LEGISLATIVE COUNCIL

Tuesday, 3 June 2014

The PRESIDENT (Hon. R.P. Wortley) took the chair at 14:17 and read prayers.

The PRESIDENT: We acknowledge that this land that we meet on today is the traditional land of the Kaurna people, and that we respect their spiritual relationship with their country. We also acknowledge the Kaurna people as the custodians of the Adelaide region, and that their cultural and heritage beliefs are still as important to the living Kaurna people today.

Parliamentary Procedure

PAPERS

The following papers were laid on the table:

By the President—

Report of the Ombudsman SA on an Audit of State Government Departments Implementation of the Freedom of Information Act 1991

By the Minister for Employment, Higher Education and Skills (Hon. G.E. Gago)—

South Australian Local Government Grants Commission—Report, 2012-13
Agreement between the Premier and the Member for Waite, May 2014
Agreement to Support Stable and Effective Government, May 2014
Regulations under Act—
Legal Practitioners Act 1981—Practising Certificate Fees and Levies

By the Minister for Sustainability, Environment and Conservation (Hon. I.K. Hunter)—

Reports, 2012-13—
Country Arts
Department for Health and Ageing—Erratum
South Australian Film Corporation

Ministerial Statement

MEMBER FOR WAITE, GOVERNMENT AGREEMENT

The Hon. G.E. GAGO (Minister for Employment, Higher Education and Skills, Minister for Science and Information Economy, Minister for the Status of Women, Minister for Business Services and Consumers) (14:24): I table a copy of a ministerial statement on the agreement with the member for Waite to support stable and effective government made by the Premier Jay Weatherill earlier today in another place.

OFFICE FOR THE PUBLIC SECTOR

The Hon. G.E. GAGO (Minister for Employment, Higher Education and Skills, Minister for Science and Information Economy, Minister for the Status of Women, Minister for Business Services and Consumers) (14:24): I table a copy of a ministerial statement on the topic of the Office for the Public Sector made by the Hon. Susan Close earlier today in another place.

FORESTRYSA

The Hon. I.K. HUNTER (Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Aboriginal Affairs and Reconciliation) (14:24): I table a copy of a ministerial statement on the topic of ForestrySA made in the other place by the Minister for Agriculture, Food and Fisheries.

Question Time

LEGISLATIVE COUNCIL PRESIDENT

The Hon. D.W. RIDGWAY (Leader of the Opposition) (14:25): I seek leave to make a brief explanation before asking the Leader of the Government a question about internal transparency and democracy.

Leave granted.

The Hon. D.W. RIDGWAY: As we all heard on 6 May this year, when the Governor opened the 53rd session of this parliament, he gave a lengthy speech. Towards the end of his speech, he made a couple of statements, which I will quote:

> My Government will act so that any perception of impropriety is not hidden in the shadows—and we will deal decisively with those who have sought to benefit personally from corrupt practices.

He goes on to say:

> To strengthen our democracy, all political parties must…ensure that their internal processes are transparent and democratic.

In response to that address, we have the Address in Reply, as you know, Mr President, and I would like to quote from the Hon. John Gazzola's contribution, where he said:

> I read in the media that to replace me as the president was part of a complex factional deal. I am still awaiting some explanation about why I had to stand down other than the right's dominant numbers within the party. Neither I, nor members of the left faction, have had any explanation or consultation about this alleged complex factional deal. This is of some concern to members of the faction and many members of the ALP as they await to see the details of the deal with the right and how it may impact on MPs careers and…future preselections.
>
> In my situation there was no consultation, no discussion, no negotiation and no ham and pineapple pizza.

He went on further in his contribution to say:

> Sir, normally I would congratulate you on becoming the President of the Legislative Council. Given the circumstances and by the mere fact that you became the President through a secret factional deal it is difficult for me to wish you well in your role.

My question is: consistent with the Governor's speech, to ensure that the internal practices and processes are transparent and democratic, will the minister and Leader of the Government now lift the veil of secrecy on the factional deal that saw you, the Hon. Russell Wortley, elected President of the Legislative Council?

The Hon. G.E. GAGO (Minister for Employment, Higher Education and Skills, Minister for Science and Information Economy, Minister for the Status of Women, Minister for Business Services and Consumers) (14:27): I thank the member for his question. Again, we see evidence of the opposition having to resort to stooping to some of the lowest levels we have ever seen in history. We see them come into this place time and time again cowering in this place under the protection of privilege.

Members interjecting:

The Hon. G.E. GAGO: We see the opposition come in here time and time again with muckraking, bringing incorrect information time and time again and misinformation time and time again.

The PRESIDENT: Will the opposition allow the minister to give an answer!

The Hon. G.E. GAGO: They have become notorious at coming into this place and besmirching and destroying the reputation of good people.

The Hon. D.W. Ridgway: What about the secrecy? What about 'open and transparent'?

The Hon. G.E. GAGO: This government is indeed open and transparent. We are a government that has always governed in the best interests of South Australians, and we have always governed in an open and transparent way.

PRIVATE IRRIGATION INFRASTRUCTURE PROGRAM

The Hon. J.M.A. LENSINK (14:29): I seek leave to make a brief explanation before asking the Minister for Water and the River Murray questions regarding the Private Irrigation Infrastructure Program.

Leave granted.

The Hon. J.M.A. LENSINK: The Private Irrigation Infrastructure Program for South Australia (PIIP-SA) was created in 2009, with $110 million allocated to it. During supplementary federal estimates questions in November last year, the committee was told that South Australia had put forward only indicative business cases which were informal and just for comment.

In February this year, it was revealed that there 'hasn't been an interest from the South Australian government in having a third round run under PIIP-SA', despite approaches to do so by the commonwealth government. In federal estimates last week, it was made clear that South Australia is yet to put forward any official business case for irrigators to access the remaining $90 million. My questions are:

1. Why has this government failed to put forward a single official business case to access the $90 million worth of funding?

2. Can the minister outline a commitment as to when the government will put forward a business case?

3. Has the minister consulted irrigators or other interest groups on how South Australia is planning to access this funding?

The Hon. I.K. HUNTER (Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Aboriginal Affairs and Reconciliation) (14:30): I thank the honourable member for her most important questions. I call on her to use her influence with the federal Liberal government to try to make sure that the principles behind the funding agreement actually advantage South Australian irrigators, which to date they have not been able to do. This project of course does go for the low-hanging fruit in New South Wales and Victoria.

The South Australian government is trying to negotiate with the commonwealth government to actually make the program much more friendly to irrigators in South Australia who, quite frankly, have been doing the right thing since the 1950s, driving much more efficient irrigation programs here than they have done interstate and now, because of the federal government's policies, may end up paying the price for that in not being able to meet the requirements of that funding program.

We are working diligently with the Murray-Darling Basin Authority and the NRM boards to actually try to get some flexibility into the funding approvals process so that South Australian irrigators can benefit from the fund as well.

TAFE SA

The Hon. S.G. WADE (14:31): I seek leave to make a brief explanation before asking the Minister for Employment, Higher Education and Skills a question on TAFE SA.

Leave granted.

The Hon. S.G. WADE: I am advised that redundancy packages are being offered to staff at TAFE SA campuses in the Riverland. In February of last year, TAFE SA outlined plans to cut 150 jobs from across TAFE SA as a result of increased competition following the introduction of the Skills for All program. In *The Weekend Australian* last year, it was reported that the state government will slash $83 million, or about 45 per cent, of TAFE SA's budget, initiating a round of redundancies, course closures and a reduction in Skills for All funding in 2014. My questions are:

1. Has the minister been advised that redundancies are now being offered to TAFE staff in the Riverland?

2. Can the minister advise of the number of TAFE redundancies offered this financial year and projected to be offered in the next financial year?

3. Has the minister been advised of any further redundancies to be offered to TAFE staff in regional and metropolitan South Australia?

The Hon. G.E. GAGO (Minister for Employment, Higher Education and Skills, Minister for Science and Information Economy, Minister for the Status of Women, Minister for Business Services and Consumers) (14:32): I thank the honourable member for his most important questions. I am aware that the TAFE SA board has approved a number of TVSPs to, I think, the Barmera/Berri region, and the advice I have received is that recently seven were announced. However, I have also been advised that TAFE has indicated that those reductions will not impact on the courses being made available to individuals, so there will not be any changes in that space.

It is obviously important that I make clear that TAFE SA is an independent statutory corporation, independent of the government, and that means that those decisions about its everyday operations, such as courses, redundancies, staffing issues, etc., are all operational matters which are the responsibility of the TAFE board. Obviously, it is not appropriate that I intervene in those sorts of daily operational decisions. I remind honourable members that the TAFE funding over the last five years has remained pretty steady, at around $200 million per annum, and that is also for this financial year.

Also during this same period, $240 million has been invested in new infrastructure and $14 million provided for various student support services. Also under Skills for All, this government has funded a significant increase in training with more than 100,000 extra training places available and, in fact, we reached our target three years earlier than expected. So, there has been a significant increase in training participation right throughout the state. For regional South Australia that is around a 54 per cent increase in training participation. So, we can see a great deal has been achieved through our Skills for All.

We know that there is a tight fiscal environment that this government is faced with and so all of our agencies including TAFE are required to make some tough decisions just like all other government departments and statutory authorities and, yet, TAFE remains one of the most cost-efficient quality training organisations available to students, with large subsidies continuing to be made available to students. Our TAFE system went from being the most cost-inefficient jurisdiction to now being the most efficient and that is because we have a TAFE board that has been willing to make tough decisions to streamline our services whilst maintaining high quality training provisions for our regional students.

In relation to those other operational questions, as I said, they are matters for the board and I would urge the Hon. Stephen Wade to contact the appropriate body to provide answers to those detailed questions.

TAFE SA

The Hon. S.G. WADE (14:37): Supplementary question. I ask the minister: has TAFE SA sought additional funding from government over and above the payments it receives for providing services through Skills for All?

The Hon. G.E. GAGO (Minister for Employment, Higher Education and Skills, Minister for Science and Information Economy, Minister for the Status of Women, Minister for Business Services and Consumers) (14:37): I thank the member for his supplementary. There have been negotiations over the last number of years where we have sat down with TAFE. I understand that there were some additional funds that were made available to them for this financial year and we are looking at provisions for the next financial year as well. These are all matters for budgetary considerations and they will progress in the normal way that those budget matters are progressed.

TAFE SA

The Hon. T.A. FRANKS (14:37): Of the Skills for All courses undertaken, what number of students did not complete those courses?

The Hon. G.E. GAGO (Minister for Employment, Higher Education and Skills, Minister for Science and Information Economy, Minister for the Status of Women, Minister for Business Services and Consumers) (14:38): I don't have the completion rate figures with me. I am happy to find those out and bring those back. TAFE is a quality provider and, obviously, the ultimate aim of our training education is to skill-up people so that they are better equipped to find jobs; that's what it's all about. The enrolment rates are obviously important to us, participation rates

are important to us and completion rates are also important, but completion rates are not the only measure of successful education and training—they are just one measure of successful education and training. We believe that there is a lot to be gained by individuals engaging in training, whether they successfully complete that or not.

The Hon. T.A. Franks: What's the point of it if they're not completing it?

The PRESIDENT: Can we allow the minister to complete the answer?

The Hon. G.E. GAGO: As I said, higher education and training is not just about completion rates; it is about skill acquisition along the way and preparing people to better be able to develop those skills they need to ultimately find employment. I am sure there would be members in this room who commenced courses and, after commencing them, realised that they were not suitable for them. However, through that experience they were able to refocus their attention on a career path or a further training or education path that was more suitable for them.

There is a lot of value in that; a person can gain experience and insight into where their interests might lie and where they might be better suited, particularly young people, who often require a couple of goes, if you like, testing the waters to see where their interests lie. Is the honourable member saying that that is of no value, that we will only enrol people who are absolutely committed to completion? As I said, completion rates are one important measure; enrolment and participation rates are also important measures.

TAFE SA

The Hon. K.L. VINCENT (14:40): A supplementary question. Can the minister provide data as to the reasons for non-completion of courses?

