ability to do anything about it themselves.

Another issue I think is worth raising is in relation to housing trust tenants. One piece of correspondence I received from a housing trust tenant, which I would like to share the chamber, states:

> I am a resident in a Housing SA property and I recently made an application for permission to install solar panels on the roof of the property I am renting. Today I received a reply that it is against Housing SA policy to allow solar panels to be installed. Does this mean that it is the policy of the state government to continue to burn fossil fuels in order to produce electricity? Considering the federal government's apparent policy for a greener Australia, I would have thought that it would have become policy of the state government to not only allow solar panels to be installed on Housing SA properties but to make it mandatory.
>
> Some years ago Housing SA adopted the policy of removing gas heating from their properties forcing tenants to switch to electric heating should they wish to remain warm in winter. Now it would seem that with the rises in the cost of electricity those of us who are tenants of Housing SA are not only not allowed to partake in producing environmentally friendly power, and will not be able to afford heat in winter. Most tenants of Housing SA are from the lower income bracket of society and struggle to pay the bills they currently incur, being allowed to reduce electricity costs incurred in trying to live a normal life would be of great benefit to not only tenants but also the state and the country.
>
> I don't pretend to understand economics and I doubt that I will ever understand the economics of paying for the burning of fossil fuels in creating pollution which is killing the only home we have, but surely if all the low income people of the country have even, one dollar more each week to spend on food it would have to help the Australian economy, not to mention the positive effects of having solar panels on all Housing SA properties.

There is a range of issues that are not dealt with, but the government can pick this up through other policy responses. I am encouraged by hearing minister O'Brien talk about the need for a low income solar plan. This bill is not the place to be mandating solar power on Housing Trust homes, but I do hope that the government will step up to the plate and come up with a scheme.

It is not an alternative to what we are talking about here, but it needs to be an addition. In fact, I was prematurely excited when the government announced, a couple of years ago, that all government buildings were going to have solar panels. My first question was, 'Gee, how many thousand housing trust houses would that be?' only to find that the commitment was only to new and substantially refurbished government buildings, the number of which each year you could probably count without taking your socks off. So, there is a great deal of room to move for the government there.

As I have said before, part of the difficulty in developing the right policy mix at the state level has been that we have to look at it side by side with the federal changes. Now, because the federal scheme is the one that helps consumers with the up-front purchase of solar panels, it tends to be the one that people pay the most attention to in making that initial purchase decision, but the fact of the federal government now announcing that their assistance is going to be reduced at a faster rate means all of a sudden people in South Australia are facing a double whammy—and the industry is facing that as well.

In terms of the industry perspective, I have said that the intention of the Greens' amendments is to keep a chain of work going for the industry over the next few years until the economics kick in and the industry can stand on its own two feet. It really makes no sense to have 1,500 people working around the clock in a mad rush to put as many panels up as they can, only to line up for unemployment benefits after 1 October. We can and must do better.

I have no doubt that that very small number of what you might call fly-by-night operators in this industry will leave, and it is worth pointing out that there are far fewer fly-by-nighters, or cowboys if you like, in the solar panel industry because the installation is done by qualified electricians, compared to, say, the home insulation scheme, where it seems anyone could hang up their shingle and pretend to be an expert installer.

One of the comments that I received from industry, which I will share with the council and which reinforces the need for having a transition scheme, goes as follows. This is a longstanding member of the industry and he says:

> The boom–bust cycles that are caused by policy changes and incentive programs starting and stopping are very destabilising for business and they create a difficult environment to employ staff or invest in a longer term business. It opens the industry to fly-by-night operators that are here for the quick buck and usually cause longer term industry damage.
>
> It is my opinion that with the volumes of product that are being installed, resulting in falling product pricing, high exchange rate and expected increases to electricity prices, the value of solar energy will be on a par with conventional mains power in around three years. This will enable a sustainable energy industry which is viable without the need for any government support from rebate or feed-in tariff schemes. To achieve this transition our industry needs some ongoing support, albeit at a reducing level. It would be a tragedy at this stage to undo all of the

progress our industry has made over the last 10 years. A marked fall in volume would have the effect of pushing product pricing back up again.

Another way of describing the government's scheme is that it has its foot on the accelerator and on the brake at the same time. It is proposing an increase in payment to those already in the scheme—that is the accelerator—and the brake is closing the scheme off to all new entrants from 1 October. The other analogy is it is like trying to land an aeroplane: you can either pull the throttle back fully and then nose-dive into the ground—that will stop an aeroplane—or you can glide it in to a more sensible stop within a defined runway period; in this case three or four years should be enough.

I would also like to comment briefly on a government briefing note that was distributed to members, as I understand it, from the Department for Transport, Energy and Infrastructure in response to the submission that was made by the Clean Energy Council and the South Australian Council of Social Service. I am not going to go through the whole briefing note, but I would like to just respond to some of the assertions that were made by the department, and I would also point out to members that the Greens' plan is actually different from the Clean Energy Council plan and the SACOSS plans. There are a number of essential differences which I think strengthen our alternative but do allow us to meet the needs of both those sectors.

One of the things the government says—and the minister has often repeated this—is that because the announcement was made back in August last year, when it foreshadowed its intention to close the scheme, that would bring forward in time a huge demand for panels. There are two responses to that. First, this is, in fact, part of the problem, in artificially creating the boom and bust cycle, which is not good for a stable or growing industry. Secondly, if, as the department thinks, there will not be a new cohort of customers to emerge, that is even more reason to be confident that the cost for the modest transition scheme the Greens have proposed to operate from October this year until October 2015 will, in fact, be even less than we have suggested. In other words, the risk of a cost blowout is extremely low, and to insure against this we have proposed a timely review mechanism.

The energy division does not support the exclusion of low income concession customers from the cost of the scheme, and I note that the Hon. David Ridgway expressed some concern about that as well. As I understand it, the government has two main arguments. First, it says that the cost of exempting low income concession card holders will be passed onto electricity consumers and, secondly, that it will increase the administrative complexity of the scheme.

Certainly those costs will be passed on—by our estimate, $6 per year when it is lined up against the considerable savings that will made by the 200,000 lowest income people in this state. In terms of administrative complexity, yes, there is some administrative cost, but even if it were as high as, say, $100,000 it has be recognised that it is on a scheme that costs around $30 million a year. There are always costs in having to administer an exception or exemption scheme, but those costs are outweighed by the benefits.

In fact, you could also argue, if you were trying to avoid administrative costs, that the complexity the government has built into the bill, in trying to administer or police the 45 kilowatt hours per day daily cap on the scheme, will be a far greater administrative impost. The question should be: does this increase in complexity outweigh the benefit of the low income exemptions? I think the answer is clearly no.

The last thing I want to say about the department's briefing paper is that it asserts that solar panels would become economic without the solar credits multiplier—that is, the commonwealth scheme—or a feed-in tariff in around six years' time. That is a very important acknowledgement. It is saying that in six years the economics will add up. What that says is that you would have rocks in your head to invest in solar panels before that day occurs; in other words, it is admitting that there will be an absolute drought in the take-up of solar energy in the 6 years that flow from 1 October. I am hoping it will not be six years; I am hoping that it will be closer to four, but the government is effectively admitting that it is killing the industry for that period of time.

I will put a number of questions on the record now before I close. First, in relation to the government's proposed prohibition on householders expanding the size of their system, my question is: how will the government know? I understand that the government says it has access to metering data through ETSA, but the point is that I do not think there is any way it will know whether a person with 13 panels has added an extra panel or an extra two panels. I cannot see how that will work.

In relation to the import/export meters needed, there was some discussion in the media recently that we had run out of locally produced meters; I think they are now being imported from Indonesia. My question is: why are they so expensive? My understanding is that in Western Australia these meters cost about $250, but in South Australia the cost would be much higher—in fact, as high as $650. The question is: is ETSA profiteering on this rush for solar power?

In relation to changes to solar systems, I would like the government to clarify the situation where someone sells their home and whether there is any risk at all that if, as part of that process the power may have been disconnected for some time, the new owners will not somehow be exempted from being able to receive the feed-in tariff.

