

**LEGISLATIVE COUNCIL****Tuesday, 24 May 2016**

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

**The PRESIDENT:** We acknowledge Aboriginal and Torres Strait Islander people as the traditional owners of this country throughout Australia and their connection to land and community. We pay our respects to them and their cultures and to elders, both past and present.

*Parliamentary Procedure*

**PAPERS**

The following paper was laid on the table:

By the Minister for Employment (Hon. K.J. Maher)—

Report—

National Energy Retail Law: Review of Operation in South Australian Final Report dated April 2016

**ANSWERS TABLED**

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

*Question Time*

**SA WATER**

**The Hon. D.W. RIDGWAY (Leader of the Opposition) (14:20):** I seek leave to make a brief explanation before asking the Minister for Water and the River Murray a question regarding SA Water's maintenance schedule.

Leave granted.

**The Hon. D.W. RIDGWAY:** Last week, when the Premier was asked in the other place whether he would direct this minister to release the maintenance schedule for the last five years and also for the next five years, he replied: 'If it is proper material to be put in the public sphere I am more than happy to ask the minister to supply it.' My questions are:

1. Has the minister had a discussion with the Premier regarding the maintenance schedule?
2. Will the minister now release that schedule?

**The Hon. I.K. HUNTER (Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Climate Change) (14:21):** I thank the Leader of the Opposition for his question. He might be the leader of the government one day, in 2036, perhaps, if he is still here, but it is a very long bow to draw.

*Members interjecting:*

**The PRESIDENT:** Order! Allow the minister to answer the question.

**The Hon. I.K. HUNTER:** They are a little agitated today, sir. I understand that the member for Unley has been out and about calling for things to be released. I don't know that he has actually written to me and asked for that information. You would think that would be his first port of call, wouldn't you? That would be a reasonable assumption on my part, but perhaps that is going a little bit too far in terms of being rational.

**The Hon. J.M.A. Lensink:** You're old fashioned.

**The Hon. I.K. HUNTER:** Indeed, I am very old fashioned. In this place, I would have thought that if you want an answer to a question you actually ask the responsible minister. However, as I say, I am not quite sure that the Hon.—he is not honourable yet, is he, if he ever will be—Mr Pisoni, the member for Unley, in the other place has actually approached me and asked for that information.

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

**The PRESIDENT:** Order! Just answer the question, minister.

**The Hon. I.K. HUNTER:** The Hon. Michelle Lensink says he should get the answer through some mental approach without having to ask the question in the first place of me.

**The Hon. K.J. Maher:** Telepathically, minister.

**The Hon. I.K. HUNTER:** Yes, well I am surprised that they believe in that sort of stuff across the chamber.

**The Hon. K.J. Maher:** They don't believe in climate change, but they believe in telepathy.

**The PRESIDENT:** Order!

**The Hon. I.K. HUNTER:** As my leader notes, they don't believe in climate change over there in the Liberal Party, but they believe in mental telepathy. I am very grateful to the leader for raising this in this place. If he is requesting such information from me, which I suspect he is, I will undertake to look at that information and release what I can for him.

#### SA WATER

**The Hon. D.W. RIDGWAY (Leader of the Opposition) (14:23):** I have a supplementary question. Has the minister had a discussion with the Premier, given the Premier said that he would be more than happy to ask you to supply that information to the public?

**The Hon. I.K. HUNTER (Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Climate Change) (14:23):** The Premier has discussions with his ministers on a regular basis every week.

#### SA WATER

**The Hon. D.W. RIDGWAY (Leader of the Opposition) (14:23):** I have a supplementary question. In particular, did he discuss releasing the maintenance schedule, as he gave an indication to the House of Assembly last week that he would speak to you about it? Did you discuss that particular detail?

**The Hon. I.K. HUNTER (Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Climate Change) (14:23):** I have already given the answer to the question, which is that if the Leader of the Opposition is asking me to find that information out for him—which is the appropriate course of action—I am happy to go and look at that information and see what I can bring back.

#### SA WATER

**The Hon. J.M.A. LENSINK (14:24):** My question is to the Minister for Water and the River Murray regarding SA Water's budgets. Why is the pipe renewal budget for 2015-16 35 per cent less than in the previous financial year, at the same time as South Australians are paying the highest average water prices in Australia?

**The Hon. I.K. HUNTER (Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Climate Change) (14:24):** The honourable member is completely wrong on both her premises, of course. That is because over on that side they don't actually care about the facts. She has been away, out of the parliament for a little while, while I have been telling the parliament what the facts are. Clearly, she has not been paying attention during that time. Again, all she needs to do is to look at the Bureau of Meteorology reports, the ACCC reports—all of those independent third-party reports which show that, in fact, South Australians do not pay the highest prices for water in the country; we are about mid-range. ESCOSA itself gave evidence to that effect to the Hon. Mr Lucas' committee I suspect—was it earlier this year or late last

year? However, of course, the Hon. Mr Lucas might not have passed that information on to the Hon. Michelle Lensink but I am happy to do that right now.

In relation to the budget figures that the Liberals got completely wrong on the weekend, what they got completely wrong was that they released two sets of budget figures from two years. They and the Hon. Michelle Lensink should know that ESCOSA with SA Water set three-yearly plans, where they lay out what they are going to spend over a three-year cycle for renewal of infrastructure—three-yearly plans. The Liberals only put out two years of that plan and when they set those plans they set for that three years what that level of expenditure will be.