The Hon. G.E. GAGO (Minister for Employment, Higher Education and Skills, Minister for Science and Information Economy, Minister for the Status of Women, Minister for Business Services and Consumers) (14:41): I am happy to take that on notice and bring back a response.

LANGUAGE AND LITERACY SKILLS

The Hon. K.J. MAHER (14:41): My question is to the Minister for Employment, Higher Education and Skills. Will the minister advise the chamber of any recent changes in our capacity to provide language and literacy skills for people about to enter the workforce?

The Hon. G.E. GAGO (Minister for Employment, Higher Education and Skills, Minister for Science and Information Economy, Minister for the Status of Women, Minister for Business Services and Consumers) (14:41): I thank the honourable member for his most important question. The Weatherill Labor government has been very clear, very specific and committed in wanting to work with business and industry to keep growing the South Australian economy, and we are seeing the results.

In the year to March 2014 South Australia's goods and exports reached a record $12.2 billion, representing a year-on-year growth of 14 per cent, and our retail turnover was 4.9 per cent higher than a year ago. When we have reached, and gone beyond, our target of 100,000 training places three years in advance, we are acknowledged as having the most cost-efficient VET training in the nation, and we have been working closely with industry to provide a skilled workforce that we need now and into the future.

Of course, what happens in the midst of all this is that along comes a federal Liberal government that hands down a draconian budget, and it is extremely disappointing to me that, yet again, I am advising the chamber of a significant reduction in federal spending in the area of training and skills funding and industry assistance. Ten commonwealth training programs that have been improving the skills of workers and job seekers will be discontinued here in South Australia due to a projected $38.8 million funding reduction announced in the federal Liberal budget; $38.8 million of funding reduction announced by the federal Liberal government.

I am advised that funding currently worth about $73.6 million, based on South Australia's population share, would be cut to around $34.8 million. This means that more local companies will be locked out of funding critical to them and to our state in supporting skills and workforce development. In keeping with what seems to be a consistent theme in the federal budget, that of

taking away from those of modest means, funding for the Workplace English Language and Literacy (WELL) program, which was worth $95 million nationally over three years, will now be decreased annually until funding runs out completely in 2017-18.

The cuts to the WELL program—and I am talking about the Workplace English Language and Literacy program, fundamental literacy skills that are required—will make the strategy's target of two-thirds of all working age people having the literacy and numeracy skills needed to take up opportunities of a modern economy by 2022 obviously much harder to reach.

The impact of this in South Australia means that $2.3 million of funding provided to South Australia in the 2014-15 year will be cut by around 75 per cent, or $605,000. This rips away some 11,000 training places potentially. This commonwealth reduction will mean that from 1 July this year, we will go from being able to offer 1,500 training places to just 400, yet another appalling cut by the federal Liberals.

The cuts obviously do not stop there, at skills and workforce development. We now know that the full impact of the federal budget cuts is $898 million that the state will not receive across the forward estimates, 2017-18. This reduced funding is equivalent to losing nearly 600 beds in four years' time in the health system, or it equates to around 43 per cent of all hospital beds in regional South Australia. The total impact of these disgraceful cuts over the forward estimates includes the $47.2 million to skills funding; a $655 million reduction in health funding; $123 million in concession funding gone; a $45 million reduction in education funding; and another $28 million reduction over and above initiatives, including the $12.8 million repayment sought from the Northern Expressway project.

As I said, it is extremely disappointing that access programs—and a fundamental skills program such as WELL—will significantly be reduced due to federal Liberal government funding cuts. It is even more disappointing that those opposite refuse to stand up to their federal colleagues to get these funding cuts reversed, refuse to look after the interests of South Australians and urge their federal colleagues to reverse these draconian cuts.

VETERANS' STAMP DUTY CONCESSIONS

The Hon. D.G.E. HOOD (14:47): I seek leave to make a brief explanation before asking the minister representing the Minister for Veterans' Affairs a question relating to stamp duty concessions for returned servicemen and servicewomen.

Leave granted.

The Hon. D.G.E. HOOD: After World War II the state government of the time legislated a scheme whereby veterans could gain access to stamp duty concessions, which would enjoy our full support if it was followed through.

Initially the stamp duty concessions entitled veterans to a maximum of £66, which by way of comparison would be worth somewhere in the vicinity of $4,380 in today's money. Unfortunately for veterans, however, the current system by which returned servicemen or servicewomen can apply for stamp duty concessions has not been indexed since way back in 1945. In practical terms this means that instead of receiving a concession of $4,380 our veterans are given a mere pittance of approximately $132 in today's terms towards stamp duty, that is, some $4,248 less than what they are arguably due.

Adding further to this less than satisfactory treatment of veterans is the revelation that proclamations in the *Government Gazette* have excluded from this scheme veterans who have served in conflict since Vietnam, particularly in Afghanistan and Iraq. My questions to the minister are:

1. Why has the government not indexed stamp duty concessions for veterans since 1945?

2. How many veterans have accessed this scheme in the last five years?

3. Why are veterans who have served since Vietnam in places such as Afghanistan or Iraq specifically excluded from the scheme?

The Hon. I.K. HUNTER (Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Aboriginal Affairs and Reconciliation)

(14:49): I thank the honourable member for his most important question to the Minister for Veterans' Affairs in the other place. I undertake to take that question to him and seek a response. However, in doing so, we need to remind ourselves that it was the federal Liberal government that ripped $30 million out of the state's concession payments—$30 million.

The Hon. J.M.A. Lensink interjecting:

The Hon. I.K. HUNTER: The Hon. Michelle Lensink is laughing now, Mr President—$30 million out of the pockets of pensioners. They think it is a joke: we do not. The federal Liberal government wants to rip $30 million out of pensioners' pockets, out of concessions they have had for years, and they laugh about it. Of course, it is the federal Liberal government that no longer will index pensions to the average weekly earnings. They are going to take out of the concession payments and also stop the growth of the pensions. It is the federal Liberal government that is ripping into pensioners and concessions and they deserve to be condemned by all of us.

SKILLED MIGRANTS

The Hon. A.L. McLACHLAN (14:50): I seek leave to make a brief explanation before asking the Minister for Employment, Higher Education and Skills a question with regard to the employment of migrants.

Leave granted.

The Hon. A.L. McLACHLAN: The 2010-14 Strategic Plan for the Department of Further Education, Employment, Science and Technology has a goal to promote high levels of participation and achievement in learning and work. A key performance measure, to be completed by 2014, is to increase the proportion of migrants who gain employment in their occupation or related skill area after being assisted by skills recognition services from 10 per cent in 2008-09 to above 50 per cent. What measures have been taken? Has the key performance measure been met and, if so, by how much?

The Hon. G.E. GAGO (Minister for Employment, Higher Education and Skills, Minister for Science and Information Economy, Minister for the Status of Women, Minister for Business Services and Consumers) (14:50): I thank the honourable member for his most important question. Indeed, we seek to advance training and employment initiatives right across our diverse society. We recognise that South Australia has relied very heavily on migrant settlement in this state and there are a number of things that we have done to assist those to develop skills and access employment opportunities.

Skills SA provides a specialist migrant service to assist skilled migrants and locally skilled tradespeople to gain recognition of their qualifications and also skills to gain skilled employment. We know that that can be, sometimes, a very complex thing to do. People come from different parts of the world, from different educational organisations and institutions and arrive with a wide range of different qualifications, so it can be quite difficult to sit down and compare their previous studies and qualifications with the requirements that are required here. So, there is a lot of very good work done in that area.

Specialist migrant services also work closely with Immigration SA and through networks such as industry, government training, professional associations and community agencies to help support skilled migrants. South Australian employers are connected with skilled workers to help support regional employers to meet their skill needs. We have specialist migrant services located at the Skills for All information centre at Currie Street, and they assist with things like newly arrived skilled migrants to obtain their overseas skills and qualifications recognition, and migrants to access Skills for All funded training to improve their English language communication skills or gain an Australian qualification.

I have already spoken in this place about the federal Liberal government's cuts to our WELL training course (a literacy course). Other assistance provided to skilled migrants to gain employment in their occupation includes locally skilled tradespeople who can demonstrate that they have acquired skills but have never obtained a formal qualification to gain recognition of those skills, which is very important. International students who have completed their Australian qualifications are assisted to gain employment and permanent residence.

There is assistance in relation to asylum seekers needing support with pathways to recognition training and also employment opportunities. Skilled migrants are also supported in their local area through Skills for Jobs in Regions. There are career services with things like skills recognition, career service and job search.

RIVER MURRAY FISHWAYS

The Hon. T.T. NGO (14:54): My question is to the Minister for Water and the River Murray. Can the minister update the house on the planned construction of fishways across the Murray Mouth barrages and the important role they will play in supporting our fish populations?

The Hon. I.K. HUNTER (Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Aboriginal Affairs and Reconciliation) (14:55): I thank the honourable member for his most important question. It was my great pleasure to join many local residents on Saturday 24 May at the Goolwa barrages to announce the construction of new and important infrastructure to support fish migration and fish populations. The $2.9 million project, which was co-funded by the state and federal governments, is being managed under the Coorong, Lower Lakes, Murray Mouth Recovery Project. It will entail the construction of up to seven fishways across the River Murray barrages and the spillways in the Lower Lakes.

This idea was developed by the Coorong, Lower Lakes, Murray Mouth Recovery Project and is designed to improve the way the Lower Lakes, Coorong and the Southern Ocean are connected. Currently, there are five barrages and spillways that form a barrier to the migration of over 30 fish species in the area. Fishways, I am told, work a little bit like a ladder. They allow fish to move through these obstacles. I referred to them once as a 'stairway to heaven', but I am assured that is totally inappropriate because they don't die: the whole idea is to prevent that. An improved fish passage is important because it allows fish to move to and from breeding areas and spread throughout the Coorong and Lower Lakes. It also allows fish to migrate and access different feeding grounds.

The funding available will provide at least one fishway on each of the barrages. The design and costing has been undertaken by a cross-jurisdictional working group made up of members of the Department of Environment, Water and Natural Resources, members of the Murray-Darling Basin Authority, SA Water and the South Australian Research and Development Institute. I am pleased that the Ngarrindjeri have also provided input on the culturally significant species in the region. Now that the project has received final approval, SA Water and the Murray-Darling Basin Authority will be constructing the fishways in conjunction with the CLLMM Recovery Project. SA Water will then assume responsibility for their operation and their maintenance.

It was particularly fitting to hold the event on 24 May because I am told it coincided with World Fish Migration Day 2014. Who would have thought we had a world fish migration day? But we do, and it was very useful to have it coincide with the opening of this project. Many may not know about this global initiative, and indeed I didn't until I was advised. It involves events around the world aimed at creating awareness of the importance of open rivers and migratory fish. In fact, the slogan for World Fish Migration Day is, 'Connecting fish, rivers and people'.

I could not think of a more fitting place than the Goolwa barrages to celebrate this important day. The local residents have such a deep connection to, and a respect for, the importance of our waterways, and none more than Henry Jones, who sadly passed away on 15 April. Many in this place have remembered Henry fondly—or will do when we have a chance to speak to the Hon. Ms Lensink's motion—and his presence at the event was sorely missed because Mr Jones would have greatly appreciated the success of this project, I am sure.

As a commercial fisherman for most of his adult life, Mr Jones had a deep connection to, and an understanding of, this unique and iconic part of Australia. He regularly guided officials and dignitaries around the site, sharing his knowledge with a generosity of spirit in an infectious way. In fact, it is in great part thanks to Henry that these fishways are being constructed now. Henry once hosted a delegation from the Murray-Darling Basin Commission, including the then chief executive, Don Blackmore. After visiting the site, he and other local fishermen pressed the case for constructing fishways and operating the barrages to restore fish communities of the region. It was his passion and the compelling case they presented that triggered the commission to explore the idea further.

His vision for fishways at the Murray barrages laid some important groundwork for the implementation of the broader Sea to Hume Fishway Project undertaken by the Murray-Darling Basin

Authority. The Construction of Fishways Project will complement the Sea to Hume project by enabling migratory fish to enter the Murray-Darling Basin at the barrages. I am also pleased that Henry's wife, Gloria, and many members of their family, including children and grandchildren, were present at this event. Henry was a regular visitor to Boundary Creek as part of his fishing and it is no coincidence that the first fishway will be constructed on Boundary Creek.