Secondly, if a person's house is damaged—maybe by an earthquake or a fire in part of the house; the panels have survived intact but the power needs to be disconnected for a considerable period, will they be able to reconnect and still pick up where they left off in terms of their eligibility for the feed-in tariff? The concern arises from the wording in the bill in relation to disconnection. I would like the government to clarify under what circumstances disconnection will not result in the person being thrown off the scheme. I am particularly interested in disconnections that are through no fault of the householder.

Another question I have is in relation to the introduction of smart meters in South Australia. My question is: what price will be charged for the electricity that is generated, and will that price vary according to the time of day? We know that the spot price for electricity does vary according to time of day and demand, particularly in summer when air conditions are running. Is it a standard rate or will it respond to the different price of power that occurs at different times during the day?

Another question I have is in relation to people who may have added solar panels to their system after 1 September last year but before 1 October this year. There is a reading of the legislation which says that any person who added panels in that period have effectively disconnected themselves from eligibility for the scheme, and I would like the government to clarify that, because the transitional provisions refer to people altering in a manner that increases the capacity of the generator to generate electricity after 1 September 2010.

If that is the case, that effectively would be retrospective and, as members would know from the news today, retrospectivity was a major concern in relation to the New South Wales scheme, and the government there has effectively had to back away from its plans to retrospectively change the scheme. We are not looking at retrospectivity here in South Australia because, whilst the 54 cents the Premier promised might have been a government statement of intent, it certainly has not been legislated, and there is no intention in this bill or in the Greens' amendments to take away from anyone rights they already have under the legislation.

The other point that is worth making here is how we need to be economically responsible when we are dealing with this sector and with this bill. Members will know that the money we are talking about is not government money. We are not talking about an allocation for this scheme from consolidated revenue but a community contribution collected from all other electricity consumers. But that does not mean that we need to treat that money with any less respect than we would if the question before us was the wise spending of government money. The Greens' response we believe is economically responsible, and we are more than happy to have our figures, our consultants' reports, open to scrutiny.

At this point I will mention the review the Hon. David Ridgway referred to. I have not heard from the government whether it is interested in that approach, but the Greens are certainly happy to see the various options—the one put forward by the Greens; we have seen the Clean Energy Council's model and SACOSS has one as well—and to have them assessed by ESCOSA, because at the end of the day we can as a parliament put together a series of amendments that does satisfy all the stakeholders. I really think that, in this case, every player can win a prize.

This usually gets 'oohs' and 'ahs' from the chamber, but I will finish with an acknowledgement of a personal interest in this area. I have solar panels on my roof at home, as I am sure do other members of parliament. Along with thousands of other South Australians, I will be impacted by whatever changes this parliament makes to the Electricity Act.

It probably goes without saying that, if I were motivated only by personal circumstances, then I would just vote for the government's bill because that would give me more money, but I think there is a better solution for the State of South Australia. Along with many of the people who wrote to me, whose comments I read out before, I am happy to forgo overly generous payments,

including those proposed by the government, in order to make the system fairer for all South Australians and to continue with a viable solar industry in this state.

The Hon. R.I. LUCAS (17:00): I can indicate that I do not have solar panels, so I do not have to declare an interest. I think that some of the models being proposed, which involve a winding back of the payments, may well involve an issue of interest to the Hon. Mr Parnell because some of the models that are being floated are talking about reducing the 44¢ for existing customers as well, so he and others in his position would obviously have a clear interest, I assume, in that issue—not only from a state viewpoint but also from a personal interest viewpoint.

In looking at my contribution, I note with some regret, I think, that I did not participate in the earlier debates in 2007 and earlier times in relation to this issue. I want firstly to look at some of the current views that are being expressed by regulators and other commentators about green energy schemes, go back to the debate of 2007 and then, perhaps, wrap it up with what lessons we should have learned from our own history here (and I include myself) in relation to how we as a state parliament and other state parliaments have approached these sorts of issues.

In terms of looking at the regulators, there are many regulatory reports you can look at, but the most recent one which is of some interest and, perhaps of some relevance, is the report by the Independent Pricing and Regulatory Tribunal, which is the New South Wales energy regulator, headed 'Changes in Regulated Electricity Prices for 1 July 2011', and it is based on a draft determination in April 2011.

Let me put on the record some of the quotes from that report. It talked about an increase of approximately 17 to 18 per cent in electricity prices being recommended by the independent regulator in New South Wales, and it looked at the reasons for those increases. Page 3 of the consumer summary states:

> The 2 drivers of the 1 July 2011 price change are increasing network costs and the costs of complying with green schemes, which the retailers must pass on. We are recommending policy changes to limit the price increases flowing from these cost drivers. These recommendations are aimed at making electricity more affordable over the long term.
>
> Further, our new customer impact analysis confirms that the most vulnerable customers are low income customers that consume a lot of electricity. These include customers in regional NSW. Therefore, the significant increases in bills set out in our draft decision are likely to have a significant impact on these most vulnerable customer groups.

I note that the analysis, in considering green schemes, is looking at a combination of the federal and the state-based green energy schemes, so the comments, by and large, relate to both, although there is a separate analysis of the impacts of each later on in the report. Further, on page 4 of the consumer summary, under the heading, 'Paying for small-scale solar technologies', it states:

> We are concerned that these programs interact to increase electricity prices and promote relatively high cost abatement (or reductions in greenhouse emissions). For the same amount of money, better environmental outcomes could be achieved.

I will refer to that later in this report as well. I want to issue an invitation to the Hon. Mr Parnell—who I have to say is one of my two most favourite Greens in the state parliament—to respond to the particular issue. He obviously addressed a lot of issues in his contribution, but this issue of how energy efficient small-scale solar is in terms of achieving green goals is an important part of what ought to be debated in all of this. We have spent a lot of time on the costs of these schemes and the future of the industry, but the issue of how effective small-scale solar is in terms of greenhouse gas abatement is, I think, an important issue that needs to be addressed as well. The independent regulator and a number of others have addressed that issue as well.

Further on in the independent regulator's report, on page 86, the regulator talks about taking action to limit future increases in green-scheme costs. Obviously, time does not permit me to go through the whole report, but I just want to pick the eyes out of it, so to speak. The report states:

> We consider that both the federal and NSW government's schemes that promote the installation of rooftop solar generation units promote high-cost abatement. The carbon reduction achieved by these schemes will cost electricity customers and taxpayers significantly more than if the same level of reduction was achieved by an alternative, less expensive means. The NSW government's proposed Solar Summit aims to identify opportunities for reducing the costs of the Solar Bonus Scheme. We support this action and recommend the NSW government use this summit to consider:
>
> - closing the NSW Solar Bonus Scheme to new participants—

etc. As you know, the New South Wales government has been taking action to reduce the extent and the cost of its state-based schemes as well. On page 87, under 'Close the current NSW Solar Bonus Scheme to new participants', the regulator quotes AGL's submission as follows:

> Little attention has been paid to the welfare impacts of the [feed-in tariff] on retail electricity prices and social policy objectives.

The regulator then notes:

> Coupled with the federal government's financial incentives for installing solar panels, the Solar Bonus Scheme has resulted in an expensive, cost-ineffective way of reducing carbon emissions. Its costs will be borne either by consumers or taxpayers for many years to come. We recommend that the scheme be closed because:
>
> - Small scale solar is an expensive option to promote renewable energy. The LRMC—

the long run marginal cost—

> of the output of a 1.5 kW system over its 25 year life is $422/MWh, compared to $120/MWh for wind and $135/MWh for biomass. The difference in greenhouse gas abatement costs between small-scale solar and other forms of abatement is even larger because abatement could be achieved by, for example, improving the thermal efficiency of coal-fired generators at substantially reduced costs.

Then there are some further recommendations in relation to the closure of the New South Wales scheme. Further, on page 89 under the heading, 'Evaluate green energy schemes to ensure they remain cost-effective and complement any national carbon price', the report states:

> Given the impact of green schemes on retail electricity prices and developments in green technologies, we consider that the New South Wales government should periodically evaluate all these schemes to ensure they continue to be cost-effective compared to other means of reducing carbon emissions. This would involve analysing the cost per tonne of abatement to ensure that schemes do not promote high cost abatement. The cost per tonne of abatement should also be compared to any carbon pricing mechanism.
>
> In addition, if the federal government introduces a national price-based carbon reduction mechanism, it will be important to evaluate the state-based schemes to remove those that are not cost-effective in the context of this mechanism, and do not complement this mechanism.