The Hon. Michelle Lensink says that perhaps we should actually put out \$39 million every year and spend the same amount every single year. That is pointless, absolutely pointless. SA Water set out what they will be expending in a prudent manner and ESCOSA sign off to say, 'That is a prudent use of your resources and a prudent expenditure,' and they will then plan it over three years. To make the Hon. Michelle Lensink happy, presumably she is asking me to direct SA Water to spend exactly the same amount in equal dollar terms every single year of that three years. That is not the case. What they actually do is plan out what they are going to spend and then utilise those funds for the project. Of course, some projects cost more than others and that is why in some years you will see more expended than in other years.

Another point Mr Pisoni did not pick up, the member for Unley in the other place, when he put out this spurious information to the media, right above that table he put out from the budget papers, he absolutely missed another expenditure for pipe renewal because no, it was not under that header: it was under major projects because of the level of expenditure. He completely missed that and did not put it in his calculations either, or it did not suit his case in this situation. The Hon. Michelle Lensink did not even pick it up herself. What a bunch of dunces.

#### SA WATER

**The Hon. J.M.A. LENSINK (14:27):** I have a supplementary question arising from the answer in which the minister tried to imply that ESCOSA directs how SA Water expends its funds. I quote from an ESCOSA document—and can the minister reflect on his answer—where it states:

The expenditure benchmarks set by the Commission for the purpose of determining regulated revenues do not dictate the actual amount of expenditure that SA Water must incur or how SA Water should direct its expenditure. Rather, SA Water is responsible for managing its daily network operations and maintaining supply reliability and services to customers; it must decide appropriate expenditures to meet its obligations and to maintain the long-term integrity of its networks.

**The Hon. I.K. HUNTER (Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Climate Change) (14:28):** And they sign off and say, 'That is a prudent amount of expenditure.' Here we are, the document that the Hon. Michelle Lensink supposedly supports the Liberal Party putting out, which talks about pipe network renewal for the 2015-16 budget and right above—and I seek leave to table this document which comes from the budget statement.

Leave granted.

**The Hon. I.K. HUNTER:** What did they miss? They have missed the Hackney and North East Road trunk water main renewal March 2016, \$13 million. They did not add that into their figures because it was not convenient. It did not fit the story they were trying to peddle, the story they were trying to con people with. So \$13 million was completely missed by Mr Pisoni, the member for Unley, in the other place. Why? Because he has no clue about how to read budget papers.

#### SA WATER

**The Hon. S.G. WADE (14:28):** I seek leave to make a brief explanation before asking the Minister for Water and the River Murray a question about asset renewal.

Leave granted.

**The Hon. S.G. WADE:** In ESCOSA's report entitled 'SA Water's drinking water and sewerage revenues 2013-14 to 2015-16' it states:

SA Water stated that, as investment in asset renewal was curtailed in recent years to facilitate major investment in drought-response projects, including the ADP [Adelaide Desalination Plant] and the North South Interconnection System [NSIS] project, it proposed to catch up on previously deferred asset renewal expenditures during the initial regulatory period.

I ask the minister: can you confirm that due to the high cost of constructing the Adelaide Desalination Plant, SA Water's maintenance programs were neglected during those years?

**The Hon. I.K. HUNTER (Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Climate Change) (14:29):** I thank the honourable member for his most important question. Clearly when you are running a business the size of SA Water, which has about \$13 billion worth of assets under management, you need to make sure that you apportion your program of spending, your program of maintenance and asset renewal, your refurbishment and your relay of pipes to meet the business demands for that particular period. SA Water, after the period of the millennium drought of course, did undertake a massive asset investment program around the Adelaide Desalination Plant. Of course, that means that they need to re-profile their entire business expenditure around that rather large investment.

I must say that was an investment, I think, that the Liberal Party of course also supported, but only half of it. Like their one-way road to the south, they only wanted to build half of it. It took the Labor Party to duplicate the Southern Expressway, and it took the Labor Party to build a desal plant of the size that will secure water for Adelaide out to 2050. Only a Labor government will do that. The Liberals, on the other hand, are prepared to offer the people of South Australia half a project and that is not what we will ever do.

**The PRESIDENT:** The Hon. Mr Wade, a supplementary.

*The Hon. R.L. Brokenshire interjecting:*

**The PRESIDENT:** Order! The Hon. Mr Wade has the floor.

#### SA WATER

**The Hon. S.G. WADE (14:31):** I thank the minister for his confirmation. I seek advice as to whether SA Water has caught up on the deferred asset renewal expenditures referred to in the ESCOSA report.

**The Hon. I.K. HUNTER (Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Climate Change) (14:31):** I can only invite the Hon. Mr Wade to not only get the two pages that Mr Pisoni, the member for Unley, released, but get the third page as well, and do your own research. They are all in the budget papers, they are all there, and hopefully you won't take advice from the member for Unley on how to read the budget papers. Get some real advice.

#### ABORIGINAL POWER CUP

**The Hon. T.T. NGO (14:31):** My question is to the Minister for Aboriginal Affairs and Reconciliation. Can the minister tell the chamber about how the government is supporting South Australian Aboriginal students' pathways to workforce participation?

**The Hon. K.J. MAHER (Minister for Employment, Minister for Aboriginal Affairs and Reconciliation, Minister for Manufacturing and Innovation, Minister for Automotive Transformation, Minister for Science and Information Economy) (14:32):** I thank the honourable member for his question and his particular and ongoing interest in supporting Aboriginal students to achieve their full potential.