The fishways project will also be complemented with quite a lot of interpretive information displayed about the barrages and existing fishways. This will form an important part of educating locals and visitors about the importance of the fishways and the migratory behaviour of fish. I look forward to the construction of these fishways and the contribution they will make to the diversity and number of our fish population up and down the river. I congratulate everybody in the community who were so intensely involved in bringing this project to fruition.

TAFE SA

The Hon. T.A. FRANKS (14:59): I seek leave to make a brief explanation before directing a question to the Minister for Employment, Higher Education and Skills on the topic of the TAFE Foundation Skills program.

Leave granted.

The Hon. T.A. FRANKS: I draw to the minister's attention an email that was sent on 30 April this year with the subject title, 'AEU rep visiting sites'. This email was sent to TAFE employees by the Foundation Skills education manager. It reads in part:

> The AEU rep may be visiting your campus in the near future. This is a friendly reminder to not answer any questions related to the Foundation Skills programs.

My questions are:

1. Was the minister aware that TAFE employees had been instructed not to speak to their AEU representatives about cuts to the Foundation Skills program at the Noarlunga TAFE campus?

2. What actions will the Weatherill government take to ensure that TAFE employees are able to speak to their industrial union about any and all issues in their workplace?

The Hon. G.E. GAGO (Minister for Employment, Higher Education and Skills, Minister for Science and Information Economy, Minister for the Status of Women, Minister for Business Services and Consumers) (15:01): I thank the honourable member for her question. I was made aware of this just recently; I just can't recall who informed me. It may in fact have been the AEU, because I have recently had meetings with them. It wasn't in as much detail as the honourable member has gone through today, but it was mentioned that there was some direction of staff not to speak with the AEU rep. I was gobsmacked, I have to say, because union reps have the right to have access to their members in workplaces, and I found this to be a remarkable thing.

As I said, these are operational matters. Yes, it was the AEU; it has just been confirmed that it was the AEU that raised that issue. My understanding is that they would pursue it using the courses available to them. As I said, TAFE is an independent statutory corporation. It makes operational decisions. I was appalled to hear that this had taken place, and I am sure that the matter will be rectified.

TAFE SA

The Hon. T.A. FRANKS (15:02): I have a supplementary question arising from the answer. Given the minister says that there are forces available to the AEU, did she inform the AEU of what those forces were?

The Hon. G.E. GAGO (Minister for Employment, Higher Education and Skills, Minister for Science and Information Economy, Minister for the Status of Women, Minister for Business Services and Consumers) (15:03): I wouldn't begin to tell the AEU how to do its job. It is an incredibly capable and competent union.

APY EXECUTIVE

The Hon. T.J. STEPHENS (15:03): I seek leave to make a brief explanation before asking the Minister for Aboriginal Affairs and Reconciliation questions about the status of the general manager's position on the APY lands.

Leave granted.

The Hon. T.J. STEPHENS: The minister would be well aware of the episode in February this year which resulted in the suspension of APY lands general manager Sean McCarthy. In fact, it is my understanding that Mr McCarthy was actually the acting general manager, due to the resignation of the previous general manager. My questions are:

1. Can the minister update the council on the status of the general manager's position?

2. Does the minister believe it is acceptable that a new appointee would result in the fifth general manager in four years?

The Hon. I.K. HUNTER (Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Aboriginal Affairs and Reconciliation) (15:04): I was taking a moment to try to remind myself of the name of the new general manager who has just been appointed. I met him on Monday in Victoria Square for a barbecue, at the last formal event of Reconciliation Week; I have to say that his name escapes me right now. My understanding is that the APY Executive—

The Hon. J.S.L. Dawkins: Well, get a text message—or Gail will get a text message for you.

The Hon. I.K. HUNTER: I'm waiting for one. My understanding is that the APY Executive has made a decision about appointing a replacement general manager. That has been conveyed to my office for approval of his conditions, which is all, apparently, that I am allowed to do under the APY Land Rights Act. That approval has been given in writing, and I will come back with the gentleman's name when I get a text message.

FLEURIEU PENINSULA SKILLS TRAINING AND DEVELOPMENT

The Hon. J.M. GAZZOLA (15:05): I seek leave to make a brief explanation before asking the Minister for Employment, Higher Education and Skills a question about regional services.

Leave granted.

The Hon. J.M. GAZZOLA: Investment in skills is crucial in supporting employers and industry to have the right skills at the right time and in assisting individuals to engage and succeed in learning, training and work. In regional areas, it is important to ensure that there are networks established that facilitate skills and employment outcomes for people. Minister, will you inform the Legislative Council how people on the beautiful Fleurieu Peninsula can engage in skills training and development?

The Hon. G.E. GAGO (Minister for Employment, Higher Education and Skills, Minister for Science and Information Economy, Minister for the Status of Women, Minister for Business Services and Consumers) (15:05): I thank the honourable member for his most important question. As members would be well aware, I, like minister Brock, have a very keen interest in our regions. Recently, I spent some time travelling to the Fleurieu Peninsula, and I was very pleased to meet with some DFEEST and TAFE staff, along with staff of some of the services funded by the department and, importantly, with students and young people who access those services.

I visited the Victor Harbor TAFE campus, a relatively new state-of-the art facility, which was opened in March 2011 and which provides training in course areas, including enrolled nursing, aged care, disability business, business admin, hospitality, tourism and other foundation skills. Advanced technology and videoconferencing at the campus enables students to access additional courses provided by TAFE SA. I am also advised that the nursing and aged-care facilities offered at the campus are among the most advanced facilities provided on campuses across South Australia.

I was able to speak with both lecturers and students about the facilities and their appreciation of being able to teach and learn in such a wonderful environment. One of the classrooms I visited was an exact replica of a four-bed hospital ward with en suite. I have to say that it did take me back

to my nursing days, of which I have very fond memories. This method of learning in a virtual environment also extended to students in hospitality, who operate a small café and who, I can attest, make great coffee.

The students enrolled in business studies also operate in a virtual office, where they trade with invoice and pay accounts to other virtual offices around Australia, which is very innovative hands-on practical learning to back up the theory that is taught.

I was very pleased to hear that, in November 2011, the building won the Ian MacDonald Award, presented by the Australian Civic Trust, for its sustainable architectural design. It is also delivering on student outcomes as well. When compared with the old campus, since this state-of-the-art facility was opened in 2012, there has been an increase of around about 30 per cent in student enrolments and some 500 qualifications issued.

My next visit was to a wonderful collaboration involving DFEEST, Victor Harbor High School and Mission Australia. A youth works project provides one-on-one case management to around 50 mainly young people but not all young people to assist them to overcome learning, training and work barriers to help them transition into work. This case management involves staff working with participants to improve their education and general skills level and also to assist them with connecting to training opportunities, work placements and exposure to different industries. I spoke with several of the young people—there was also a mature-age participant there as well—all of whom clearly very much appreciated the supports given to them and the pathways that have been put in place in relation to employment.

Each one of them spoke about the huge improvement in their own personal confidence and how this affected their ability to seek further learning options. Many have gained qualifications that have gone on to either full-time, part-time or seasonal employment, and I congratulate all of them.

I also visited the Fleurieu and Kangaroo Island Domestic Violence Service (Junction Australia), an invaluable service, with fabulous people doing remarkable work there, and I certainly took the opportunity to convey my condolences to the family, friends and staff who are still feeling a great loss in relation to the recent murder and suicide at Victor Harbor.

The services provided include support for women and children who are living with or escaping domestic or family violence. They can provide counselling, along with support to find alternative accommodation. I am very appreciative of the opportunity to meet with staff and to hear about the quite incredible work they do.

I also visited the Adelaide Hills, Fleurieu and KI industry leaders group, which is one of 15 such groups established by DFEEST across the state. The meeting was attended by representatives of the local council and key local industry people—primary producers, small business owners and government people as well. It is all done in a voluntary way, so their work is really important. Their role and purpose is to help strengthen the agency's regional engagement with industry and employers at a local level to understand their needs so that we can better fit services to meet the local regional needs, and this assists with ensuring that we are gearing our employment and skills program to the needs of local industry and local businesses.

They were a very energetic group of industry leaders, clearly committed to their region and to growing skills and job opportunities for local people. I certainly thank them and acknowledge their commitment and congratulate them on their efforts, both in their individual business, of which there were some remarkable success stories, but also in showing such commitment to their local regions. I take the opportunity to thank all who took time out of their very busy days to welcome me and spend time discussing with me how they feel, and sharing their experiences. It was a very worthwhile trip.

APY EXECUTIVE

The Hon. I.K. HUNTER (Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Aboriginal Affairs and Reconciliation) (15:12): With the indulgence of the council I can advise, in relation to the Hon. Mr Terry Stephens' earlier question, that Mr Bruce Deans was appointed by the APY Executive as general manager and will start work on 2 June.

LAND ACQUISITION

The Hon. J.A. DARLEY (15:12): I seek leave to make a brief explanation before asking the Minister for Sustainability, Environment and Conservation, representing the Minister for Transport and Infrastructure, questions on the Darlington interchange, Torrens to Torrens South Road project.

Leave granted.

The Hon. J.A. DARLEY: I understand that dispossessed owners of properties are entitled to compensation for reasonable legal and valuation expenses incurred. Can the minister advise:

1. Whether a claim for reasonable valuation expenses is assessed by an independent assessor, or are they assessed by a departmental officer and, if so, what are their valuation qualifications and recent practical valuation experience?

2. How many claims for reasonable valuation expenses remain outstanding as at 31 May 2014?

The Hon. I.K. HUNTER (Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Aboriginal Affairs and Reconciliation) (15:13): I thank the honourable member for his most important question. I undertake to take the question to the Minister for Transport and Infrastructure in another place and seek a response on his behalf.

MACULAR DISEASE

The Hon. R.I. LUCAS (15:13): I seek leave to make a brief explanation prior to directing a question to the minister representing the Minister for Health on the subject of the Macular Disease Foundation.

Leave granted.

The Hon. R.I. LUCAS: Many or most members I understand recently received a letter from the Macular Disease Foundation of Australia, raising an issue on which they have been campaigning for a number of months now. The letter states:

> Over the last few weeks I have also become aware of serious delays in appointments escalating the nature of the matter to critical. These people require urgent diagnosis and treatment as delays can result in permanent loss of vision. In addition the process required to get any action on this matter for any individual is highly inadequate, leaving an enormous gap in appropriate treatment to prevent avoidable vision loss.
>
> There is an immediate short term need for intervention at the highest level, as a matter of urgency. Once vision is lost, it cannot be regained.
>
> The situation is dire now but will be catastrophic if action is not taken to support a viable and commonsense solution in establishing the *SA Eye Hospital* at the current Royal Adelaide Hospital site.
>
> The proposed plans for the redevelopment of the Royal Adelaide Hospital, to treat people with potentially blinding eye conditions, will result in a slashing of eye clinic rooms by 50 per cent. The current, inadequate 24 rooms will be reduced to 11 rooms. Other suburban hospitals are presently incapable of meeting existing demand.

In a comprehensive submission backing the letter (time doesn't permit going through all the detail), a couple of points the foundation makes in supporting its case are that the current outpatient eye clinic at the RAH is working at breaking point, that there is presently a 12 to 24-month wait to get a routine appointment at the Royal Adelaide Hospital, that other outpatient eye clinics at the Royal Adelaide and Lyell McEwin hospitals are not taking any new patients, and that The QEH currently has a 24-month waiting list. People with deteriorating vision are being placed on a long waiting list to get a diagnosis; however, any delays beyond a few weeks of disease onset can lead to irreversible vision loss.

Finally, as an example, the central eye region—that is, the Royal Adelaide and The QEH—currently has a capacity for a maximum 6,000 eye injections per year. It has been estimated that this will need to increase to over 25,000 eye injections per year by 2020. My questions are:

1. Can the minister confirm that his proposed plan for the new Royal Adelaide Hospital will result in the slashing of the number of eye clinic rooms, from 24 to 11; if so, why are he and the government doing this?