There are further recommendations in relation to that. As I said, there are many other things that I and I am sure the Hon. Mr Parnell and anyone interested in the whole issue of the impact of green energy schemes on electricity prices would find interesting in that particular regulator's report.

There are a number of other reports by other regulators nationally which canvass similar issues. That is what has led to the commentators and the politicians around the country sort of launching, as the state government here is doing—and they are not alone—in terms of winding back green energy schemes, because the politicians are starting to feel the pressure from the 90 to 95 per cent of people in the community who are paying the higher electricity prices because of the less than 5 per cent or so of people who are benefiting from the subsidies being paid to green energy schemes.

So, governments of all persuasions, Labor and Liberal, are starting to respond, and I think that is a useful context. We are not having this debate in South Australia alone. This government is not the only pebble on the beach trying to wind back the impact of green energy schemes on ordinary consumers (the majority of consumers), it is reflecting what is going on nationwide.

The Australian of 1 June of this year, 'Backlash as power prices set to surge'—and again, I will not read all of it—quoted the Queensland Labor energy minister, Stephen Robertson, as expressing concern about an increase in electricity prices announced in Queensland. It states that the Queensland energy minister:

> ...pointed the finger at the federal government's solar subsidies for fuelling half the hike. 'We are all paying now for the schemes such as the solar hot water and solar PV (photovoltaic) rooftop schemes,' Mr Robertson said. 'Whilst the increased uptake of solar energy is important in terms of developing that industry, in terms of reducing our carbon footprint it does come at a price.' Reductions in the solar subsidies were announced by the federal and Queensland governments last month.

So, the Queensland government as well has announced, evidently, a reduction in its subsidy scheme in Queensland. In the *Financial Review* of 1 June 2011, 'Queensland power bills to rise', Labor energy minister Robertson says:

> ...the federal government's renewable energy target scheme accounted for half of the projected 6.6 per cent increase. 'Without it, Queenslanders would only be facing a price rise slightly lower than the current consumer price index of 3.6 per cent', he said. Other state regulators have criticised the federal government's scheme to increase power from renewable energy sources to 20 per cent by 2020.

The *Financial Review* of 26 May states:

New South Wales [Liberal] Energy Minister Chris Hartcher said on Tuesday he would push for an overhaul of the existing system of different feed-in tariff schemes across the country at the next meeting of the Council of Australian Governments in June. 'Absolutely, we're going to the ministerial meeting in Perth in June and one of the issues is to work for a national energy market', Mr Hartcher said.

'This fragmented system, which as you've seen right across Australia has simply not worked. Western Australia has reduced its solar rebate scheme only last week from 40¢ to 20¢ [per kilowatt hour]. In every jurisdiction, these rebate schemes have blown out massively.' West Australian Minister for Energy [Liberal minister] Peter Collier endorsed the NSW government's push for a national scheme. 'If a single harmonised feed-in tariff gives legitimacy to the scheme then I fully support it', he said. The federal Minister for Energy, Martin Ferguson, has said in the past—

and this is a Labor minister—

he opposes the government paying subsidies for solar power...

So, let us be clear about this. This is the federal Labor Minister for Energy quoted in the *Financial Review* as saying that:

...he opposes the government paying subsidies for solar power because the cost is recouped by spreading the cost across all electricity users, hitting the poorest the hardest.

This is a constant theme right across these commentaries, from the regulators to the governments, that it is a cross-subsidy from low income electricity consumers to relatively higher income people who can afford solar panels and solar power. That is not anecdotal—well, it is in relation to politicians, I suppose, but the regulators have made those particular judgements based on their customer analysis. The *Financial Review* article goes on to state:

Instead, the federal government says it will spend $5 billion focusing on large-scale solar projects which will feed electricity directly in to the nation's grid, a method it says is more efficient, especially as the stations will be built in areas in the centre of Australia that have more sunny days than Sydney or Melbourne. It says the price on carbon will also lead to greater use of renewable energy.

The federal Labor government is arguing that we can encourage solar but that it is much more cost-effective to have large-scale solar projects rather than what it sees as an ineffective mechanism of subsidy of small-scale solar in households. Further on in the *Financial Review* article, it states:

Energy retailers also supported the plan. AGL chief economist Paul Simshauser said he would welcome the cost savings on demonstration that a single national system could bring. But his main concern was that energy retailers not be forced to pay more to households than the current rate of 8¢ per kilowatt hour. State governments subsidise the rest.

That is in some states. He went on to say:

'To give you an idea of how generous that is, 8¢ a kilowatt hour means retailers are paying people with solar panels about $80 per megawatt hour, when the value of electricity on the spot market is about $40 per megawatt hour,' he said.

We need to bear in mind that we are talking about these 44¢ and 60¢ and whatever it is. It sounds relatively small, but what the AGL chief economist is pointing out is that when we are talking about 8¢ a kilowatt hour we are talking about $80 a megawatt hour, which is double the average spot price of electricity in the marketplace—double. That is at 8¢ a kilowatt hour; if you are talking about 44¢ and 54¢, you are talking about $440 or $540 a megawatt hour. You are talking about a price which is nearly 10 times the average spot price in the national electricity market.

That is what we are talking about in terms of subsidies to consumers. It rolls off the tongue—and I know because I have had discussions with promoters of the industry and the Hon. Mr Parnell and others that a fair price is this or whatever it happens to be, and it is inevitably in the 20s, the 30s or the 40s, or whatever it happens to be—but what we are talking about is a very significant price on what is the spot price in the national electricity market.

I know there are other comparisons, and the industry uses other comparisons in terms of what the average consumer pays, in essence, retail for electricity, and I can understand the arguments there. However, I think this analysis by the chief economist and a number of other commentators is cause for sober pause for thought and to just bear in mind that while we are talking about 44¢ and 54¢ we are talking about $440 a megawatt hour and $540 a megawatt hour, compared with an average spot price in the market of $40 or $50 a megawatt hour.

On 21 May, under the heading 'Minister will listen to solar sector', there is a table which I seek leave, as it is purely statistical, to have incorporated into *Hansard* without my reading it.

Leave granted.

	Max size	Rate c/kWh	Duration years
NSW	10kW	20-40 gross*	7
Vic	5kW	60 net	15
Qld	30kW	44 net	20
SA	30kW	54 net	20
WA	5-10kW	20 net	10
ACT	30kW	45 gross	20

*now closed
Source: AGL Energy, Financial Review

The Hon. R.I. LUCAS: The source was AGL Energy and the *Financial Review* and, in looking at it, it purports to be, I think, the announced policy positions of various governments because for South Australia it has 54¢ per kilowatt hour net, which is of course the proposal from the government which has not yet translated into fact.

This table highlights the various schemes, and it shows that Western Australia has just (as I commented earlier) reduced its subsidy down to 20¢ per kilowatt hour net and that New South Wales has closed the 40¢ scheme gross and reduced down to 20¢ per kilowatt hour. Some of the other states are still much more generous—Victoria, for example, has 60¢ net and Queensland 44¢ per kilowatt hour net, a net price as well. That table, compiled by AGL Energy and the *Financial Review,* purports to be their assessment of the current state of play in relation to feed-in tariffs.

There could have been dozens of others, but the last of the more recent press commentary is an article that I want to quote by Keith Orchison, who was the chief executive of the Electricity Supply Association of Australia but is no longer; he now writes various articles on the electricity industry. His article is headed, 'Solar panels burn taxpayer dollars'. This refers in particular to the New South Wales scheme. It states:

> The state's Independent Pricing and Regulatory Tribunal, chaired by Rod Sims, who is nominated to be the next head of the ACCC, in a report on [New South Wales] electricity affordability, has been blunt in its condemnation of the Keneally government. It says the 'solar bonus scheme', launched in January last year, was 'poorly designed and not subject to adequate cost-benefit analysis'.

That is a very important point, because it comes to what we should be doing at the moment and this whole notion of poorly designed schemes not subject to adequate cost benefit analysis or independent expert advice before we rush willy-nilly off as a state parliament in making changes, which seem plausible on the surface, but no-one has actually independently looked at what the impact might be, not just on the industry but on the rest of us who have to pay the subsidy for those who wish to use solar energy. The article goes on:

> When taken with the federal government's own incentive scheme for solar power, the [New South Wales] program, says IPART, is 'an expensive, cost-ineffective way of reducing carbon emissions'.