Last week, I was proud once again to attend the Power Aboriginal Cup at Alberton Oval, representing not just myself but also the Premier and the education minister. The Power Aboriginal Cup was held for the ninth consecutive year, and I applaud the efforts of the Port Adelaide Football Club for their leadership in this event. Their strong work in the community in South Australia is exemplary and I thank them for their particular commitment to Aboriginal communities in the state.

I know that often when I am travelling in remote Aboriginal communities, from Pipalyatjara down to Raukkan, it happens frequently that I will be told just the week or two before that Pauly Vandenberg or Wade or other members of their Aboriginal engagement team have been in that

community, and I am genuinely in awe of the amount of work that the Port Adelaide Football Club do in Aboriginal communities around South Australia.

The South Australian government also takes great pride in being a supporter of the Power Aboriginal Cup. It is a great initiative. The Power Aboriginal Cup kicked off in 2008 with about 150 high school students from across the state taking part in the inaugural event. The average school attendance record for participants in this inaugural event in 2008 was around 50 per cent. Now the Power Aboriginal Cup has a record number of students participating, something like 400 participants from 48 South Australian schools are competing for glory.

This is not just about getting to have a kick of footy at the Alberton Oval and playing the grand final before an AFL game at Adelaide Oval. The students engage in workshops focusing on making healthy and wise lifestyle choices, leadership and learning about school to work transitions. This enables students to be more aware of the pathways that are available for them once they finish their high school studies.

As I mentioned, the first group of students in 2008 who were competing and playing in the Power Aboriginal Cup had an average school attendance rate of about 50 per cent. Nine years of engagement with schools with this program and the students participating in the 2016 cup have an attendance rate exceeding 90 per cent. The increase in school attendance can be largely attributed to early intervention programs like this one, which engages young people in one of their favourite activities while supporting their journey through high school and beyond, into further education and work opportunities.

Because we know how important football is in many Aboriginal communities, this program has been able to reach into the lives of so many young people. It is not just creating leaders on the football field; it is creating leaders off the football field, potentially in every area of life. I would particularly like to thank Santos for their firm and continued sponsorship of the Power Aboriginal Cup, and also more generally for providing employment pathways for young Aboriginal students.

This year, while I did not get the same pleasure as I did last year in terms of goal umpiring at the cup, I felt more than comfortable leaving that to people like Che Cockatoo-Collins. I must say, the young women for whom I was goal umpire last time—I do not think I called a single point; I was far too scared to do that. They were very fierce competitors on the field.

The grand finalists in the Power Aboriginal Cup get to go head-to-head at Adelaide Oval before the Port Adelaide/West Coast game on Saturday night. I congratulate this year's winners: the Mawson Lakes Eagles for the young men, and Christies Beach High for the young women, for taking home the Power Aboriginal Cup in 2016.

I look forward to future years of the cup, and more success, not just on the field but also off the field, for the students from this year and previous years.

#### **ABORIGINAL POWER CUP**

**The Hon. R.I. LUCAS (14:36):** Supplementary question arising out of the minister's answer: can the minister indicate the current extent of government financial contribution to the Power Aboriginal Cup, and from what budget line and department does it come?

**The Hon. K.J. MAHER (Minister for Employment, Minister for Aboriginal Affairs and Reconciliation, Minister for Manufacturing and Innovation, Minister for Automotive Transformation, Minister for Science and Information Economy) (14:36):** I do not have the exact amount of money we put in, but I will certainly bring that back; if I can bring it back this week, I will do so. I am sure it is something that we can find out.

**The Hon. R.I. Lucas:** Is it out of the DPC?

**The Hon. K.J. MAHER:** I will find out exactly where it comes from and what the amount is, and bring back a response.

**The Hon. R.I. Lucas:** You don't know?

**The Hon. K.J. MAHER:** I don't have that information in front of me.

**SA WATER**

**The Hon. J.A. DARLEY (14:36):** I seek leave to make a brief explanation before asking the Minister for Water and the River Murray questions regarding SA Water supply charges.

Leave granted.

**The Hon. J.A. DARLEY:** SA Water levies a separate supply charge for each individual in properties that are generally served by one or two meters. These properties include retirement villages, where each separate living unit is required to pay the \$286.40 annual supply charge. The ownership and responsibility of the pipework within the common boundary of these properties is the responsibility of the owners. That is to say, if there is a leak, it is up to the village owner to organise and pay for all repairs to the pipe and roadway as the pipework is on private property. SA Water do not take any responsibility for pipework within a retirement village and will only take responsibility for pipework to the meter or meters that service the property. Given this:

1. Why does SA Water levy a separate supply charge per unit?
2. What exactly are they supplying, given their responsibility ends at the meter?
3. Does the minister agree that it would be much fairer to only charge one supply charge per meter and split this cost across the number of occupancies?

**The Hon. I.K. HUNTER (Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Climate Change) (14:38):** I thank the Hon. Mr Darley for his important question. He has of course raised this and similar issues previously in this place. As he will understand from his past life, the fixed assets of SA Water—which I said a little earlier are around \$13 billion, in terms of a cost renewal or replacement price—need to be recovered.

The way we have traditionally recovered it, and the way that seems appropriate, is to do it through a supply charge, rather than a cost on delivery of water. That is why we have the twin approach; so, the fixed charged (the supply charge) talks about the asset prices, and then the cost of delivering water is the three-tier charge that we utilise in this state.