2. Does the minister accept the view being expressed by the Macular Disease Foundation that the current crisis has meant that some patients have already suffered avoidable blindness due to the lack of proper treatment?

3. What action does the minister and the government propose to take to tackle this crisis?

The Hon. I.K. HUNTER (Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Aboriginal Affairs and Reconciliation) (15:17): I thank the honourable member for his most important question to the Minister for Health in the other place on correspondence from the Macular Disease Foundation. I will endeavour to take that to the minister and bring back a response.

I have to say that it is beyond cute for this side of the chamber up here to get up on their feet and talk about slashing of funding when their federal compatriots, their federal Liberal government, just took $8 billion out of health and education in this budget—$8 billion out of the South Australian health and education budget. Where are the cries against that? Where are the cries standing up for South Australians about $8 billion worth of slashing of health and education?

You don't hear the Hon. Mr Lucas standing up. Only Dr Duncan McFetridge from the other place actually has the courage to stand up against the federal Liberal government and say that this has gone too far. The Hon. Mr Lucas doesn't, not a peep, nothing out of this side on the opposition benches about this vicious attack on health and education in South Australia. Health and education will suffer under the Liberal Party—always have and always will—and to get in here and ask a question about slashing to health funding is just hypocrisy at its highest level.

MACULAR DISEASE

The Hon. R.I. LUCAS (15:18): A supplementary question arising out of the minister's answer: will the minister therefore join the Liberal Party in opposing his government's $1 billion cuts in slashing health budget programs over the coming forward estimates?

The Hon. I.K. HUNTER (Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Aboriginal Affairs and Reconciliation) (15:18): Again, we have the Liberal Party here trying to avoid any responsibility for the federal government's massive cuts and no explanation there about how the state responds. How is the state supposed to respond to this Liberal, cold, ideological attack on the most vulnerable in our community? That's what they are doing.

There is 1½ per cent cut to corporate tax in the federal budget—alright for the big end of town, big applause from the Liberals for that. But when they come to the most vulnerable in our society, when they put pressure on the states, all the states, by slashing their health and education budgets, no, it's not the federal government's fault, it's all the state governments. Well, wake up. South Australians see exactly what you are doing. You are the cheer squad for the federal government with these budget cuts, and we will hang them around your necks.

MACULAR DISEASE

The Hon. R.I. LUCAS (15:19): I have a supplementary question arising out of the minister's answer. Why is the minister refusing to oppose his own government's $1 billion in health cuts whilst, at the same time, trying to raise issues in relation to federal health cuts, which he knows the state Liberal Party is already on the public record as opposing?

The Hon. I.K. HUNTER (Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Aboriginal Affairs and Reconciliation) (15:19): Again, leading with his chin. This is a bloke who led the Liberal government to the astounding result it got in the state election; this is the bloke who, when he was a minister, closed, what was it, 72 schools or 76 schools? I cannot remember the exact number. This is a bloke who has a track record.

Members interjecting:

The Hon. I.K. HUNTER: There might have been 48 that were directly closed but there were another 30 or so that actually merged into another body; but he closed them. That is his record, and his record on the small target policy in the last election campaign, which served them so very well.

As I said, Dr Duncan McFetridge, in the other place, has had the courage to stand up to these federal attacks, but not the Hon. Mr Lucas. I have not seen him on the public record criticising the federal Liberal government for ripping cash out of health and education, which will impact on the most vulnerable people in our community.

When Liberals cut that is okay, but not when the Labor government has to act in response, to backfill that hole that his compatriots in Canberra are making in every state. And it is not just the Labor states of South Australia and soon to be Victoria; it is actually Liberal states as well that are being impacted by these cuts. Liberal premiers are standing up with Premier Jay Weatherill to attack these hard, cold, ideological cuts on the most vulnerable people in our community.

But no, the Hon. Mr Lucas is forming part of the cheer squad for those cuts. He thinks Liberal cuts are fine. When they take $8 billion out of the state budget for health and education he actually wants to say, 'Oh well, that is nothing to do with us. What are you guys going to do about it?' Wait and see.

Members interjecting:

The PRESIDENT: Let's move this question time on.

NATIONAL RECONCILIATION WEEK

The Hon. G.A. KANDELAARS (15:21): My question is to the Minister for Aboriginal Affairs and Reconciliation. Will the minister update the council on the diverse events held around the state for the 2014 National Reconciliation Week?

The Hon. I.K. HUNTER (Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Aboriginal Affairs and Reconciliation) (15:22): I thank the honourable member for his very important question. Last week, of course, was National Reconciliation Week. It is an important event in our state's calendar and an opportunity for everyone in the state to show their commitment to reconciliation.

National Reconciliation Week takes place every year from 27 May until 3 June, and the dates mark two highly significant events in our nation's history on reconciliation. The date 27 May marks the anniversary of Australia's most successful referendum in 1967. On this day over 90 per cent of Australians voted to give the commonwealth the power to make laws for Aboriginal and Torres Strait Islander peoples and recognise them in the national census for the first time. On 3 June 1992 the High Court of Australia delivered its landmark Mabo decision. This decision legally recognised that Aboriginal and Torres Strait Islander peoples have a special relationship to the land that existed prior to colonisation and that still exists today. This recognition paved the way for native title land rights.

National Reconciliation Week provides us with the opportunity to take stock of how far we have come in achieving reconciliation between Aboriginal and non-Aboriginal Australians. It is also time to acknowledge what we still need to do and to reaffirm our commitment to doing it. That is why the theme of this year's Reconciliation Week was 'Let's walk the talk.' It says that unless we are prepared to turn our words into action, we will fail to achieve our goals.

That is why I am so pleased that this parliament recognised the first peoples of South Australia in our state constitution last year. I hope that will drive everyone in South Australia to join the Recognise campaign to acknowledge Aboriginal and Torres Strait Islander peoples in Australia's Constitution. It is also why we are designing special legislation—the first of its kind in Australia—to recognise the self-determining governance structures of Aboriginal nations in South Australia and their unique cultural identity.

These are significant and powerful steps toward reconciliation. We also recognise that the goal of reconciliation can only be achieved if we all do our part. This is why individual reconciliation action plans are so important and why I believe that this state parliament should embrace a reconciliation action plan for the parliament, something I will be urging the JPSC to consider in the near future.

I was pleased when earlier this year South Australian government agencies came together to collectively launch their RAPs (reconciliation plans) and statements of commitment. These important documents are designed to drive better relations between Aboriginal and non-Aboriginal people. RAPs provide an important platform of engagement but, in order to be effective, they also

have to be acted on. Again, we need to walk the talk. It is imperative that we all hold each other accountable for action that improves the lives of Aboriginal South Australians.

The program for Reconciliation Week in South Australia featured 52 events and activities and there was truly something for people of all ages and interests in those programs. There were breakfasts, morning teas, barbecues, lunches and walks along the Torrens, with instruction on the cultural history of the area. There was an enormous range of events: language classes, art exhibitions, free movie screenings, talks, as I said, and interactive displays. It was great to see the breadth of locations hosting these many events around the city and the state. These included schools, universities, government departments, hospitals, community groups and service providers. I attended about 13 of these events. I was impressed by the hard work and commitment demonstrated by both organisers and participants.

Having such a broad range of events provides an opportunity for non-Aboriginal South Australians to learn more about Aboriginal culture and the history of Aboriginal people in South Australia. I look forward to even more events being put on the calendar for next year.

Bills

PASTORAL LAND MANAGEMENT AND CONSERVATION (RENEWABLE ENERGY) AMENDMENT BILL

Second Reading

Adjourned debate on second reading.

(Continued from 22 May 2014.)

The Hon. J.M.A. LENSINK (15:26): I rise to make some comments in relation to this bill. First, I would like to thank the minister for organising a briefing for us—which the members for Stuart and Chaffey also attended—and also for providing additional information, including a list of frequently asked questions and a map of the transmission lines, which are the most likely locations for renewable energy development on pastoral lands.

I note from preceding government speeches that they have banged on a lot about this government's record on clean energy but they have failed to acknowledge the role that the Howard Liberal government played in kickstarting the initial investment in renewable energy technology, that target being 20 per cent of renewable energy by 2020. I note that South Australia has 28 per cent of its energy coming from the renewable sector.

The Clean Energy Regulator, which the federal government tasked with overseeing the RET, has advised that at the end of 2011 the investment in renewable energy power stations totalled around $10 billion nationally and there were more than 1.3 million installations of solar panels and solar water heaters.

In my view Labor has exploited the climate change agenda for as long as they thought it was popular. Over the last 12 years, particularly under the previous premier, we had numerous media releases promoting solar panels on government buildings, many wind turbines that did not work and broken promises of greener schools. We also had some fairly dubious promises about the carbon neutrality of the desalination plant, and no Labor minister has ever been able to explain that one, and a carbon neutral cabinet.

This particular policy was promulgated by the previous premier, the Hon. Mike Rann, in Cancun, Mexico, in December 2010. He announced a series of ideas. This one is four years in the making, apparently. The other ideas included capping the amount of carbon emitted by new power plants, providing funds for community solar farms, having a target of 10 per cent improvement in air-conditioning, and also helping to part pay the spectacularly unsuccessful vehicle recharging station at the Central Market together with the Adelaide City Council.

The Advertiser ran a headline attached to an article on 9 December 2010, 'Drive for clean energy'. The opening paragraph states:

> Huge areas of pastoral land across the state will be opened up to allow faster and easier access for companies wanting to establish solar and wind farms.

So here we are with this bill.

At a state level, the previous Liberal government had a strong record of leadership on greenhouse gas emissions. In 1998, the Liberal government launched South Australia's first government greenhouse target program, wind farm developments were supported, the Osborne cogeneration plant was constructed and the Pelican Point combined cycle power station, which significantly reduced the amount of carbon dioxide emitted during electricity production. We have also (in opposition) consistently supported targeted reduction of greenhouse gas emissions of 60 per cent by 2050. During the debate on the Climate Change and Greenhouse Emissions Reduction Bill 2007 we inserted an amendment to that bill that would seek independent verification from the CSIRO on the reporting of greenhouse gas emissions targets.

In relation to the details of this bill, we are advised that renewable energy development cannot currently occur on pastoral leases because the Pastoral Land Management and Conservation Act 1989 was drafted prior to it being envisaged. So, while this may be the first legislation of its type in Australia, its uniqueness is not so much in its being innovative, because there are already provisions on other types of land tenure to provide for renewable energy development, however, there are specific obstacles within this act which prevent it.

This particular bill has the effect of allowing the coexistence of pastoral activities, wind farm development and mining. There was a bill that was put out for consultation in 2011, which has been amended, and 21 parties lodged submissions, including pastoral lessees, wind farm developers, peak bodies, legal bodies representing native title holders and defence representatives. I would like to commend the member for Stuart who was very involved in that process. The consultation period had, at that stage, only been two months, but after requests from him on behalf of his constituents that was extended and I acknowledge the amount of work that he put into ensuring that those views were represented.

Under the provisions within the bill, wind farm developers will be able to obtain a licence to build and operate on pastoral land, which will expand the amount of land which is currently available to potential renewable energy development. The most likely location of such developments is in proximity to transmission lines. It is believed that wind farm development cannot operate outside a 30-kilometre radius of these lines.

The minister is to negotiate the lease conditions and payments on behalf of the Crown, the lessee and any other interested parties, which can include pastoralists, native title parties and mining tenement holders. I am advised that this is based on the same principles as the development on freehold land, with the payment generally ranging from $8,000 to $12,000 per turbine, although I note that the bill contains a provision for a discount for the remoteness of it, which I think is probably of some concern to those interested parties.

In the original draft in 2011 there was no specification on the amount of compensation the pastoralists or native title holders would receive, which has been amended to provide those interested parties with 95 per cent of the total payment, with 5 per cent accumulated by the state government for administrative purposes. Prior to a licence being granted the minister can grant the developer access to pastoral land in order to undertake preliminary activities, which includes conducting investigations or tests, temporary installation of devices, taking samples, etc., and 14 days' notice must be given to the pastoralist.