As I said, that is a common theme from a number of regulators and commentators. It continues:

> IPART adds: 'Its cost will be borne either by power consumers or taxpayers for many years to come.'

Further on, Mr Orchison, states:

> The initial scheme—

this is New South Wales—

> offered householders $600 per megawatt hour—

this is this 60¢ kilowatt hour—

> for all the power their system produced—a crazy premium where the retail cost (including network and other...charges) at the time stood at $180/MWh. It paid for all power produced not just for the amount fed back in to the grid that a household couldn't use. In short, it was a licence to print money for some householders.

Finally, Mr Orchison quotes the Department of Climate Change. He states:

> Last year, the Department of Climate Change estimated that, at the photo-voltaic costs then prevailing, fitting every home in the country with a 1.5 kilowatt array would have a capital cost of about $200 billion—five times the cost of rolling out the broadband network—and would deliver in 2020 less than 10 per cent of the national

abatement target. In a nutshell, solar panel schemes drive up power bills while making minimal reductions in carbon dioxide. There are cheaper ways to reduce emissions.

That is the context within which we are debating this particular change today. As I said, the second issue that I want to address is how we as a state parliament addressed this issue back in 2007. Let me be quite frank and indicate that we—all of us, myself included—did not cover themselves with glory in terms of our contributions to the debate at the time.

The Hon. P. Holloway: I was going to remind you of that.

The Hon. R.I. LUCAS: Well, you won't find me personally having spoken, but I accept responsibility as a member of the Liberal Party. I should have participated and should have spoken at the time; but let me be honest: the extent of my knowledge at the time—expert knowledge in terms of impacts on electricity prices—would have been no better informed, I suspect, than anyone else who was speaking during that particular debate.

In particular, I wanted to go back to that debate 2007. I refer to one of my two very favourite Greens in the state parliament, the contribution from the Hon. Mr Parnell on that particular proposal. Hon. Mr Parnell referred to various expert commentators in terms of supporting his propositions, and support for the government's propositions—let's be frank, it was the government and the Hon. Mr Parnell. I refer honourable members to a discussion paper entitled 'Tariff implications for the value of VP to residential customers'. The paper was produced by the Centre for Energy and Environmental Markets at the University of New South Wales and VP Solar Australia. He quotes:

> The appropriate tariff for PV in Australia may need to start at around 85¢ per kilowatt hour and decrease over 15 years. What we are looking at here is 44¢ per kilowatt hour. I was interested to hear the Hon. Sandra Kanck's contribution, when she talked about an appropriate tariff being in the vicinity of four times the market rate—even up to 5 times, I think she said. That is similar to what the University of New South Wales and VP Solar are saying that we need.

The tariff implications paper goes on to state:

> If the cost is spread across all residential and commercial users it would add less than 2 per cent to electricity bills yet could result in the Australian PV industry roadmap target of 350 megawatts installed capacity by the year 2010.

One of the bits from the IPART report which I did not quote, and I should have, was that of the 17 or 18 per cent increase in electricity prices to apply in New South Wales from 1 July, IPART was saying that a full 6 percentage points, or a third of the total increase in the electricity price, was due to green energy schemes. So, IPART was saying that New South Wales consumers are going to have an 18 per cent increase in electricity prices, and 6 percentage points of that 18 per cent—or a third of it—is due to the impact of green energy schemes, both state and federal, as I indicated before.

That is why IPART was saying it is the more than 90 or 95 per cent of consumers who end up having to pay higher prices for those who enjoy the benefits of the subsidies of solar. That is why regulators and commentators are saying that it is a cross-subsidy from the low-income to the high-income. It is a good deal if you can get it. The Hon. Mr Parnell and others are in a position to be able to afford solar, and if you can get the subsidy and get somebody else to help pay the subsidy, then good luck to you, in relation to that cross-subsidy which occurs, but it is the low-income, the people struggling to pay the electricity bills, who have to pay the costs of these particular schemes, and we should never forget it.

The state government is endeavouring—we do not think in a very effective way—to make some changes to this. Other governments are making changes, as indeed they should, and we all, I think, are struggling as to how best we rein in the generosity of the current schemes, but at least now some people are belling the cat, singing loud and clear that it cannot go on in this way for much longer. The Hon. Mr Parnell in his 2007 contribution went on to say:

> The South Australian government discussion paper also says: 'By contrast, householders could offset the cost of a feed-in mechanism by installing a single compact fluorescent light bulb which would reduce household electricity costs by around $6 per annum.'

Mr Parnell goes on to say:

> If that is all that is needed—a single compact fluorescent light globe—to offset the cost of a feed-in mechanism, it begs the question: why not get households to put in two compact fluorescent light globes and then we can increase the tariff?

This was all part of his argument that the 44¢ at the time was not generous enough. In the committee stages of the debate, the Hon. Mr Parnell moved an amendment to delete '44¢' and to increase it to $1, consistent with his contribution to the second reading.

He quoted Mr Adrian Ferraretto of the Solar Shop Australia Pty Limited. I am not making any criticism of the solar industry, or indeed of Mr Ferraretto. I am sure this was his genuinely held view at the time. He has been a good operator in the industry and, as I said, I make it quite clear there is no criticism of the industry or Mr Ferraretto in any of the comments I am making. Mr Ferraretto is providing advice to us on some of the schemes for us to amend this particular bill at the moment. I think my colleague, the Hon. Mr Ridgway, and others may well have referred to the lobbying from the industry and Mr Ferraretto. The Hon. Mr Parnell quotes Mr Ferraretto as saying:

> Solar Shop Australia therefore strongly urges the South Australian government to revise the proposed feed-in tariff upwards to $1 per kilowatt hour, and that it is paid on a gross export basis over a period of 20 years.

Another organisation called EcoSouth Solar, which is the trading name of Ecoway Pty Ltd, which sells solar panels as well, says:

> EcoSouth fully supports the time frame extension and, whilst $1 per unit kilowatt hour for exported power would be fantastic, we believe 64 cents [per kilowatt hour] is more realistic.

Whilst in the very near future we may not have the benefit of the Hon. Mr Holloway's contributions on bills, due to his imminent retirement from this chamber, I will refer to his contribution during that particular debate. He said:

> I reiterate what I said before: the figure chosen of 44¢ per kilowatt hour has to balance the benefit to photovoltaic owners with the cost borne by other consumers. This is a zero sum game; the benefit that is given will be paid for by the mass of other consumers, and the more you subsidise those with the photovoltaic cells the more it will cost ordinary households, which in some cases are very low income households.

I must say that I could not agree more with the statement of the then minister. He went on:

> What the government has done here is to try to strike a good balance. The figure of 44¢ already represents close to 10 times the weighted average wholesale price for electricity traded in the national electricity market.

That is the point I was making earlier: the comparison with the $40 average spot price in the national electricity market. The Hon. Mr Holloway continued:

> As I have stated here previously, at 44¢ per kilowatt hour, if the current 3 megawatts of photovoltaic systems grows to 10 megawatts by 2013, then the cost to be borne by other householders would rise from $1 million to $3 million per year. If on the other hand we supported the amendment and increased the benefit to $1 per kilowatt hour, then that cost could rise to at least $2 million to $8 million per year, and that has to be borne by other householders.

In case the Hon. Mr Holloway thinks I am unduly congratulating him, the government and its advice massively underestimated the uptake of the scheme, and that is why we are having to look at it. When one looks at the uptake—

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: That's right; that just extends it. That potentially extended it over a 20-year period. During this particular short period of time—less than three years, or whatever it is—there has been a massive underestimate of the impact of the scheme. That was the government, on the basis of the very best advice that it had available to it as a government, and there is no-one who enters a debate armed with more information and advice than the government. If you are in the opposition, the Greens or the minor parties, you do the best you can as an Independent, a minor party, or a party with the views that you are given by industry and other commentators.