Other states have slightly different approaches; they use a two-tier or one-tier charge. We have a different charging system for business, as opposed to households. In terms of the various units, my understanding is that the supply charges are levied based on titles that are developed and declared by the Valuer-General.

The honourable member would obviously be aware of this, because we had a situation last year, I think, where we did some work in terms of retirement villages. It was a very difficult proposition because, as I said, the Valuer-General makes decisions about land titles, and we therefore apply our processes to that.

In the situation of retirement villages, we have addressed that issue here previously. I will not go through that again because we have done that rather exhaustively. But, in terms of in general and in terms of developers developing land and having separate titles to that land, the situation will always be, at least into the foreseeable future, that a supply charge will apply to each title.

**SA WATER**

**The Hon. J.A. DARLEY (14:40):** Supplementary: would the minister agree that this is nothing more than a tax, not just a supply charge?

**The Hon. I.K. HUNTER (Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Climate Change) (14:40):** I tried to explain to the honourable member that in fact SA Water needs to recover costs. We have \$13 billion worth of assets. There are many different ways you can actually construct a charging system, and, in the many different ways that you would care to look at, someone is going to be worse off. If the Hon. Mr Darley is asking for this process to be changed, then it is also incumbent on him to do some work and realise who is going to be worse off by this and who will be impacted. This is the work government has to do when it considers changes to charging systems.

If you do move away from a supply charge, how then do you recover costs of a \$13 billion asset base for your business? How do you do it? Do you increase prices for water? Is that what he is suggesting: that you increase the three-tier charge pricing for water? So, I have to say, whilst it is fairly reasonable to have a view about a different charging mechanism, you need to do the due diligence and work out who will be impacted, who will be worse off by these changes, and then do an analysis about whether that is really worth doing.

At the moment, we have a system where the Valuer-General proclaims certain titles and we strike a supply charge against those land charges, in effect trying to cover the costs of the assets that need replacing. As I say, you could put a proposition forward that we increase the cost of water and reduce the supply charges, or take them away for some households, but again, you need to do the flow-on impact of that: who will benefit, who will lose, and is that change actually going to make a significant difference to anybody?

#### **NORTHERN ADELAIDE FOOD PARK**

**The Hon. R.I. LUCAS (14:41):** My question is directed to the Leader of the Government. Have the guidelines for the distribution of the \$7 million of funds for the Food Park as part of the Northern Economic Plan been finalised? If so, can the minister outline what they are and can the minister also indicate when the government estimates that the first grants will be distributed to companies eligible under the scheme?

**The Hon. K.J. MAHER (Minister for Employment, Minister for Aboriginal Affairs and Reconciliation, Minister for Manufacturing and Innovation, Minister for Automotive Transformation, Minister for Science and Information Economy) (14:42):** The \$7 million allocated towards the ongoing development of the Food Park in northern Adelaide is the responsibility of the Minister for Agriculture, so I am happy to take those questions away and find out where it is up to and bring back a reply.

#### **NORTHERN ADELAIDE FOOD PARK**

**The Hon. R.I. LUCAS (14:42):** A supplementary arising out of the minister's answer: can the minister just indicate, whilst he needs to go to the Minister for Agriculture for the details, if the guidelines have actually been finalised at this stage?

**The Hon. K.J. MAHER (Minister for Employment, Minister for Aboriginal Affairs and Reconciliation, Minister for Manufacturing and Innovation, Minister for Automotive Transformation, Minister for Science and Information Economy) (14:42):** As I said, I don't have the details in terms of exactly what that \$7 million will be used for and how it will be allocated. I will go to the minister and find an answer and bring back a reply.

*Members interjecting:*

**The PRESIDENT:** Order!

#### **PORT RIVER AND BARKER INLET**

**The Hon. G.E. GAGO (14:42):** My question is to the Minister for Sustainability, Environment and Conservation. Will the minister outline for the chamber what the South Australian government is doing to protect the Port River and Barker Inlet region in Adelaide's northern outskirts?

**The Hon. I.K. HUNTER (Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Climate Change) (14:43):** I thank the honourable member for her very important question.

*Members interjecting:*

**The PRESIDENT:** Will the Leader of the Government please allow the minister—it was hard enough to hear the question, but let us now hear the answer. Minister.

**The Hon. I.K. HUNTER:** Whilst the Port River and the Barker Inlet region is a busy working port, it also sustains an extensive coastal ecosystem that is home to a vast array of marine life and many opportunities for recreation. Internationally, it has become widely recognised that such ecosystems have a very significant financial dollar value. This was a topic discussed during a

workshop earlier this year that involved the community, researchers, managers and industry participants and was jointly held by Flinders University of South Australia and the Australian National University.

The Barker Inlet includes important salt marsh, mangrove and seagrass habitats, and South Australia has some of the most extensive coastal wetland systems of these types in the country. These ecosystems play an extremely valuable role in storing carbon from the atmosphere and oceans and are an essential part of the solution to global climate change.

Following an ecosystem evaluation based on an international approach, endorsed by the Convention on Biological Diversity, the ecosystem services within and around the Barker Inlet have been initially valued at \$3 billion. Ecosystem services are the benefits we obtain from the environment which usually are not costed into any normal business plan, such as the provision of food and water from our fisheries and agriculture, the regulation of flood and natural coast protection, cultural services such as wellbeing and recreation, and essential services through oxygen production and nutrient cycling that maintain the conditions for life on earth and also coastal protection. These are very vital services and, as stated, by Dr Sandhu from Flinders University School of the Environment:

Coastal restoration is a growing issue around the world and we can set a precedent in considering ecosystem services for future developments.