During this process, the developer must satisfy the minister within 2½ years that a clear plan has been developed. If they have satisfied the minister, a further three years will be granted for investigation. During this period, no other developer will be given access to that portion of land. A licence is granted for a minimum of 25 years with an option to extend for a further 25 years, and the licence gives the developer the right to fence off any infrastructure where necessary, and build access roads and other necessary infrastructure. The minister has the authority to impose conditions on the licence.

The wind farm development licensee must reach two milestones in order to keep their licence. Within three years, a developer must demonstrate that they possess adequate financial backing and have executed contracts for the construction of the major components. They must erect the turbines within five years and commence testing. Appeals can be made to the ERD Court if one of the parties is dissatisfied and, when renewable energy development and pastoralism are incompatible, as is the case for solar, the minister can authorise the land to be surrendered by the pastoralist in a process known as redemption. If the lessee agrees, the developer and the lessee

have one month to come up with the terms. However, the matter of redemption (or taking back that lease) is amended by this bill from six months to two months.

We have a number of questions which I would like the minister to respond to. A number of these have been put by the member for Stuart, Mr Dan van Holst Pellekaan. The payment is probably one of the key issues of concern. Firstly, in relation to the negotiations, that is something that the minister does. I note that this Minister for Environment is also the Minister for Aboriginal Affairs and one of the prescribed interested parties is Indigenous people through native title declarations, so my first question is: how does the minister manage that process, which has a potential conflict of interest when he is negotiating on behalf of the Crown but also wearing his minister for Indigenous affairs hat for those Indigenous people?

Furthermore, I think the government has a general conflict as the negotiator. I think it is fair to say that they were pretty keen proponents of this proposal. Where does that leave some of the people on whose behalf it is negotiating? I think it is a little bit untidy as far as those processes are concerned and it is certainly of concern for the Liberal Party. The government's 5 per cent will be an annual payment so, for the 25 years plus 25 years, I wonder if they have a particular amount that they think that is going to come to. Perhaps the minister could outline how they arrived at 5 per cent and whether there is any comparable jurisdiction. I understand that they say that this is the first legislation of its type in Australia, but is there any kind of comparison with these sorts of agreements on other types of tenure?

Indeed, in relation to the issue I was talking about with the payment, how does the minister envisage any disputes between it and any of those parties might be managed? For instance, there may be a pastoralist who is against having wind turbines on their lease. What sort of process is the government going to go through to negotiate with them, and what appeal rights will they have beyond just having consultation with the minister?

What is the situation when there is more than one pastoral lease involved in a single development, because various sites may be held by different lessees? Will the payment be made to one lessee or not another? Does it depend on where the actual turbines are located? For instance, if substations or transmission lines have to be constructed on a separate title, will the ones with the infrastructure also receive some sort of payment or compensation? In relation to the 25 years plus 25 years, is there an option to extend past that 50 years? Why did the government arrive at those two particular periods?

If the renewable energy developer goes broke, what happens to the clean-up and removal at the end of the working life of those turbines, etc.? In relation to the resumptions, that is an existing provision in the act. Section 32 of the Pastoral Land Management and Conservation Act states that 'the minister must give written notice of intention'. Within that existing provision, I am just wondering if the minister can provide any details about whether these resumptions have taken place and whether when that has taken place a reason has been given. I assumed that there would have to be a pretty good reason for that to take place if that occurs. However, is there a different situation with resumption under these provisions? Is the minister required to give a reason or do they just gazette it and that is the end of that?

Are the prescribed interested parties entitled to be represented by legal counsel in relation to these negotiations? There is something that parliamentary counsel mentioned to me when I spoke to them, and I would like it if the minister could confirm this is true or not. The prescribed interested parties in the bill include the following:

(a) the lessee;

(b) the holder of a resources tenement—

so mining interests—

(c) if there is a native title declaration for the land—the registered representative of the native title holders and the relevant representative Aboriginal body;

(d) if there no native title declaration for the land—all persons who hold, or may hold, native title in the land;

which is a pretty open ended situation. Parliamentary counsel said that if (d) was not included in the legislation, it was a breach of the commonwealth Native Title Act, and I would like it if the minister

could confirm that or not. It does provide a situation where there can be considerable uncertainty about the payment. In relation to the payment, we were advised in the briefing that that potentially could be split between the native title holders—and obviously that is the situation.

However, there is the potential for native title holders who do not yet have a declaration to participate in that process. I think that may impact on pastoral lessees in relation to how they perceive this legislation and whether they are going to be keen on having wind turbines on their property if they are not able to confirm what their portion of the payment is going to be into the future, acknowledging that those payments can be quite useful for them to supplement their income, particularly when the pastoral country can be pretty unreliable.

I was hoping that the minister might be able to clarify new section 49E of the bill—Rights under licence, which states:

> A wind farm licence may grant such rights as the Minister considers necessary for the proper functioning of the wind farm to which the licence relates and may include the right to exclude the lessee or any other person from infrastructure associated with the wind farm…

I would like the minister to provide the sorts of circumstances under which that might take place. That section has to be there for a reason, and I wonder whether the minister might be able to provide that to us.

Another question we have is in relation to whether the payments which are made to any of the parties exclude any payments the developer might wish to make directly to any of those parties. New section 49K talks about payments. In brackets, it states:

> (and the prescribed interested parties are not entitled to any other payment or compensation under this Act in respect of the wind farm).

For instance, there may be a fence or a shed or some other piece of the pastoralist's infrastructure that is knocked over in the process or, if it is a native title holder's, there would be items they would have some issues with if they were destroyed. Is that the only payment that can be made under section 49K of this bill or are there any other, if you like, side deals which do not come via the fund?

We also have a query about 49F(6) because it talks about, in determining the licence fees payable, the minister must not take into account the value of any other improvements on the land that do not belong to the Crown; there again, there may be stockyards, fences or watering points. Can the minister explain why that subsection is there, because there may be specific issues on certain sites that might mean that that subsection is unfair.

In relation to the period provided for the developer to start the process before the wind turbines need to be erected, the first milestone is for two years and six months, and then there is an additional three years. They seem like awfully long periods of time for a developer to have exclusive access to their potential proposal. If the minister can explain why those periods were chosen, that would be appreciated.

During the initial periods when the payments can be made, we noted that 49K(1)(a) provides that payments can be made during the initial access period. Presumably, licences fees are not being paid at that stage because it is still in the development phase, before it has been completed. So, where is that funding coming from and under what circumstances does the minister envisage that that might actually take place? Also, if there is a tenement, some sort of potential or actual mining interest, is any compensation payable to those interests and under what circumstances? Another issue is 49M—just a query as to why the wind farm licence is exempt from stamp duty.

So that the minister is aware, we are generally supportive of this piece of legislation, but we do have some concerns. We are likely to have some amendments; I have had a couple drafted already, and I thank parliamentary counsel for its advice and assistance. Other amendments are on the way and will be filed at the earliest opportunity. We are generally supportive of the bill but have some concerns.

It is fair to say that, given our representation in the party room, a lot of concern has come from the pastoral sector as to what are their rights during the negotiation process, what are their rights in terms of the minister having so much of the final say on a number of parameters of how this will operate, and just to ensure that their voice will not just be heard adequately but that they might

actually have some say about how potentially this may impact on them. With those comments, I commend the bill to the house.

The Hon. J.A. DARLEY (15:50): I rise today to speak briefly on the Pastoral Land Management and Conservation (Renewable Energy) Amendment Bill and to express some concerns with the provisions regarding wind farms. At the outset, I want to make very clear that the importance of renewable energy, and the importance of providing certainty to investors in renewable technologies, is not under question. It is vital that South Australia and Australia as a whole reduce both our carbon emissions and our reliance on fossil fuel technology.

Both wind and solar power are currently the most developed and commercialised forms of renewable energy, but at this stage neither can provide base load power. It is this ability to provide base load power that renewables will have to meet before we can wean ourselves off coal-fired power completely. We need to consider other emerging technologies, such as geothermal or solar thermal, both of which have the potential to create base load power.

My concern with this bill relates to the approval process for wind farm development on pastoral land. In effect, it overrides any appropriate consultation with pastoral lessees and allows too much ministerial discretion. As such, this parliament cannot give the proposed process proper scrutiny. I will move amendments to remove the provisions relating to the wind farm approval process from the bill. Until these issues of due process can be addressed, it is not appropriate to fast-track further developments, which may create significant problems that have to be addressed in future.

What we should understand is that pastoral lessees have 14-year rollover leases, which continue for as long as the conditions on the lease are met, which could, effectively, be in perpetuity. I will support the part of the bill that deals with solar, but I cannot support the part concerning wind farms without appropriate consultation and due process.

The Hon. M.C. PARNELL (15:52): The Greens will support this legislation, which provides a regulatory framework for wind farms to be developed in the pastoral areas of South Australia. It is very clear to us that the energy mix of the future will include a far greater proportion of renewable energy and, in fact, we need to be aspiring in this state and in this country to moving to 100 per cent renewable energy. Whatever the mix of renewable sources, it is clear to us that wind energy will be a big part of that mix. So, this bill is welcome.

The federal Liberal government currently has the Renewable Energy Target under review although I think it is probably more accurate to say they have it under attack, and I think it is very clear to renewable energy companies in South Australia and elsewhere that, if that target is watered down, or worse still abolished, then the prospect of new wind farms in South Australia is quite bleak. So we do in this state need to understand that what is happening in Canberra has a big impact on the future economic development of our state because, as we all know, South Australia is the heartland of wind energy in Australia.

I mainly in this contribution want to put on the record a number of questions for the minister to answer when the second reading debate is concluded. The first question I have is whether there is a particular part of the pastoral lands that has already been targeted by wind companies for development. It seems to me that legislation like this rarely comes out of thin air. My expectation is that there has been some discussion. I am interested to know where those areas might be. My understanding of the wind energy is that there are two main factors that they are looking at, and they are the two Ws—wind and wires. Is it windy and are there wires to take the power to market?

Most of the outback areas under the Pastoral Land Management and Conservation Act do not have great access to the grid. Some areas are better than others but certainly we know that many parts of the outback are windy, so I am curious to know which areas the government believes might be early cabs off the rank when it comes to wind farms on pastoral land. The one aspect of the bill that gives the Greens the most concern is the effective right of veto held by the mining industry. Members might look at the bill and say that there is no real right of veto because if a mining tenement holder objects to a wind farm then there has to be a court process—mediation first and decision later—but my question of the government is what other area of industrial development in South Australia subjects developers to mining company rights of veto?

I cannot think of any other area where a developer is obliged to go to, perhaps, an overseas speculative investor who has acquired access to a few hundred square kilometres of South Australia

for the purposes of exploration, and that company can effectively put a halt to a wind farm development. I do not understand why that is required. I think it is unfair and it is unreasonable and, as has been mentioned before, it is certainly not paralleled in any rights attached to the pastoral leaseholders themselves. For example, the person who is living on the land and who is grazing cattle or sheep pursuant to their pastoral licence, does not have any power of veto, yet a mining company with purely exploration rights is able to effectively stop the wind farm going ahead.

Just to put this in perspective, if members are keen to have a look at the map of mining tenements in South Australia, you will find that, if it is not 100 per cent, it is well into the 90s, the percentage of pastoral lands that are covered by mineral exploration licences or mining leases, or also exploration licences under the Petroleum and Geothermal Act. We are talking the whole of the pastoral lands, in effect. I would like the minister to answer the question: why do we have this unique situation where these companies effectively are given a veto over renewable energy going ahead?

Access agreement is the label in this bill that is given to the type of agreement that has to be given by the prescribed interested parties before the minister can proceed to issue a wind farm licence. These prescribed interested parties include the lessee, the holders of mining tenements, and also various native title holders or potential native title holders. Of those four groups of prescribed interested parties it is only the holders of resource tenements who have to negotiate the access agreement, which is also quite odd, because when it comes to access, most of the tracks and roads and things would probably be under the control and management of the pastoral lessee rather than the mining companies.

However, that is the bill as it is. If there is a disagreement, if the mining companies will not sign an access agreement with the wind farm operator, then it goes off to the Environment, Resources and Development Court. It seems that when such a dispute reaches court, there is first of all the mediation process. That makes sense, because it is always good to mediate a dispute if that is possible. If it is not possible then it goes to a decision.