The only other aspect of that particular debate goes to this issue of the extension of the scheme: that is, it was extended from five years to 20 years. That was an amendment moved by the Greens and supported by the Liberal Party and, I think, the Hon. Ms Bressington. The extent of the Liberal Party's contribution from its spokesperson was, 'The Liberal Party supports the amendment', so it was not an extensive or long debate about extending the scheme from five to 20 years. That brings me—

The Hon. P. Holloway interjecting:

The ACTING PRESIDENT (Hon. J.S.L. Dawkins): The Hon. Mr Holloway will have an opportunity to speak. The Hon. Mr Lucas has the floor.

The Hon. R.I. LUCAS: It may well pain the Hon. Mr Holloway, but I suspect that he and I may well be much closer in our views on this scheme than perhaps on most other issues.

The Hon. T.J. Stephens interjecting:

The Hon. R.I. LUCAS: He might change his opinion now, because he is agreeing with me. I now want to wrap up my contribution by asking: what are the lessons from all this? I think the lessons from all of this are that, if we are honest with ourselves, we are not experts on the impacts of these schemes. We are a little better informed now than we were in 2007 because we are armed with some regulators' analyses in other states, etc., on the impact of similar schemes on electricity pricing and on a range of other issues. There has not been a huge amount of debate on how effective small-scale solar is in terms of greenhouse gas abatement, and surely that should be a part of the debate as well. That is the view of the federal energy minister, Martin Ferguson, who I quoted earlier and who opposes these schemes.

That is the first confession that each of us ought to acknowledge. Whilst I did not participate, I was party to the votes in relation to the 2007 scheme, so I accept my share of the responsibility for the mess we are in at the moment. The first thing we need to acknowledge is that we are not experts, no matter what advice we get—again with the greatest respect to all of us, but in particular to the Hon. Mr Parnell and others. The Hon. Mr Parnell is passionate about solar—and he could sell ice to the Eskimos. It flows off the tongue that it will cost only two cups of coffee or whatever it might happen to be. The Hon. Mr Parnell I hope will be the first to acknowledge that that is based on the hard work of his staff—and I make no criticism of them—and the hard work of whoever it is who provides advice to them from the industry and others.

What we need to do is what Mr Williams and the Hon. Mr Ridgway have been talking about; that is, before we do what we did in 2007—namely, make decisions to extend the scheme, adjust the price or whatever it happens to be—we need some independent assessment and analysis of the impact of the various models. The shadow minister from our party has a number of different models that have been raised. The Greens have raised their particular model today. I know Mr Ferraretto has a model that is a bit different from the Greens' model and a bit different from some others from the solar industry. There are three or four versions of the model, and all will have potentially different impacts on a range of aspects of the scheme.

I understand that my colleague Mr Ridgway says that a meeting has been established with ESCOSA on Friday. I think that is great, but it is not sufficient. Hopefully, what happens after the meeting on Friday is what we need, namely, the intellectual grunt of the independent regulator—independent from us as a parliament and independent from the industry—to look at, in a dispassionate way, the impact of the three or four models that are being floated, and in particular t the continuing and ongoing impacts on electricity prices of some of these adjustments we will make to the green energy schemes.

I assume that our regulator, if it is worth its salt—and I am sure it is—like IPART and others already has a body of work in relation to the impact of green energy schemes on current electricity prices. In the last 24 hours, I have had my staff trying to go through their website, and it is almost impossible as a non-regular user of the site and a non-expert to find which of the hundreds of reports buried within them might be a section which says, 'Hey, of the current price of electricity in South Australia you can save'—whatever it is—'5, 10 or 20 per cent of it as a cost of the various instead federal and state energy schemes that apply in South Australia'.

I am sure there must be some of that information already available that does not require them to have to go off and do additional further work, at least in relation to that. Where the additional work needs to be done is in what the impact of the various proposed changes might be on electricity pricing if we were to go ahead, but also the impact that the Hon. Mr Parnell quotes that it is no more that two cups of coffee a week.

The Hon. M. Parnell: A year.

The Hon. R.I. LUCAS: A year. Okay; very plausible. Two cups of coffee a year is the impact of his particular scheme. So, we need the independent regulator to look at that information that has been before parliament and say, 'Okay. Yes, that's right. However, on the other hand, the impact will be this or this' in relation to the impact on others, the industry or whatever it might happen to be.

Now, there might be some restrictions in terms of the independent regulator being able to comment, obviously, on jobs in the solar industries. Personally, I do not suggest that we can expect

the independent regulator to make commentary about the impact on the industry, jobs and employment. I am simply interested in the viability of the scheme, the impact on electricity prices and the costs overall. I think that is an area where the independent regulator should have expertise and could provide useful information to the state parliament. It does not have to come up with a recommendation to say it supports this scheme or that: it is really just responding to a request for information.

So, my view is that the proposed meeting on Friday sounds great, but it should not be the end of it. Again, the independent regulator's experts are sitting down with people and, in my frank view—not that I will be there—none of us are experts in the area. We are hardworking legislators, interested in the particular area. What ought to happen is that the range of work that ought to occur be identified and, over the next couple of weeks or so, the independent regulator should provide answers, information and advice through the minister or, if they prefer, do it directly to parliament. I am not sure what their act would require in relation to this.

I know that, under one of the models, there is a suggestion that this has all got to be done in the next 10 days. Now, that is the model that says we cut it off on 1 July or cut it off straight away. That is not the government's scheme, and I do not think it is the Hon. Mr Parnell's scheme. So, personally, I am not locked into the view that this all has to be done in the next 10 days. If it can be, that is fantastic but that is in the ideal world.

To me, as long as this is resolved during this session, then, yes, I understand the views of some in the industry that there will be a massive boom in terms of the numbers applying for the scheme but, ultimately, it is better, I think, to get this scheme change right rather than be pressured into making a change before we get answers.

So, if the regulator says to us, 'We can do the work but it is going to take us four weeks' or 'three weeks' then, personally, I think, that makes sense. The government and all involved ought to take that on board and we can then come back in four weeks armed with some answers to what are very difficult issues.

I support the proposition that the debate should be adjourned. It would seem that, if there is to be a meeting on Friday, the government is now prepared to accept that at least we adjourn consideration of the committee stage this week and that we will, hopefully, come back better informed after the work of ESCOSA or, indeed, anybody else, on the issue and then be in a better position to make a better informed judgment about which particular change we ought to support.

The Hon. P. HOLLOWAY (17:44): I would like the opportunity to make some comments in this debate. First of all, I declare a conflict of interest: I do actually have some solar panels on my house. It does raise the question: why should somebody on my income really be subsidised by low-income earners in relation to that? I would be happy to have those panels on the roof regardless of that, but I think that it does go to the heart of this issue.

When this scheme first came out, I had reservations about it because I think that any scheme that has subsidies inevitably—whether it is tariffs or subsidised water prices—tends to have problems of allocation. The Hon. Rob Lucas says that we are not experts in that. I think it is basic economics that, whenever you have subsidies for anything, you tend to get distorted allocations. I was happy enough to accept that in relation to the feed-in tariff scheme on the basis that this is a new industry, and the logic was that this would help the industry grow. The cost of solar panels was expected to come down, the take-up would increase and, therefore, eventually the scheme would, over time, become self-supporting and would not need the subsidy.

When the government first put this scheme up back in 2007—and, as the Hon. Rob Lucas mentioned, I actually handled the bill at the time; it is pleasing to agree with most of what the Hon. Rob Lucas has said—it came back a couple of times, I think, between houses and, ultimately, the government really had no option but to accept the amendments that were made. Of course, the real sticking point there was the fact that the scheme was originally designed to be a five-year scheme with a feed-in tariff of, I think, 44¢ but, with the amendment, it became a 20-year scheme. As I argued at the time:

> The five-year period and the 44¢ is very carefully pitched at what we believe (it is a guess based on the information that we have in relation to the previous take-up of solar panels) will achieve the goal of 10 megawatt hours of solar generation from the current three.

I am not quite sure what the megawatt hours are, but my understanding is that the most recent figures I could get were about 120 megawatts of installed solar capacity. Presumably, it is more megawatt hours than that, but it has really been very much oversubscribed. Had it been a five-year

period, we would now have a couple of years left. Given the fact that this country will be facing carbon pricing and so on, I think it raises the point that I made during that debate three or four years ago, that we were at a period of time when there was a lot of discussion and a period of uncertainty about what would happen in relation to issues such as carbon pricing. It was a volatile climate; things would change, and things have changed.