This is certainly what this state government has been doing by investing in this local area. For example, the Department of Environment, Water and Natural Resources is working with Department of Planning, Transport and Infrastructure to identify opportunities for the creation of shorebird habitats and any new wetlands that may be developed as part of the Northern Connector project. The creation of these wetlands would have the added benefit of improving the quality of stormwater entering Barker Inlet and therefore benefiting the local environment; and we are working closely with the Environment Protection Authority to rehabilitate the Ridley salt fields at Dry Creek.

The state government is also working towards the creation of the Adelaide International Bird Sanctuary, located along the Gulf St Vincent coastline, stretching from the Barker Inlet in the south, to Port Parham in the north, and we've invested \$2 million to purchase 2,300 hectares of land north of Light River, and by 2018 we will have invested a further \$1.7 million with the Adelaide International Bird Sanctuary. The sanctuary, once proclaimed, will be one of the longest continuous coastal reserves in our state and will include incredibly beautiful and largely untouched coastline. It will protect migratory birds and other wildlife as well as draw birdwatchers and visitors from around Australia and, of course, the rest of the world.

Additionally, the Port River is home to the Adelaide Dolphin Sanctuary, a popular tourist attraction and one of metropolitan Adelaide's gems. Located in the Port River and Barker Inlet, the sanctuary is just 20 minutes from the city centre and features a 10,000-year-old mangrove forest. A resident pod of about 30 bottlenose dolphins call the river home, I am advised, while up to another 300 dolphins visit the area regularly. This is a rich and diverse area that deserves our protection and our attention.

The state government was pleased to support this workshop that explored ways to maximise the positive ecosystem outcomes for our key natural assets at Port Adelaide, and I very much look forward to the outcome of this research to provide us with a greater understanding of the value of protecting our state's natural assets.

#### SA WATER

**The Hon. R.L. BROKENSHIRE (14:47):** I seek leave to make a brief explanation before asking the Minister for Water and the River Murray a question about SA Water infrastructure.

Leave granted.

**The Hon. R.L. BROKENSHIRE:** As the majority of colleagues in this house are aware, Adelaide is in the midst of what, according to the minister, is an annual SA Water show with pipes bursting in spectacular fashion across this city's metropolitan area. It is groundhog day in Adelaide as we awake each morning to the daily reports of water gushing forth across our roadways and into our homes, causing havoc for home owners and commuters faced with yet another break. The



minister finally admitted last week that SA Water's record on this issue is not as rosy as he had boasted many times in both this house and on the wireless.

He finally came clean and admitted that the rate of pipe burst across the Adelaide metropolitan area was around 19 per 100 kilometres, rather than the much lower figure that the minister has preferred to brandish where he quoted 14 per 100 kilometres. According to the minister, our state has experienced around—

*Members interjecting:*

**The PRESIDENT:** Order!

**The Hon. R.L. BROKENSHERE:** Thank you, Mr President. According to the minister our state has experienced around 4,000 breaks each year for the past 15 years, with an annual repair bill of around \$150 million and a spend of \$300 million on average every year to refurbish infrastructure. My questions are:

1. If, according to the minister, SA Water is putting \$300 million a year into infrastructure refurbishment in addition to the money it spends on repairs, can the minister explain why the South Australian community is not seeing a reduction in the number of breaks?

2. Does the minister agree with the national performance report into urban water utilities, prepared by the Bureau of Meteorology, that South Australia spends one of the smallest amounts of any city service—city service, Mr President, not across the state—on capital infrastructure, and has the highest number of sewer breaks per customer and the most sewer breaks of any capital city, and in an average of two hours and 43 minutes, SA Water takes longer than any other provider in Australia to restore services?

3. My third and final question is—and I trust I will get three answers for a change: can the minister tell this house what studies have been commissioned and how much money has been dedicated to find a solution to what now all the media rightly so are claiming as a crisis in Adelaide's water infrastructure?

**The Hon. I.K. HUNTER (Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Climate Change) (14:50):** Again I thank the honourable member for his hypocritical questions, where, again like the Liberals opposite, he cherry-picks bits of information, but never, ever goes to inform himself about the real answers. All he is interested in is getting on the wireless, as he says, and making a few inflammatory claims.

I have repeatedly said, and I will say again, with recent rain events and soil shifting, water main ruptures are spiking, as they do at this time of year, and have done every year. I understand that this can be a very big frustration and inconvenience to South Australians, of course. These ruptures do have an impact on people's lives and I expect SA Water to respond to those customers impacted by mains breaks. I have reiterated this expectation in here previously, as I have done in the media, and also have done in my meetings with SA Water.

What we have seen here is an opposition desperate to inflate this issue into a crisis to grab headlines and particularly to get into—

*The Hon. R.L. Brokenshire interjecting:*

**The Hon. I.K. HUNTER:** He is a branch affiliate of the opposition, isn't he, Mr President? Once a Liberal minister and now he is sitting over on this side as a crossbencher, but we all know where the Hon. Mr Brokenshire lines up. We all know where his heart lies: with the good old Liberal Party of yore, not the one they have today, which is, of course, a terrible failure in his eyes but the one that he very fondly reminisces about when he captures you in the corridors.