The only thing that gives me some comfort in the way this mining veto regime has been developed is that I would presume the Environment, Resources and Development Court, in considering whether or not a mining company has a valid reason for refusing to sign an access agreement, would be obliged to take into account the objects of the act. The objects of the Pastoral Land Management and Conservation Act now include, pursuant to this bill, under proposed new section 4(f):

> to provide for the operation of wind farms on pastoral land, concurrently with the land being used for pastoral purposes

There is no object of the pastoral act to promote mining, so I would hope that if a dispute did reach the ERD Court, and if one of the protagonists in the dispute were a company that merely had an exploration licence, then the court would determine that its refusal to sign an access agreement was unreasonable. It would be different, of course, if it were a mining lease and someone wanted to put turbines in the middle of the works. Clearly that is not compatible. However, I would hope that the court would be very loathe to stand in the way of wind farm developments if the only objector is a mineral exploration company.

The third issue I want to raise is in relation to the rehabilitation of land afterwards. This is an issue that was raised in evidence to the select committee on wind farms, which, I imagine, standing orders precludes us talking about because I am not sure that it ever reported. In any event, it was an issue raised by witnesses, that wind turbines may have a life of 20 years or 30 years or potentially up to 50 years; the fact is that we do not really know, because the industry is too young to know how long these things last. What I find interesting in this legislation is that the minister must include, in a wind farm licence, conditions ensuring that a proper process is put in place for the eventual decommissioning of the wind farm and rehabilitation of the wind farm site. I make the point that a provision such as that does not apply to any other wind farm in South Australia. There is no publicly enforceable, legal obligation to remove a wind farm and associated infrastructure once it has ceased operation.

Now, members might think that those rules exist in the contracts between freehold farmers and the operators, and that is probably right. I would imagine that most of the contracts between farmers and wind farm operators would have a clause in there saying that at the conclusion of operations the wind farm developer would remove the turbines. I also imagine in 20 or 30 years' time

the wind farm operator, faced with a million-dollar bill for moving turbines, is likely to go back to the farmer and say, 'Why don't we split the difference? We will give you half a million if they can stay.' I am sure the farmer would probably agree that having a few very large statues on the property is a small price to pay compared to what the wind farm operator would pay them not to have to move those turbines. It seems that that is not the case here. The minister is legally obliged to include some sort of a clause which talks about the decommissioning and rehabilitation of the wind farm site.

My first question is why? I am sure the answer is probably that this is public land rather than private land. It also seems that it could require the rehabilitation of tens or hundreds of kilometres of powerlines as well. Again, that is not an obligation that has ever been imposed on any other energy utility to my knowledge. So I would like the minister to explain that.

All in all, I think that this legislation is a good move forward. If the reason that prospective wind farm areas have not been developed is simply because of land tenure and the legislation and this legislation fixes that then that is a good thing, but I do look forward to the committee stage and the minister responding to the questions that I have put on the record.

The Hon. D.W. RIDGWAY (Leader of the Opposition) (16:05): I would like to make a few brief comments about this particular bill, which of course is the Pastoral Land Management and Conservation (Renewable Energy) Amendment Bill. As you would be well aware, sir, you were on a select committee looking at wind farms with the Hon. Mark Parnell and—

The Hon. J.S.L. Dawkins: You slept out together.

The Hon. D.W. RIDGWAY: In fact we did have a sleepover one night—

The Hon. J.S.L. Dawkins: Does he snore?

The PRESIDENT: Immensely.

The Hon. D.W. RIDGWAY: It was a dark and stormy night, as I recall.

The PRESIDENT: He thought it was the thunder.

The Hon. I.K. HUNTER: Point of order, Mr President. I think the honourable member well knows that he should not be reflecting on matters before a select committee that has either not reported or is still working. Those sorts of stories we just do not want to hear.

The Hon. D.W. RIDGWAY: I was not really reflecting on the work of the committee, just the sleep of the committee, Mr President. However, I will move on. The catalyst for the select committee being established was the implementation of the statewide development plan amendment, the interim operation, which we saw on the last day that Mike Rann was premier, and that being foisted upon South Australia with the help of the then planning minister—he is still the planning minister—the Hon. John Rau. So we formed the select committee.

The Hon. Mark Parnell referred to a number of points or bits of evidence that we heard during that time. I just want to reiterate some of the points the minister made in his second reading speech. I note that in his speech the minister talked about our target of 20 per cent renewable energy by 2014 and 33 per cent of electricity generation by renewable sources by 2020. We are well down the path for that target, but we also have some of the most expensive energy in the world. I think we have to be mindful of the fact that we have had this honourable goal of trying to reduce our carbon footprint but, as a community, we have paid the price.

The minister also went on to talk about South Australia committing in 2013 to a target of a $10 billion investment in low-carbon generation by 2025. I just query the figures in his second reading speech. He said that since 2003 there has been $5.5 billion of investment in renewable energy, with some $2 billion (or 40 per cent) of this investment in regional areas.

I would like the minister to bring back some information regarding the $3½ billion in renewable energy and what people in South Australia have spent on rooftop solar systems. Or is that a mistake in his figures? Because a bit later on he goes on to say, 'According to the Clean Energy Council almost $3 billion has been invested in wind farms in South Australia,' which I assume would all be in regional areas. So I am not quite sure how you can have $2 billion in renewable energy in regional areas earlier in the minister's speech and then one paragraph later he talks about the Clean Energy Council saying that almost $3 billion has been invested in South Australia. I would appreciate some clarity around the figures he has used because, if they are that inaccurate three paragraphs

into his second reading speech, then that does bring into question some of the other figures he has mentioned in his speech.

I also remind members that we have about 1,200 megawatts—according to the minister's speech, 1,203 megawatts—of installed capacity, or 559 turbines. My understanding is that there is about that much already approved again, so we are looking at another 1,200 megawatts or potentially—in fact, the turbines are slightly larger now—around 500 turbines already approved but not yet installed. So, I am interested to know why this government continues its love affair with renewable energy and yet the market seems to have stalled because it has been at about 1,200 megawatts for the last two years and we have not had any new developments take place.

Of course, this is about an amendment to the Pastoral Land Management and Conservation Act. Some of the concerns raised when I was on the select committee—and I am not going to refer to the proceedings of the select committee—and I am sure my colleague the Hon. Michelle has raised this but I will raise it again, were in relation to the way the fee, or the licence fee, is to be apportioned. The minister, in his second reading explanation, stated:

> A pastoral lessee stands to benefit financially from a wind farm licence. The South Australian government will charge a licence fee for use of pastoral lease land that is commensurate with that paid by wind farm developers to owners of freehold land. This fee will take account of the extra costs associated with development in remote areas…

What do they mean by that? That is clearly up to the wind farm developer. If they choose to develop in a remote area then that should not impact on the actual fee they pay to the landowner, or the lessee. My reading of that is that that means: 'Well, it's a long way from the grid so we've got to build a big transmission line, so we're not going to actually pay you anything, or just a token payment for hosting the wind turbine.' It continues:

> This fee will take account of the extra costs associated with development in remote areas, and 95 per cent of this fee will be distributed to a pastoral lessee and any other party with an interest in the land, such as, for example, native title holders. An initial amount will be paid during the exploration and construction phases of the project and then an annual amount once the wind farm is operating.

Reading it earlier on, the government will take 5 per cent of the fee for a handling fee, if you like, clip the ticket on the way through. I am interested to know why this could not just be attached to a pastoral lease and the lessee gets the benefit and it is up to the wind farm owner, or proponent, to negotiate whether he wants to offer something to the native title holders and any other interested parties. I do not know why the government has to get involved with, if you like, clipping the ticket on the way through.

Clearly, it would be, I would have thought, no different to a mortgage that a lessee has over their pastoral lease, where they go to the bank. It is a document that they have had with their bank. You would assume that a wind farm developer who has an agreement with somebody who has a privately owned property—not crown land, crown lease, or a pastoral lease, they have an agreement and an arrangement—surely there are some contractual arrangements which would take place between the wind farm developer, or wind farm owner, and the lessee. I am interested to know why we have to have another layer of government, another layer of, if you like, bureaucracy.

The other thing is the 95 per cent—I am sure my colleague mentioned this but I will mention it again—who decides what the ratio is as to who gets what share of the 95 per cent? Clearly, if it is about an inconvenience payment, which it often is in the more closely settled land, then if somebody has, for example, an interest in the land but does not live anywhere near it, does not operate it, does not farm it or graze it, while they might have an interest they are certainly not being inconvenienced by the development of the wind farm.

So, I am interested to know what the break-up is and how that would be determined. It is all very well to say, 'We're going to be fair and reasonable. Everybody gets a little slice of the action,' but if you are a pastoralist and you have a wind farm that causes some concern, whether it is access to water points, whether it is a transmission line, or whether it is a substation, there will be a whole range of developments that may impact on the way that you go about your business and, if you like, run your grazing operation, or your pastoral operation. So, I think it is important that we understand how that is divided up, the way it is determined and why the government has to be involved. Reading further in the minister's second reading explanation, he says:

> During this period, no other wind farm developer will be given approval for access to the same portion of a pastoral lease for a period of up to 5½ years in order to protect the developer's investment in the exploration phase.

Why is it 5½ years and not five and not six? It also goes on to say:

> During this investigation period, a developer must satisfy the minister after a period of 2½ years that they have developed a plan for a wind farm on the land and are able to fund the completion of that plan. If the minister is satisfied, a further three years for investigations will be granted.

I am just intrigued about the 5½ years, and I would like the minister to give us some clarity as to how they arrived at that particular time frame. I pick up a point the Hon. Mark Parnell raised in relation to the decommissioning and rehabilitation of land. That was certainly an issue that was raised during the select committee as to the end procedure.

We did hear some evidence, I think, where there may have been a suggestion that you could sell the tower to Sims Metal or the scrap people to get rid of all the above-ground infrastructure but that there would be a concrete block left under the soil. With a lot of the ones we saw, the concrete block protruded about a metre above the soil, so I would be interested to know the minister's view on what level of rehabilitation they are talking about and whether that obligation passes on. If it is a 50-year wind farm and it has been sold on to several other owners over that period of time, does that actually still compel the final owner of the property or the asset, and are they liable for the decommissioning and the rehabilitation of the land?

I would also just express some quick concerns. Obviously, these pastoral leases are quite large and a lot of that country is very sparsely settled. At the moment, the statewide DPA has certain setbacks from people's houses, but on some of the flat pastoral country, where we might have properties that are 50, 60, 100 or 200 or 300 square kilometres, has any consideration been given to make sure the setback is of no inconvenience to the neighbours?

I will use the example again where, on the wind farms select committee, we heard evidence about aerial spraying and that if it was 500 metres inside the person's boundary they could still undertake their normal farming practices. Okay, they would still see it but, where we are looking at particularly large properties, I am just wondering whether the minister has any view about the setbacks so that they are, if you like, over the horizon or away from the neighbour's property so there is a significant distance, not just the mandatory distance that we see in the closer settled country. I am interested to know the minister's view there.

Of course, we do have migratory birds, wedge-tailed eagles and a whole range of flora and fauna, but especially the airborne fauna—the birds.

The Hon. M.C. Parnell: Very big flora!

The Hon. D.W. RIDGWAY: Big flora—they have giant trees up there. Certainly, from the bird point of view, and of course the migratory birds, we do have periods of time in our outback when we have inundation from water—Lake Eyre and so forth—where we have huge numbers of birds migrate to the area not on a regular basis. I just am interested to make sure that this particular legislation has taken that into consideration.

I thought the President was not observing us at the moment. Both ministers often use their iPhones for points in question time, and I have asked the South Australian chamber of mines for some comments.

The Hon. I.K. Hunter: I don't have an iPhone.