Given the debate we are now having on carbon pricing, it will mean that those people who have these solar panels will be even more advantaged in the future than they are under this scheme, which is why we really need to have a look at it again. When this matter came back between the houses back in, I think, February 2008, it was interesting that the Hon. Mark Parnell, who moved these amendments, said:

> The government has no idea how many people this scheme will attract, but those of us who have spoken to people in the industry are saying that their customers are telling them that it is no incentive at all. They will not get any new people.

We can see how far off that statement was. He went on:

> ...If no new panels go up, it is a failure. All we have done is give a bit more return to people who have already done the right thing. In terms of the cross subsidy, it is simple to spread the cost of this scheme, even though we do not know what it will be—it is not likely to be high—across all electricity consumers, and you will find we are talking about a few cents or dollars a year. We are not talking of an extravagant cross subsidy between the rich and the poor.

My understanding is that, just for the feed-in tariff, it is about $30 a customer. If the Hon. Mark Parnell's amendments to this bill go through, that will increase up to $35 on my understanding, because, again, he wants to fiddle around with the pricing regime and put it on an even narrower base of people.

When you introduce these schemes, if relatively few people are being subsidised by the great majority, the cost is small, but the more people who take up these schemes, the fewer people the cost falls upon. So, it reaches the point that it has now, as we have seen in other states like New South Wales, where they have not only closed off the scheme at a moment's notice but also cut their subsidy on the feed-in tariff from 60¢ to 40¢ in recent days, contrary to a promise that was made before the election. So, they are the sorts of things that are happening elsewhere in the country.

I think it was a tragedy that back in 2007 that amendment was carried to make the scheme go for too long. Had it just been a five-year scheme, then I think, with the review that we had, it certainly achieved the objective of developing the industry. In fact, if anything now, I think one can put the point that the industry is overheated. Indeed, I saw on a television program last night that there were complaints about one particular solar installer who had been ripping people off.

I think that is the problem when you have too much growth too quickly. Rather than, as the Greens and others have claimed, that these measures will destroy the industry, I think what is doing it damage at the moment is the fact that it has been growing too quickly. That is why it is important that it be hosed down.

The Hon. Mr Lucas has already gone through some of the economic information that I wanted to put on the record, so I will not bother to do that now, in view of the time, but I want to make another point that the Hon. Mr Lucas did not make, and that is that it is not only the cost of the feed-in tariff that needs to be considered here but there are also costs that are associated with the network implication of photovoltaic cells.

The state's electricity network was not originally designed for diversified as opposed to centralised generation and the speed of take-up of photovoltaic power, if it is too quick, can have real implications for network management and the potential to require ETSA Utilities to bring forward plans for more staged investment in network upgrades to cope with the impact of this diversified generation. That, in turn, may impact network costs which will flow to all electricity users and be in addition to the costs of the photovoltaic feed-in rebate.

It is my understanding that with the current take-up—as I said, I think we are now at about 120 megawatts—there have been estimates about what that will be by 1 October. As I have said, I think the cost subsidy is about $30 that ordinary consumers who do not have solar panels will be paying to subsidise those who do.

The total cost of that over the remainder of the scheme, up to 2028 as it was set back in 2007-08, would be about $700 million, which is a very significant amount, but I understand that the

network costs could be another $250 million over that period on top of that because, unfortunately, the small solar panel schemes, whereas they certainly reduce the fuel needed to generate electricity, do not save, necessarily, on installed capacity.

That cross-subsidy could be an additional indirect cost of about $250 million, which are, effectively, avoided network charges recovered from other electricity consumers. So, that also has to be put on to the debate. As I said at the start of my contribution, I certainly support solar power. I have it on my own property. I believe it was a very sensible thing to kickstart the industry to let it go through those early stages.

There is no doubt that as a result of that the cost of panels has come down, although I guess one should make the comment that one of the contributors to that has been the rising dollar. Origin used to make panels here in this state, or at least assembled panels in this state, but generally they are imported, so the higher dollar has reduced the cost. We have gone through that stage. I believe those arguments are no longer appropriate. I support the government's decision to close off the scheme. As I have said, we have seen similar decisions taken by other governments.

The Hon. R.I. Lucas: Supporting the increase of 54?

The Hon. P. HOLLOWAY: I have given you my comments in relation to how it affects me. In my view the focus of electricity policy in the future has to be very much on price overall and particularly for low income customers. I believe that should be the focus. There is no doubt that the impact of these schemes is starting to bite into the cost of electricity. It is certainly having a political effect but it is also, I believe, going to be an issue that governments have to address. Certainly, it was a smart thing to try to encourage the take-up of solar power, but there has to be some balance where the cost of those schemes to other consumers is reasonable.

As I said, speaking from my own personal point of view, as someone who has benefited from these schemes, I am not sure that I should be subsidised by people with considerably less income than I have. I am in the fortunate position where I can afford the capital cost of these networks, although that capital cost is reduced significantly by a grant from the commonwealth government. The capital cost of a 1½ kilowatt solar panel is about $8,000 of which there is a $5,000 subsidy, so when you see these advertisements in the papers at the moment, the $3,000 is net of the $5,000 subsidy from the commonwealth. So there is already a capital subsidy but that is being reduced from 1 July, but the question is: how much subsidy do we need for feed-in tariffs?

I think we are at the stage where we need to close off the scheme. There is an argument that jobs are going to be lost but, if anything, in recent days with the rush for people to take up these schemes, there has been a whole lot of problems created and that, in itself, has become an issue. I fully support what the government is doing in relation to the scheme, and I reject those amendments that have been put forward by the Greens because I believe that they will add a significant cost to what many low income earners are already paying to subsidise those who can afford to have solar panels.

In relation to the latter matter, I do not think the Hon. Mr Lucas covered the point, but AGL had some economists look at the sort of people who made up their customer base, as to who was actually taking up the solar panels. If you look at it, 55 per cent of the solar PV customers earn an annual income of greater than $62,000 per year, whereas only 15 per cent of customers would be classed as low income—that is an annual income less than $26,000 per year.

I think when they were looking at it they were looking at Sydney where 56 per cent of the sample hold real property worth $600,000 or more, so that data tends to dispel any suggestion that low-income households are somehow overrepresented in the feed-in tariff schemes, certainly in New South Wales. I think there are some serious equity issues around this scheme that need to be addressed and, with those comments, I indicate that I will support the bill.

Debate adjourned on motion of Hon. Carmel Zollo.

CONTROLLED SUBSTANCES (OFFENCES RELATING TO INSTRUCTIONS) AMENDMENT BILL

Second reading.

The Hon. G.E. GAGO (Minister for Regional Development, Minister for Public Sector Management, Minister for the Status of Women, Minister for Consumer Affairs, Minister for Government Enterprises, Minister for Gambling) (17:59): I move:

That this bill be now read a second time.

I seek leave to have the second reading explanation inserted in *Hansard* without my reading it.

Leave granted.

The Labor Community Safety Policy at the 2010 election pledged the making of a law banning the sale, or supply, of a document containing instructions on how to make illicit drugs.

It is obviously undesirable for people to encourage the manufacture of illegal drugs or the cultivation of illegal plants by selling, supplying or circulating instructions on how to break the law. This behaviour is already criminalised to a certain extent.

Section 33LA of the Controlled Substances Act 1984 now says:

33LA—Possession of prescribed equipment

(1) A person who, without reasonable excuse (proof of which lies on the person), has possession of any prescribed equipment is guilty of an offence.

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

(2) In this section—

prescribed equipment means—

(a) a document containing instructions for the manufacture of a controlled drug or the cultivation of a controlled plant; or

(b) equipment of a kind prescribed by regulation.

Therefore the existing offence dealing with instructions to make or cultivate illicit drugs covers any possession of these instructions. It is proposed to implement the pledge by creating separate sale and supply offences that would logically have a higher penalty, making the offences minor indictable.

The general structure of the offences in the *Controlled Substances Act 1984* is to have separate offences in relation to (a) commercial activity; (b) commercial activity conducted in relation to children; and (c) non-commercial activity.

Therefore, in the offences dealing with commercial activity, it is proposed to enact an offence of selling a document containing instructions for the manufacture of a controlled drug or the cultivation of a controlled plant; possessing a document containing instructions for the manufacture of a controlled drug or the cultivation of a controlled plant with intent to sell it.