I tabled last week 15 years of yearly burst water main breaks across South Australia. The table shows that we have had 15 stable years for water main failures in this state. In fact, I am advised that to date, this calendar year, there have been 895 water main failures, bursts and leaks.

*Members interjecting:*

**The PRESIDENT:** Order! The minister has the floor.

**The Hon. I.K. HUNTER:** I will repeat again: I am advised that to date, 23 May, this calendar year, this is up to yesterday of course, there have been 895 water main failures, bursts and leaks in the Adelaide metropolitan area. This compares to 945 water main failures between January and the end of May 2015. I will repeat that: so far, up to yesterday, we have had 895 water main failures, bursts and leaks in the Adelaide metropolitan area. This is compared to 945 water main failures between January and the end of May of last year. That does not mean that we do not have water main failures. Of course it does not; we do.

**The Hon. D.W. Ridgway:** Nothing to be proud of.

**The Hon. I.K. HUNTER:** The Hon. Mr Ridgway again shows his ignorance. It shows his complete ignorance of the water system, of the business it takes to deliver water to our houses and to our homes and to our businesses. He has no clue, absolutely no clue what it takes to maintain a 27,000 kilometre pipeline of pressurised water pipes to deliver a reliable and safe product to our homes. Of course you will have breaks in such a water system; every water utility does.

The Hon. Mr Brokenshire gets up here and makes claims in his preamble. A lot of it was wrong. I believe I am right in saying he said that we spend \$150 million every year on repairs. That is not right. The figure I have used in here in the past was \$50 million, \$50 million to address repairs; and over \$300 million—he got that bit right—in terms of asset and infrastructure renewal. Again, he doesn't check his facts. He comes in here fast and loose, making claims around the place, probably basing his information on press releases from the member for Unley, his great mate, his old Liberal Party mate, who also gets his facts and figures completely wrong. So, he comes in here and talks about Bureau of Meteorology comparative tables, but when I use exactly the same information—

*Members interjecting:*

**The PRESIDENT:** Order! You don't have conversations across the floor while the minister is on his feet giving an answer. Show a little more respect for the processes of this parliament. Minister, continue.

**The Hon. I.K. HUNTER:** So, whilst he comes in here and references these comparative reports, which I have used before, he never accepts it when I am talking about water main breaks and the comparative figures for the other states. I have read into the *Hansard* record several times, for the benefit of Mr Brokenshire and the opposition—

**The Hon. R.L. Brokenshire:** This is from the bureau.

**The Hon. I.K. HUNTER:** Yes, it is from the bureau—the comparative rates of breakage per 100 kilometres of pipe per year, and it puts SA Water's performance right at the very top in driving down the number of breaks year on year, a stable number of breaks, one of the smallest number of breaks per 100 kilometres of pipes in the country. The Hon. Mr Brokenshire will not talk about that. He says he doesn't care what happens interstate, but he is very happy to come in here today and use interstate figures of comparison to make up another story. The other story is—cherry-picking of figures is a fatal flaw in his make-up, one that he probably shares with the member for Unley, Mr Pisoni.

*Members interjecting:*

**The PRESIDENT:** Order!

**The Hon. I.K. HUNTER:** As we have seen from the member for Unley, when he wants to make an argument he conveniently drops off one year's budget papers to only present two to try to back up his arguments. He does not want to give people the complete picture, and neither does the Hon. Mr Brokenshire. Whilst we do have more failures at this time of year, as we move from long periods of dry seasons to wetter months we will see an increase in breaks. We saw them last year and, as I said—I remind the Leader of the Opposition (again, I will use the figure I used earlier)—to date (yesterday) I am advised that there have been 895 water main failures in the Adelaide metropolitan area.

**The Hon. D.W. Ridgway:** We heard this four minutes ago.

**The Hon. I.K. HUNTER:** Yes, and you weren't listening. This is compared with 945 water main failures between January and the end of May. Like the Hon. Mr Brokenshire, the Liberals have now cherrypicked—

*Members interjecting:*

**The PRESIDENT:** Order! Minister, please take your seat. I do not know about you, but I am finding it difficult to hear the answer of the minister.

*Members interjecting:*

**The PRESIDENT:** He is answering the question in the way he wishes to answer it. It is totally inappropriate to have conversations across the floor, in particular the Leader of the Government should know better. Once you do it you will encourage everyone else, because they all follow you and regard you and respect you, you understand. Allow the minister now to finish his answer.

**The Hon. I.K. HUNTER:** Thank you, Mr President. The inestimable leadership of the Leader of the Government here is followed by almost everybody in this chamber, except the Hon. Mr Brokenshire from time to time, who goes his own way, as we all know and as the Liberals tell us quite consistently.

**The Hon. D.W. Ridgway:** Answer the question.

**The Hon. I.K. HUNTER:** I already have.

**The Hon. D.W. Ridgway:** Then sit down.

**The Hon. I.K. HUNTER:** I have a bit more information for the Hon. Mr Brokenshire, because he asked a series of questions.

*Members interjecting:*

**The Hon. I.K. HUNTER:** I could do, but I am sure for those who are very interested they will go back to *Hansard* and check it for themselves. The Hon. Mr Brokenshire talks about other comparative tables that show we perform poorly across the whole state—and this is the key point—across the whole state in terms of time taken to restore services. But, the Hon. Mr Brokenshire will not compare apples with apples. Why are you trying to compare, in terms of time to restore services, a utility that has 27,000 kilometres of pipeline with one that has 5,000 kilometres of pipeline? Why are you trying to make a direct comparison between a utility that has only 5,000 or 15,000 kilometres of pipeline, whereas SA Water has to be responsible for call-outs along 27,000 kilometres of pipeline?