The Hon. D.W. RIDGWAY: You don't have an iPhone. Well, whatever kind of phone you have—it might be an earphone or nose phone or some sort of phone. Some points have been raised by the chamber of mines, and I will read this email. There may be no content that is a question, but I think it is worth doing it now so that if there is a question in this the minister can address it:

> As discussed SACOME is reasonably comfortable with the consultation requirements for wind farms in the amendment bill. However, we would like similar requirements for proponents of solar facilities. For solar, land access cannot be issued under the *Pastoral Land Management and Conservation Act, 1989* (PLMC Act). This is because the activity of building a solar facility is not consistent with the objectives of the PLMC Act. Hence the clause relating to resumption of land (Amendment to section 32) is as we understand it transfers the land such that it would be regulated under the *Crown Land Management Act, 2009* (CLM Act), which is the act under which land access for a solar facility would be granted. Accordingly, we would be seeking amendments to the CLM Act of the nature included as Section 49C in the PLMC Amendment Bill.
>
> We want to ensure there is appropriate consultation and negotiation with resource tenement holders who have a 'property right' where solar facilities are being considered.

That is a question that has been raised by the chamber of mines. I think it is important that we have two different sorts of facilities: obviously, the solar facilities, which take up a bigger footprint, or the bigger ones can, and the wind ones. So, of course the chamber of mines has raised that question.

Also, in relation to the solar facilities, when it comes to water points, land access, stock routes and tracks, I assume that any land that is excised for a solar facility will actually take into consideration the existing land use and the actual pastoralists—some have been there for 100 or 150 years, and that will be taken into consideration if we support this bill and it becomes law. I think it is important to recognise prior landownership and prior land use. While not ruling out any change of land use, it should always be an important consideration going forward. With those few comments, I support the second reading of the bill.

The Hon. I.K. HUNTER (Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Aboriginal Affairs and Reconciliation) (16:21): I rise to conclude the debate. I thank honourable members for their contributions and their questions, which I undertake to attempt to answer in the committee stage, which I will seek to adjourn to a later stage. The bill before the chamber makes it possible for wind farm developers to apply for a licence to build and operate a wind farm on crown land subject to pastoral lease and for that wind farm to coexist with a pastoral leaseholder's activities.

The bill also expedites access to pastoral land for solar energy projects. It is the first of its type of legislation in Australia. The amendments will send a strong message to industry that South Australia is a competitive place for renewable energy investment. The bill has been three years in the making and was released for public consultation in 2011. The government has taken account of issues that were raised during the consultation period, and this package of amendments will benefit developers, pastoral lessees and native title holders, as well as ensuring that the interests of mineral and resource companies are preserved through ensuring strong consultation with these groups at an early stage in the licence application process.

It is important to note that the bill supports multiple land uses over crown land. Before a wind farm licence can be issued, and if there is a mining tenement under the Mining Act 1971 or a petroleum or geothermal tenement under the Petroleum and Geothermal Energy Act 2000 over the area, a wind farm developer will need to negotiate a land access agreement with the tenement holder. A land access agreement will not impact on the rights of existing tenement holders to progress their exploration or in applying for subsequent licences. However, where a wind farm licence holder has existing rights at a particular site, any new mining or petroleum interest over the land will require the wind farm licence holder's consent.

Negotiations for a wind farm licence will occur with my involvement as the responsible minister, in recognition that the land is owned by the Crown and is leased to pastoralists. It is important in this process to take into consideration a pastoral lessee's view, as the person who has the most on-ground knowledge of their leasehold. This bill ensures not only that consultation will occur with pastoral lessees but that I as the responsible minister will be required to have regard to those views during the licence process.

Wind farm developers will pay an amount to the state for a wind farm licence that is commensurate with that paid by developers on freehold land, taking account of the cost of remote development; 95 per cent of this payment will be passed through to pastoral lessees and native title holders. The bill requires that payments be made to prescribed interested parties on an equitable basis. As every case is different, this will be determined on a case-by-case basis by the responsible minister.

Before a wind farm licence can be issued over pastoral land with coexisting native title interests, an Indigenous land use agreement will need to be negotiated between the state and any native title parties. The content of each agreement will be a matter for the parties to negotiate, but it may address any compensation entitlements of the native title parties. Where land is not subject to native title, 95 per cent of the payment will go directly to the pastoral lessee.

The passing of this bill by the South Australian parliament will continue this state's strong role in facilitating development, by ensuring that practical regulatory systems are in place that promote appropriate development. Again, I would like to thank members of the council for their input into this debate, and I look forward to the committee stage.

Bill read a second time.

TRAVEL AGENTS REPEAL BILL

Second Reading

Adjourned debate on second reading.

(Continued from 22 May 2014.)

The Hon. G.A. KANDELAARS (16:24): I rise today to speak to this bill, which seeks to repeal the Travel Agents Act 1986 and implement a key recommendation in a national Travel Industry Transition Plan. I understand that the national travel industry plan (the transition plan) is the outcome of three reviews over 12 years which have considered the suitability of the existing travel agents regulatory framework, introduced in 1986, to modern market conditions. The transition plan was proposed following the third review that commenced in 2010 and is seen as a pathway towards reform, taking into account all previous reviews.

Following a period of public consultation, South Australia did not support the transition plan and voted to maintain the Travel Compensation Fund at the meeting of consumer affairs ministers on 7 December 2012. However, the transition plan and implementation timetable were approved by the majority, a majority of Liberal governments. The transition plan was developed in collaboration with all states and territories and was the subject of public consultation in 2012.

The reforms have already seen that, from 1 July last year, all travel agents are no longer required to lodge annual financial returns to the Travel Compensation Fund, excluding the Northern Territory travel agents as they were not participants of the compensation fund. This bill seeks to implement phase 2 of the reforms, the repeal of the travel agents legislation, by 30 June this year. Phase 3 will see the introduction of a voluntary accreditation scheme, and phase 4 will see the closure of the Travel Compensation Fund altogether by mid to late next year.

The approved transition plan provides for the dedication of a proportion of the remaining funds to those states and territories which choose to adopt the transition plan, for a range of purposes. I understand that they include stakeholder communication and education initiatives, both as part of the implementation process for the reforms, and, supposedly, on a long-term basis.

Also, they include a one-off grant for consumer research and advocacy purposes; a one-off grant to fund development of an industry-led accreditation scheme by a national working party of government, industry and consumer representatives; and paying any transitional compensation and the Travel Compensation Fund's legal fees for undertaking cost recovery action relating to these claims. Some of the remaining funds, I understand, will be redistributed to the states in the proportions equivalent to the total number of participants they have.

I understand that, as part of the transition plan, the consumer affairs ministers have formed a partnership with the Australian Federation of Travel Agents (AFTA) to develop a voluntary industry-led accreditation scheme to replace the current national scheme for the regulation of travel agents across Australia. To assist in the development of the accreditation scheme, a consultative committee was established, comprising of industry and state and federal government representatives, which I understand now includes business and consumer services, on behalf of South Australia.

The role of the consultative committee is to review the work being undertaken as part of the development of the accreditation scheme criteria and framework, including addressing any best practice criteria standards and regulatory requirements. It appears to me that the bigger Liberal states have colluded to agree to abolish the fund, which protects consumers and provides compensation if providers are unable to provide the service they have booked.

At the consumer affairs ministers' meeting in December 2012 all states and territories, with the exception of South Australia and Western Australia, agreed to abolish the Travel Compensation Fund. The fund, which industry members pay into, is used to compensate consumers who suffer loss as a result of an operator not providing the services that had been paid for. Now the compensation fund will be replaced with a voluntary industry-led accreditation scheme, a deregulated scheme. I commend the bill to the house.

The Hon. S.G. WADE (16:31): I appreciate getting the call. I am disappointed that the government wants to try to dominate the speakers' list. I remind the government that they are two

members short of the Liberal Party in this chamber and they have no greater rights to speak than any other member in the house. The Travel Agents Repeal Bill 2014 was introduced to the Legislative Council on 22 May by the Hon. Gail Gago as Minister for Business Services and Consumers. The bill provides to repeal the Travel Agents Act 1986 as part of a national reform program to reduce red tape and promote efficient regulation.

In 1986 a cooperative scheme for uniform national regulation of travel agents was introduced. Under the national scheme travel agents are required to be licensed under state legislation and to be members of the Travel Compensation Fund. The scheme is funded by fees on travel agents and compensates consumers who have suffered financial loss because their travel agent has failed to pay travel or a travel-related service provider on their behalf.

After two decades of operation the following drivers for change in the national scheme have emerged: first, there has been strong growth in direct distribution channels. According to the Australian government report 'Going Global: An action plan to adapt to the changing tourism distribution landscape', of November 2011, a large proportion of travel arrangements are now made online. Online bookings in Australia increased from 5 per cent in 2001 to almost 35 per cent in 2008, at an average annual growth rate of 34.6 per cent. Globally this figure is estimated at over 50 per cent.

The minister in her second reading contribution said that two-thirds of travel and travel-related expenditure is now made without relying on a travel agent. As a result, most consumer transactions fall outside the scope of the existing scheme and are not covered by TCF compensation. I notice the government is running on two tracks. We had the minister talking without criticism of the transition, and then we had the Hon. Gerry Kandelaars, presumably speaking as a government member, criticising the reform. If the Hon. Gerry Kandelaars, and shall we say the government's second voice, wants to explain what they were going to do with the two-thirds of travel-related expenditure which is not relying on a travel agent, and therefore not covered by TCF, that would be interesting.

Secondly, the industry is increasingly globalised and consolidated. Many overseas players have entered the local market, bypassing the national scheme altogether, and complex ownership arrangements undermine the effectiveness of the TCF's prudential oversight. As a result of consolidation the market is largely dominated by a small group of large companies, who I understand collectively hold almost 60 per cent of the market share. The TCF is no longer able to guarantee to compensate consumers in the event that one of the major travel agent businesses collapse. Considering the minister was not raising these concerns, perhaps Mr Kandelaars could explain how, in his view, the TCF would provide assurance to consumers when it would not even have the funds to handle a collapse of the nature of Ansett.

The third driver for the change has been compliance costs related to the TCF; they have continued to grow. The cost to industry of complying with the TCF arrangements is estimated at $19.3 million by PricewaterhouseCoopers, in 2011, and $18.4 million, in 2012.

The fourth driver for change has been regulatory duplication. Travel agents, particularly those who are incorporated or publicly listed, are already subject to financial controls under laws of general application, the Franchising Code of Conduct, and under industry-led mechanisms, such as accreditation of training through the International Air Transport Association. In practice, these controls cover the majority of the travel agent market, which is dominated by a small group of large companies. In response to these challenges, from 2009 state and territory consumer affairs agencies developed a Travel Industry Transition Plan taking into account two independent cost-benefit analyses and two rounds of public consultation.

The plan was approved by a majority of state and territory governments on 7 December 2012. I understand that the reforms are taking effect in four phases: phase 1, from 1 July 2013, where travel agents were not required to lodge annual financial returns to the TCF; phase 2 is the repeal of travel agents legislation by 30 June 2014; phase 3 is the introduction of a voluntary industry accreditation scheme from 1 July 2014; and phase 4 is closure of the TCF by mid to late 2015 and final payments of any consumer claims by 30 June 2015.

The travel agents will continue to be regulated and consumers will have redress through a range of measures. Firstly, through the Australian Consumer Law and existing company laws, consumers will be able to access consumer protection for transactions with all travel agents and travel providers. Secondly, the transition plan supported industry-led accreditation. Many travel

suppliers already insist that only an accredited agent can provide particular services, such as issuing tickets or selling boutique travel products.

A new accreditation scheme, called ATAS (the AFTA travel accreditation scheme), is being established and administered by the Australian Federation of Travel Agents and commences from 1 July. AFTA has received a one-off grant of $2.8 million for ATAS, which has been funded by funds from the TCF. Other accreditation already available includes the International Air Transport Association, the Cruise Lines International Association (Australasia) and the National Tourism Accreditation Framework.

In terms of consumer protection, typically current consumer travel insurance only covers the cost of cancelling or changing any travel arrangements for unforseen reasons, lost luggage or travel documents, legal bills, and overseas emergency medical expenses. Most policies do not offer protection when consumers travel arrangements fail to go ahead as planned because the airline or other end supplier collapsed or became insolvent. ATAS-accredited agents will only be required to hold public liability and professional indemnity insurance.