In the offences dealing with commercial activity conducted in relation to children it is proposed to enact the same offences but conducted in relation to a child.

In the non-commercial offences, it is proposed to enact offences dealing with possessing a document containing instructions for the manufacture of a controlled drug or the cultivation of a controlled plant; and supplying a document containing instructions for the manufacture of a controlled drug or the cultivation of a controlled plant.

Explanation of Clauses

Part 1—Preliminary

1—Short title

2—Commencement

3—Amendment provisions

These clauses are formal.

Part 2—Amendment of *Controlled Substances Act 1984*

4—Substitution of heading to Part 5 Division 2 Subdivision 4

This clause makes a consequential amendment to a heading.

5—Insertion of section 33DA

This clause creates a new offence of selling, or possessing for sale, a document containing instructions for the manufacture of a controlled drug or the cultivation of a controlled plant. It is a defence to have a reasonable excuse. The penalty is $10,000 or imprisonment for 3 years, or both.

6—Insertion of section 33GB

This clause creates a new offence of selling to a child, or possessing for sale to a child, a document containing instructions for the manufacture of a controlled drug or the cultivation of a controlled plant. It is a defence to have a reasonable excuse. The penalty is $20,000 or imprisonment for 3 years, or both.

7—Amendment of section 33LA—Possession of prescribed equipment

This clause makes a consequential amendment to a definition in section 33LA.

8—Insertion of section 33LAB

This clause creates a new offence of possession or supply of a document containing instructions for the manufacture of a controlled drug or the cultivation of a controlled plant. It is a defence to have a reasonable excuse. The penalty is $10,000 or imprisonment for two years, or both.

Debate adjourned on motion of Hon. T.J. Stephens.

SUMMARY OFFENCES (TATTOOING, BODY PIERCING AND BODY MODIFICATION) AMENDMENT BILL

Received from the House of Assembly and read a first time.

The Hon. G.E. GAGO (Minister for Regional Development, Minister for Public Sector Management, Minister for the Status of Women, Minister for Consumer Affairs, Minister for Government Enterprises, Minister for Gambling) (18:00): I move:

That this bill be now read a second time.

I seek leave to have the second reading explanation inserted in *Hansard* without my reading it.

Leave granted.

This Bill will amend the *Summary Offences Act 1953* to set out what is and is not lawful when it comes to tattooing, body piercing and other body modification procedures.

Over the years, alternative forms of body piercing, other than traditional ear piercing, have become more popular and more widely accepted by mainstream society. The practice of permanently altering your body through body modification procedures such as branding, scarification or implantation have also become more popular.

The Bill does not seek to limit the choices of informed adults. However, given the increasing popularity of these procedures, and the inherent health risks associated with them, the government believes that the present state of the law is unsatisfactory. It does not go far enough to ensure that minors do not receive seriously invasive piercings or other body-modification procedures. The current law is difficult to apply, so that service providers, parents and police may find it hard to know when the law is broken. It does nothing to protect intoxicated or impulsive adults from undergoing procedures they may later regret.

Accordingly, the Bill proposes to:

- set out clearly what procedures can be performed on minors,
- stipulate what records must be kept,
- impose a ban on the sale of body modification equipment to minors and
- prevent the tattooing or piercing of intoxicated persons.

The Government believes that these measures strike an appropriate balance between protecting young people from harm and recognising the autonomy and individuality of that young person.

Consultation

This Bill is the culmination of work undertaken by the 2005 Select Committee on the Tattooing and Piercing Industries, subsequent consultation by the Government on the recommendations of the Select Committee, and recent public consultation on a draft Bill.

During consultation on the draft Bill comment was received from over 40 interested parties, including industry workers, government agencies, the Law Society, the Australian Medical Association, the Professional Tattooing Association of Australia, YACSA, the Hepatitis C Council, Environmental Health Australia and the Member for Adelaide.

Although there was broad support for better regulation of the industry, there were objections to some areas of the draft Bill, particularly the proposed age restrictions. All of the submissions received were considered by the Government and a number of the concerns raised have been taken into account in the drafting of the final Bill.

Details of the Bill

The Bill contains a number of measures to better regulate the tattooing and piercing industries, and to better protect the health and well-being of our children.

A major feature of the Bill is the new restrictions on the types of procedures that can lawfully be performed on minors.

The draft Bill that was released for public consultation restricted the piercings that could be lawfully given to minors to earlobe piercing and, with the consent of the minor's parent or guardian, piercing of the eyebrow, nose, navel or other part of the ear. All other body piercings and body modification procedures were prohibited to minors.

What emerged from the public consultation was that, while respondents generally supported a ban on intimate body piercings and body modification procedures for minors, there was broad opposition to the proposed age restrictions for non-intimate piercings.

Piercing of the genitalia, anal region, perineum, nipples or uvula are examples of intimate body piercing. Non-intimate piercings are any other body piercing (other than earlobe piercing), such as piercings of the tongue, cheek, nose, navel, eyebrow and neck.

The majority of respondents felt that 16 and 17 year olds were mature and responsible enough to make their own decisions about obtaining non-intimate body piercings without having to first obtain parental consent. Particularly when a 16 or 17 year old can lawfully drive a car or consent to medical treatment, and could, possibly, be living independently and may, therefore, be unable to obtain the necessary parental consent.

A number of respondents also suggested that minors under the age of 16 should be allowed to get non-intimate piercings if they have the consent of their parent of guardian.

As a result of these concerns, and the clear opposition to the proposed ban on many non-intimate body piercings, the draft Bill was revised. The Bill now before the House imposes clear rules about the performance of body modification procedures or body piercing on minors.

Firstly, the Bill prohibits the performance of body modification procedures, such as branding, scarification, implantation and ear stretching, on minors. This is by analogy with the current law which prohibits the tattooing of any minor under the age of 18 years unless the tattoo is performed for medical reasons by a legally qualified medical practitioner. In both cases, the body is permanently altered.

Secondly, the Bill prohibits the performance of intimate body piercings on minors.

An intimate body piercing is defined in the Bill as the piercing of a person's genitalia, anal region, perineum, uvula or nipples.

The piercing of an intimate area of the body is a seriously invasive procedure that places a minor in a very vulnerable position. Minors should not be subject to inappropriate or indecent contact and the law protects them by prohibiting these procedures, regardless of whether the minor or a guardian purports to consent. This is consistent with the approach taken in Western Australia, Victoria and Queensland.

Thirdly, the Bill introduces a requirement of parental consent for all other body piercings (other than earlobe piercing) if the minor is under 16 years of age. These non-intimate piercings are still an invasive procedure and the Government believes that the minor's parent or guardian should be involved in the decision making process if the minor is under the age of 16 years.

However, 16 and 17 year olds will be able to make their own decisions about getting a non-intimate piercing, such as a tongue, lip, nose, navel or eyebrow piercing. This is consistent with the current age of consent for medical treatment.

The Bill does not propose to restrict earlobe piercing which appears to be widely socially acceptable for children. Although it would be usual for parents to attend with, and consent to the earlobe piercing of a young child, formal evidence of consent and records will not be required.

The Bill provides two ways in which a parent or guardian can give consent for their child to have other non-intimate piercings. They can give consent in person or they can give written consent.

To prevent minors from faking the consent of their parent or guardian there is a requirement that the written consent be in the prescribed form and be verified by statutory declaration, i.e. witnessed by a Justice of the Peace. It will also be an offence to make a false statement or produce false evidence to a person who offers body piercing or body modification procedures.

If, for some reason, a parent or guardian is not comfortable filling in a consent form and getting it witnessed, they still have the option of attending the studio with their child and giving their consent in person.

The Bill also provides that a parent or guardian cannot give consent to a minor undergoing a procedure if they are intoxicated (whether by alcohol or by any other substance or combination of substances). Non-intimate piercings are still an invasive procedure and require fully informed consent. If the parent or guardian is intoxicated, their ability to make an informed and rational decision on behalf of their child may be impaired. The Government does not believe that parental consent given in these circumstances is a valid consent.