Unless you do kilometre per kilometre, unless you do an analysis where you break it down by 100 kilometres so that you can do a direct comparison, we will always perform badly on that metric because we have the greatest length of pipeline of any water utility in the country. Of course it takes longer for our crews to get to breaks in that situation, because the table the Hon. Mr Brokenshire is referencing is not broken down to metropolitan call-outs, it is across the whole state. Think about what it takes to get a crew out to some of the more remote pipelines, into the country areas. Those figures for country call-outs form part of that table, and it is dishonest of the Hon. Mr Brokenshire not to reference that.

**The Hon. R.L. Brokenshire:** No, it's not. I represent the whole state.

**The PRESIDENT:** Order! The Hon. Mr McLachlan.

#### **AUTOMOTIVE SUPPLIER DIVERSIFICATION PROGRAM**

**The Hon. A.L. McLACHLAN (14:59):** My question is directed to the Minister for Automotive Transformation. Within what time frame will the Automotive Supplier Diversification Program and the Automotive Workers in Transition Program be refocused to ensure manufacturing workers and component workers can take advantage of the shipbuilding industry?

**The Hon. K.J. MAHER (Minister for Employment, Minister for Aboriginal Affairs and Reconciliation, Minister for Manufacturing and Innovation, Minister for Automotive Transformation, Minister for Science and Information Economy) (15:00):** I thank the honourable

member for his question and his interest in the auto area. In particular, I also note his interest not just in automotive transformation but in recreation and sport in South Australia. I have it on good authority that sometime in the next month he makes, after nearly 30 years, his return to competitive full contact Saturday afternoon sport. I congratulate him on this very valiant step. He has shown how valiant he is in this chamber on many occasions, as has been noted by many.

He asked about the transition and refocus of some of our programs for automotive transformation into servicing our defence sector. I don't have a time frame on exactly when different aspects will happen. We are now starting discussions, both with the French submarine builder and with other companies, about what it is that they will need. We are not going to rush to make firm decisions without understanding what the exact needs are.

Certainly, even from the announcement of the future frigate program and the OPVs we have started discussions with companies in South Australia, for example, MG Engineering that has supplied the masts on the air warfare destroyers—very complicated advanced manufacturing processes for very tall masts that have exceptionally small tolerances and require exceptionally complicated electronics to be put in. They are already looking at what they need to do and what the opportunities might be as we further our involvement, particularly in naval shipbuilding and potentially other defence sectors.

We will, of course, talk to those industries and companies like MG Engineering that have had involvement in things like the air warfare destroyer project, or some of the companies like Levett Engineering in northern Adelaide that have had involvement in the F-35 joint strike fighter project in providing parts, and also some of the big multinational companies, like BAE and Saab, that are based in South Australia, about what the needs will be and what the needs are.

Certainly, we have officers from my area and the manufacturing part of DSD already looking at what some of the capabilities are in South Australia and what some of the future needs will be. I will be happy to inform the honourable member of any formal changes to guidelines when they occur to meet these future needs.

*Ministerial Statement*

**VETERANS' ADVISORY COUNCIL**

**The Hon. K.J. MAHER (Minister for Employment, Minister for Aboriginal Affairs and Reconciliation, Minister for Manufacturing and Innovation, Minister for Automotive Transformation, Minister for Science and Information Economy) (15:00):** I table a copy of a ministerial statement relating to the appointment of the chair of the Veterans Affairs Council made earlier today in another place by my colleague the Minister for Veterans' Affairs.

Leave granted.

*Question Time*

**ROAD SAFETY EDUCATION**

**The Hon. J.M. GAZZOLA (15:03):** My question is to the Minister for Road Safety. Minister, will you advise the house about the status of the Way2Go program, which promotes active and safe travel to and from schools?

**The Hon. P. MALINAUSKAS (Minister for Police, Minister for Correctional Services, Minister for Emergency Services, Minister for Road Safety) (15:03):** I thank the honourable member for the important question. Earlier in the week, we assisted the National Road Safety Foundation to launch Fatality Free Friday. It was an important moment to realise how important road safety remains within our community. Of course, that message has only been reiterated in light of the significant accident that has occurred in the last 24 hours, which unfortunately cost people their lives.

However, recently I was very pleased to be able to be involved with the Way2Go program, which promotes active travel to school, partnering with 176 primary schools and 36 local councils across South Australia to encourage a whole school community focus on safe walking, cycling, scooting and skating to school and to use safe behaviours as pedestrians, cyclists and indeed passengers.

Schools are assisted to map student school travel and develop a unique school travel plan that includes the integrated teaching of safer, greener and more active travel behaviours. Schools have access to resources and there is no cost for them to be involved. There is a comprehensive set of teacher resource materials and schools are provided with time and support to explore and plan to integrate the teaching of the concepts and safe behaviours within current student learning programs.

Local councils commit to incorporate into their planning processes infrastructure improvements around schools to facilitate safer, greener and more active student travel. In some instances the changes are often minimal and low cost. Council traffic engineers are supported by DPTI traffic engineers and the program also provides for pedestrian crossing signage and negotiates some support for standard infrastructure installations such as crossings. For example, the Gilbert Street pedestrian crossing near Sturt Street Community School attracted a \$125,000 state government contribution through Way2Go and a \$50,000 contribution from the Adelaide City Council.