I am advised that the removal of the TCF will allow the emergence of more insurance options for both travel providers and travel consumers. Agents can opt to take out three types of insolvency protection; firstly, travel agent and intermediary failure insurance—the only service provider providing that insurance in the Australian market at this stage is Gow-Gates, and they have indicated that they will only make it available to ATAS-accredited travel agents. Secondly, there will be insurance for scheduled airline failure insurance, which covers insolvency of an airline. Thirdly, there will be end supplier failure insurance, which covers losses arising from the insolvency of an airline and other end suppliers. It must be stressed that under the new arrangements it will not be compulsory for travel agents to be accredited, or even for accredited agencies to have any of those three insurances.

TCF funds will also be used to support the creation of a consumer voice, and I understand that Choice has been the successful tenderer to undertake this project. In terms of the winding up of TCF, all jurisdictions party to the national scheme need to repeal their travel agents legislation. I am informed that South Australia is the last state to introduce legislation, and I understand that we are one of only three not to have got the legislation through its parliament. In that sense the bill before us today is somewhat of a fait accompli; I am sure that if we were not to pass this legislation the TCF would still be wound up.

I understand that TCF funds at the end of 2013 were $27 million. The TCF trust deed requires that any funds remaining after the TCF closes be redistributed to participating jurisdictions. I understand that the only jurisdiction that did not participate was the Northern Territory. No portion of the TCF funds will be redistributed to agents; however, the transition plan approved a range of uses, including funding educational and informative material about the reform for businesses and consumers.

Having highlighted the drivers for change, I also do not want to be blind to the risks of that change and, on behalf of the Liberal opposition, I indicate our concern that governments right around Australia make their best efforts to ensure that this reform is implemented effectively. There are significant challenges ahead.

There are some in the industry who believe that the TCF could have been reformed rather than abolished, and even now that it should be extended so that an effective replacement is in place before it is wound up. I think we are so late in the process that an extension is not likely to be possible, which makes it doubly important that all the key stakeholders redouble their efforts to make sure that the implementation of the plan is successful.

I have no doubt that the fact that accreditation is voluntary, and that insolvency cover will also be voluntary, even for accredited agents, will lead to significant market confusion and consumer vulnerability. While the United Kingdom and New Zealand have a voluntary approach, both provide some default protection against travel agent failures. AFTA has already highlighted that the TCF lacks consumer awareness, and 97 per cent of the public is unaware of its existence.

The challenge for consumers in that environment was quite simple: there was either TCF cover or there was not, because all the agents were required to be licensed. The new regime, which has both voluntary accreditation and voluntary insurance cover, puts greater onus on a

consumer to be informed beyond accreditation to insurance cover—and, for that matter, to be informed beyond insurance cover to the three streams of insurance.

I am concerned about consumers being properly informed. Considering that all agents are required to have public liability and professional insurance it could be quite legitimate for a travel agent to say, 'I have all the insurances I am required to have.' The consumer might hear that to mean that because they have their shingle out they must be accredited; because they have the insurance that they claim they are required to have, that that includes consumer-style insurance and supplier insurance.

I think the challenge for the industry to make sure that the consumer properly understands is a very important one. The reputation of a market like the travel industry, which is experiencing significant challenges from online providers in any event, is significant. I certainly respect the work of AFTA and the people involved in ATAS in making sure that they are developing a robust regime. Of course, ATAS will need to have time to develop awareness and a presence, and there may be, shall we say, settling down issues in the new arrangements, but I am sure the players realise the risks of not doing it properly.

Concern has been raised with me that ATAS—that is, the accreditation service—is not being independently governed from AFTA. It has been suggested that that was the intention of the plan. I will ask the minister about it in terms of second reading questions. I do not think that it is essential that an accreditation service such as this needs to be completely structurally separated from a peak body such as AFTA; after all, in my primary area of responsibility, which is in relation to the legal profession, the Law Society has organisations such as Law Claims which are part of the structure, if you like, but are managed at arm's length. Likewise, that could be the case with AFTA and ATAS, but I think there are concerns. One of those is the disclosure requirements to ATAS to make sure that that information is not inappropriately made available to an agent's competitors.

I think it is important that the market arrangements are fair between AFTA members and non-members and between small businesses and large businesses. Concern has been expressed to me that the fees are relatively high for smaller entities. The current fee for TCF, for example, is $425 per annum for a head office or a sole location and $320 for each additional location. ATAS participation, on the other hand, is subject to an annual fee and based on an entity's annual gross total transaction value.

The fee for an agent with a turnover of $1 million would be $1,350 for a non-AFTA member. If the agent's turnover was $250 million, the fee would be $20,000 for a non-AFTA member. That is 15 times higher for a 250 times increase in turnover. Of course, I am sure that AFTA and ATAS would say to me, 'Well, it's not insurance; this is the accreditation fee,' so I appreciate that there are, if you like, fixed costs in a particular accreditation being processed. However, I just put on record that we as a Liberal Party believe in free and fair markets and we would not want an accreditation system to be set up which was not fair between all market participants.

Another concern that has been raised with me is in relation to client trust accounts. It has been suggested that without the protection of a statute the client trust accounts held by travel agents are vulnerable to claims from financial institutions that deal with that agency, and that includes not just the funds themselves but also the interest generated from them.

I would like to now put a series of questions on notice. I regret that I was not able to do this earlier. It would normally be my practice to do so at a briefing, but considering the unusual circumstances by which I became responsible for this bill on behalf of the opposition I need to put the questions on notice at this stage.

Considering the Hon. Gerry Kandelaars' claim that the Travel Industry Transition Plan, when it was agreed in December 2012, was not supported by the government, I would seek clarification as to whether the government now supports the plan. I would ask: did the state and territory ministers envisage that ATAS would be independent of or at least governed at arm's length from AFTA? Did the state and territory ministers and the plan envisage that insurance would be voluntary? How much money does the state of South Australia expect to be returned to it following the winding up of the Travel Compensation Fund? Will any money returned to the South Australian government from the Travel Compensation Fund be used to market the visitor economy and not returned to consolidated revenue? If not, what other purposes does the government intend to put the money to?

I appreciate that the TCF will continue to operate and will close by middle to late 2015, with final payments of any consumer claims by 30 June 2015, but as I understand it the TCF cover itself will finish on 1 July 2014. I seek confirmation of that. I am advised that agents are having trouble getting quotes from insurers for the range of insurances available, and that is particularly concerning since we are only 27 days from the start of the new arrangements. So, I ask the government: is there a risk of a gap in insurance cover?

I would ask what processes will be in place for oversight and influence of the implementation of the plan by ministers for consumer affairs? In particular, the ATAS charter talks about an ATAS code compliance monitoring committee and it refers to it as:

> …an independent review body specifically established under ATAS to review and determine customer complaints, allegations of non-compliance with the ATAS Charter and Code.

The copy of the charter that I have available does not have the attachment which details the appointment process for members of that committee, and whilst I appreciate that it may not be in the minister's knowledge, if the minister is aware of how that committee will be formed and in particular what role consumer affairs ministers might have, I would be indebted.

I ask: what consumer education is the government envisaging to make available to consumers to make them aware of the new arrangements? Considering that we have 27 days to go, I notice there was a very small newspaper comment in the *Sunday Mail* on Sunday about these changes, but as a person who does from time to time travel, I was oblivious to these changes and I would not be surprised if I am not alone.

By way of side comment, I have already highlighted that the consumer education challenge is a significant one. Instead of, shall we say, most information regimes where you are telling people: this person is either licensed or not, or registered or not, this consumer education challenge is to make people aware of the significance of whether their agent is accredited or not, or insured or not, in relation to three levels of insurance policies, plus the mandatory professional indemnity and public liability. I think it is particularly challenging because I understand that some of the largest retail groups have indicated that they intend to self-insure. In particular, I understand that helloworld and Flight Centre are intending to self-insure. So, it will be a challenge for the ministers and for AFTA to communicate to the public the benefits of accreditation and insurance when such well-established and respected suppliers as those are choosing to self-insure.

I would ask the minister whether the government has any information as to what proportion of the industry is likely to self-insure. Following on from the comment that I made at the end of my second reading comments, I would ask: does the government consider that the repeal of this act makes client trust accounts or interest on those accounts vulnerable to claims from financial institutions? I would certainly appreciate the answers to those questions, whether that is at the second reading summing-up stage or at clause 1.

In conclusion, I want to indicate that, whilst the opposition supports the bill and supports the transition plan, we are certainly not underestimating the challenge that the industry has ahead of it. It has a significant challenge to make sure not only that the system is well structured but also that consumers are aware of it. It also has a challenge to make sure that it acts in a way that is fair to all suppliers, both big and small.

The Hon. T.T. NGO (16:56): I also rise to speak in favour of this bill. I understand that at the consumer affairs ministers' meeting in December 2012, South Australia highlighted three concerns with the proposed transition plan. The first is to ensure that travel intermediaries are prohibited from excluding charge-backs in their contracts with consumers. Credit charge-backs allow consumers to seek relief from their issuing bank by requesting to reverse a transaction where goods or services are not supplied, are defective or transactions are unauthorised. However, recent action by the Australian Competition and Consumer Commission (ACCC) has seen the removal of clauses that exclude the use of charge-backs from travel contracts.

The second relates to ensuring that the accreditation scheme to replace the compensation fund is established by a working group including state and territory governments. The approved transition plan included a consultative committee comprised of industry and jurisdictions, although it still remains only a consultative committee. The third was to ensure that travel intermediaries that hold consumers' money for a period before forwarding it to suppliers of travel services have, at a

minimum, a separate trust account, even if they are not members of a voluntary accreditation scheme.

The transition plan does not provide for mandatory separate trust accounts and the only way to include such a requirement would be through a voluntary accreditation scheme which would only apply to participants of the scheme. I understand that, due to the majority agreement of consumer affairs ministers in 2012 to approve the transition plan, the compensation fund will be abolished, regardless of repeal legislation in jurisdictions.

I understand that South Australia raised concerns at the consumer affairs ministers' meeting last year, regarding the set-up costs for travel agents, in particular, the compensation fund fees which, notwithstanding the cessation of prudential oversight last year and imminent closure of the fund, remained at just over $8,000. South Australia has had success in calling for new entrants into the industry to have their contribution into the fund reduced to reflect the shorter period of time they will be covered by it. I understand that, to further assist South Australian operators, the government also made the decision to reduce or waive licence fees they pay.

While South Australia's initial concerns about the transition plan continue to be relevant, I commend the government for recognising that retaining the current licensing regime for travel agents operating in South Australia will only impose additional regulatory burden and red tape compared to other jurisdictions. Given that many travel agents operate across Australia, it is important that South Australia maintains a competitive business climate and ensures that travel agents operating here are not disadvantaged.

I note that it is estimated that around two-thirds of travel-related expenses are now made without relying on a travel agent, through online bookings, and growth forecasts predict the trend is likely to continue. These transactions currently fall outside the scope of the existing regulatory scheme, and I understand that these consumers are not eligible to access compensation through the Travel Compensation Fund.

I still believe the Travel Compensation Fund provides the greatest level of protection to consumers who will use the services of travel agents. Without a national travel compensation fund, I believe it is crucial to educate consumers about their rights under the Australian Consumer Law as well as the importance of using reputable travel agents. This also applies to all consumers already purchasing travel-related products and services that are not captured by the protection of the Travel Compensation Fund.

I also understand that, regardless of the passage of this bill, the implementation of the transition plan to date will see all travel agent licences cease upon termination of the fund membership on 1 July. I support this bill and again commend South Australia for fighting to ensure consumers remain protected in a changing market and fighting for new entrants coming into the industry during this period of transition.

Debate adjourned on motion of Hon. J.S.L. Dawkins.

Ministerial Statement

REGIONAL DEVELOPMENT FUND

The Hon. G.E. GAGO (Minister for Employment, Higher Education and Skills, Minister for Science and Information Economy, Minister for the Status of Women, Minister for Business Services and Consumers) (17:02): I table a copy of a ministerial statement relating to the Regional Development Fund made earlier today in another place by my colleague the Hon. Geoff Brock.

At 17:02 the council adjourned until Wednesday 4 June 2014 at 14:15.