Another feature of the Bill, which was supported by a number of respondents, is that it will be an offence for a person to perform a body piercing (other than an earlobe piercing) or a body modification procedure on any person unless the service provider has:

1. entered into a written agreement with the customer setting out the nature of the procedure and the manner in which it is to be carried out;

2. given to the customer free of charge a copy of the written agreement and prescribed information; and

3. if the customer is less than 16 years of age and the procedure is a non-intimate body piercing, received the consent of the minors' parent or guardian either in person or in the prescribed form and verified by statutory declaration.

The prescribed information that will be required to be provided to a customer with the written agreement will be information about the possible health risks associated with body piercing and body modifications procedures.

Just as informed consent to a medical procedure requires information of potential risks etc., the Government believes that it is important that a person's decision to get a body modification procedure or body piercing performed is based on fully informed consent.

Requiring a service provider to enter into a written agreement with a customer ensures both parties are clear about what procedure is to be performed and how that procedure will be carried out. Requiring a service provider to also provide the customer with information about the possible health risks arising from a procedure, ensures the customer can make a fully informed decision.

To further support fully informed decision-making, the Bill makes it an offence for a person to perform a body piercing or body modification procedures on a person who appears to be intoxicated. A defence exists where the service provider can establish that he or she believed on reasonable grounds that the person on whom the procedure was performed was not intoxicated.

When a person is intoxicated (either by alcohol or some other substance) it can impair their ability to clearly look at the consequences of a proposed act and make an informed decision. In many instances, once the person has sobered up, they regret getting the procedure done.

The Government has also taken heed of the concerns raised during the consultation process about the proposed ban on taking deposits and the impact that this would have on businesses. This provision has been removed from the Bill.

In addition, the Bill makes it an offence to sell body modification equipment to a minor or supply body modification equipment to a minor in connection with the sale, or possible sale, of goods.

This offence has been included in the Bill because there will be some minors who will purchase body modification equipment and attempt to perform one of these procedures on themselves or on their peers. Ear stretching is a perfect example of this.

Ear stretching is the process of gradually stretching an ear piercing to accommodate larger size jewellery and can permanently modify the body. There are a number of methods for achieving this such as using a scalpel or dermal punching to create a larger hole at the outset or using a taper to gradually stretch the original piercing.

Tapers are a commonly used method for stretching ear piercings and are widely available for purchase. A ban on the sale of this equipment, or any other equipment designed to be used for the purposes of body modification, to minors prevents unscrupulous operators from selling this equipment to minors so that they can perform the procedure at home.

To support these provisions, the Bill entitles service providers, and the police to require proof of age so as to verify whether a person seeking a service is a minor. It also requires service providers to keep the records prescribed by regulation. It is intended to prescribe a requirement that the service provider keep details of evidence of proof of age produced on request and of evidence of a parent or guardian's consent where that is required. Police will be entitled to enter the premises and inspect these records, as well as make copies of these records.

It is necessary to give police broad powers to ensure that the legislation is properly enforced. The power for police to enter premises and inspect and take copies of records is separate from the powers exercised by environmental health officers to enable the investigation of public health concerns.

As it will be an offence for any person to perform intimate body piercings or body modification procedures on a minor, or to perform these procedures on any person without first entering into a written agreement with the customer, police need to be able to inspect records retained by businesses for the purposes of the Act to ensure that businesses are acting lawfully.

The ability to enter premises at any time and ask a person to produce proof of age also assists police in determining whether a service provider is complying with the legislation.

Because of the risk that some minors will produce false evidence of age, a service provider will have a defence if he or she reasonably relied on proof of age produced by a person who turns out to be a minor.

The Bill does not alter or add to the law about health inspections, which are provided for under the *Public and Environmental Health Act* and are the responsibility of local councils. If a business poses a health hazard, then the council can take action under that Act to require rectification of the hazard and can, if necessary, close the business down until this occurs.

Concerned members of the public should report any suspected hazards to the relevant council for investigation. The Bill does not provide for mandatory codes of practice for these businesses. Instead, guidelines can be published by public-health authorities. For example, the Department of Health publishes hygiene guidelines for skin-puncturing businesses. If these guidelines are ignored and hazards arise, the law already provides a remedy.

Concerns were expressed during the public consultation that over-regulation of the industry, particularly in relation to the performance of non-intimate piercings on minors, would result in an increase in minors performing these procedures on themselves or their peers, or going to backyarders.

The Government believes that the measures contained in the Bill, and existing public health legislation, addresses the majority of the concerns raised in the public consultation process.

Explanation of Clauses

Part 1—Preliminary

1—Short title

2—Commencement

3—Amendment provisions

These clauses are formal.

Part 2—Amendment of *Summary Offences Act 1953*

4—Substitution of Part 4

This clause proposes to delete the current Part 4 that deals with offences related to tattooing and substitute a new Part 4 that deals with offences in relation to body piercing, tattooing, body modification and related activities.

Part 4—Tattooing, body piercing and body modification

21A—Interpretation and application

This section defines a number of terms for the purposes of the measure and provides that the Part does not apply to body piercing or a body modification procedure performed on a person if the procedure is performed by a medical practitioner for a genuine medical or therapeutic purpose.

21B—Performance of body modification procedures on intoxicated persons prohibited

This section prohibits the performance of a body piercing or body modification procedure on an intoxicated person. The section provides a defence of a belief on reasonable grounds that the person on whom the procedure was performed was not intoxicated. The penalty for an offence against this section is a fine of $5,000 or imprisonment for 12 months.

21C—Performance of certain procedures on minors prohibited

This section prohibits the performance of any body modification procedure, and any intimate body piercing procedure, on a minor. The section also prohibits the performance of any other body piercing (other than an earlobe piercing) on a minor who is aged under 16 years without the consent of the minor's parent or guardian.

The section provides for a defence against a charge where evidence of age or parental consent was required to be produced which, despite being false, produced a belief of the defendant that the performance of the procedure was not prohibited. In order to rely on the defence, a person must retain copies of the evidence offered at the time of the alleged offence as proof of age or consent.

The penalty for an offence against this section is a fine of $5,000 or imprisonment for 12 months.

21D—Pre-conditions to performing certain procedures

This section provides for certain matters to be completed before any body modification or body piercing procedure may be carried out. In relation to all such procedures, the service provider and the customer must enter into a written agreement that contains the prescribed information as to the nature of the procedure and the manner in which it is to be carried out, and the service provider must give to the customer a copy of the agreement and the prescribed information.

In addition, in relation to minors under the age of 16 years proposing to have a piercing other than an intimate body piercing or earlobe piercing, the consent of the parent or guardian must be obtained prior to the procedure being performed by their attendance in person or by provision of the prescribed form verified by statutory declaration.

21E—Sale of body modification equipment to minors prohibited

This section prohibits the sale (including supply linked to a sale) of body modification equipment to minors. Body modification equipment is defined in the section to be equipment designed to be used for the purposes of body modification. The section provides for a defence against a charge where evidence of age was required to be produced which, despite being false, produced a belief of the defendant that person was not a minor. In order to rely on the defence a person must retain copies of the evidence offered at the time of the sale as proof of age. The penalty for an offence against this section is a fine of $2,500.

21F—Display of information

This section provides that a person who offers, for fee or reward, to perform body piercing or body modification procedures must display prescribed information at the premises where the procedures are offered. The penalty for an offence against this section is a fine of $1,250.

21G—Record keeping

This section requires a person to retain copies of records of relevant documents under the Part for a period of two years. The penalty for an offence against this section is a fine of $1,250.

21H—Offence to make false statement or produce false evidence

This section creates an offence to make a false statement or produce false evidence to a person who offers body piercing or body modification procedures in respect of the age of a minor or the consent of

a minor's guardian to the performance of a body piercing or body modification procedure. The penalty for an offence against this section is a fine of $2,500.

21I—Police powers

This section provides for police powers to enter premises at which tattooing, body piercing or body modification procedures are advertised, offered or performed, and require the production and inspection of records that are required to be kept. A police officer may also require any person present at such premises to provide his or her name, age and address and the details of the procedure the person is seeking at the premises. It will be an offence (attracting a penalty of $1,250) to hinder a police officer in the exercise of these powers or to fail, without reasonable excuse, to comply with a requirement of a police officer under this section.

Debate adjourned on motion of Hon. S.G. Wade.

At 18:01 the council adjourned until Wednesday 8 June 2011 at 11:00.