The program was launched in 2009 and has undergone significant developments since then. It has attracted strong commitment from both local government and schools over the years, and the program has been a success, continuing to evolve and increase its value for schools and local councils. The January 2016 Citizens' Jury bike education pilot program evaluation confirmed the effectiveness of the program and its congruence with best practice road safety education principles. It also acknowledged the quality of its resources.

A couple of weeks ago (or thereabouts) I was very glad to be able to attend the Norwood Primary School and witness first hand the way the program has been useful in that community. I had the opportunity to speak to parents, teachers and students who had participated in the program and who spoke incredibly highly of it. They were also very grateful for the state government continuing to support the program, investing a total of \$3.2 million into the program. This is healthy, getting kids to and from school safely through alternative means, apart from traditional forms of motor vehicle transport. It is good for the community, it is good for the health of our kids, and it is good for the safety of our community at large. I think it is a program that the state should remain committed to into the future.

### HOMOSEXUAL CONVICTIONS APOLOGY

**The Hon. T.A. FRANKS (15:07):** I seek leave to make brief explanation before asking the Minister for Employment, representing the Premier, a question about an apology to those who have been treated as criminals for being gay.

Leave granted.

**The Hon. T.A. FRANKS:** As many members would be aware, today the Victorian parliament will formally apologise to victims of the unjust laws which criminalised particularly men, but all people, for their sexuality. I welcome this apology and note that Victoria was a leader in progressing spent convictions of previous homosexual convictions. I note that this state parliament has also passed similar legislation. In the last, dying days of the previous parliament we saw such legislation passed through this place.

When the Governor outlined a vision for South Australia at the beginning of this parliament, I wrote to the Premier noting that I was very pleased that his government will invite the South Australian Law Reform Institute to review legislative or regulatory discrimination against individuals and families on the grounds of sexual orientation, gender, gender identity or intersex status.

I drew to his attention the topic that had been brought to me by constituents of an apology for past homosexual convictions. Specifically in that letter dated 11 February 2015 I note that I wanted to draw the Premier's attention to the Spent Convictions (Decriminalised Offences) Amendment Act 2013 which had successfully passed through both houses of parliament. I asked him at that time to note that, while fixing the law was a major step in the right direction, would he consider a formal apology be extended to those who have suffered for decades as a result of this discriminatory law. I received a piece of correspondence from the Premier's correspondence unit on 17 February 2015 noting my correspondence and stating that, 'Your letter is currently receiving attention.'

I have received no further correspondence on this issue. My question to the minister, for the Premier, is: will he take the leadership, as Premier Andrews has done, and make a formal apology to those convicted of homosexual acts in the past?

**The Hon. K.J. MAHER (Minister for Employment, Minister for Aboriginal Affairs and Reconciliation, Minister for Manufacturing and Innovation, Minister for Automotive Transformation, Minister for Science and Information Economy) (15:09):** I thank the honourable member for her important question. I note the proud tradition South Australia has in terms of law reform, being the first state in the commonwealth to decriminalise homosexuality, and the many other firsts that South Australia has in relation to many progressive issues. In response to this specific question, I will be very happy to take that to the Premier and seek a reply to bring back for the honourable member.

### SOUTH AUSTRALIA POLICE

**The Hon. J.S. LEE (15:10):** I seek leave to make a brief explanation before asking the Minister for Police a question about policing resources in the SAPOL Murray Mallee Local Service Area.

Leave granted.

**The Hon. J.S. LEE:** At a recent Murray Mallee LGA meeting, Murray Mallee LSA officer, Superintendent James Blandford, stated that the crime rate in the Murray Mallee has increased by 7 per cent compared to last year, and the past 12 months were the busiest he had experienced in some time. He said extra resources were sent to the region to elevate the backlog of work.

My diligent colleague in the other place, Mr Tim Whetstone (member for Chaffey) has raised serious concerns about whether police numbers in the Murray Mallee area are adequate, given the increasing crime reports in the region. The member for Chaffey also stated that the:

...impact of drug use had been detrimental to the community [and] the use of illegal drugs is adversely impacting not just our youth or disadvantaged, but right across the community.

My questions to the minister are:

1. Can the minister advise what level of police numbers are currently operating in the Murray Mallee LSA, and is this an increase from the previous years? If so, by how many?
2. How many extra SAPOL officers have been sent to the Murray Mallee as a top-up resource to elevate the backlog of work in 2015-16, and how often over the past 12 months were the top-up resources required?
3. Will the minister be directing more police resources to the Murray Mallee LSA, given the region has reported increasing crime in country South Australia?

**The Hon. P. MALINAUSKAS (Minister for Police, Minister for Correctional Services, Minister for Emergency Services, Minister for Road Safety) (15:12):** Thank you very much to the honourable member for her important questions. There are a number of components to the honourable member's questions. The first thing is that I am very glad to be able to report that I have had the pleasure of going to the LSA to which the honourable member refers, and have taken the time to talk to officers on the ground about some of the challenges they are facing.

It is true—and the honourable member is right to point out—that there is a substantial challenge in many of our regional communities regarding drugs. Drugs remain an all-pervasive problem in some of our regional communities, and this is particularly true with the increased presence of ice, which is an incredibly dangerous drug within our community, and one that a lot of time and effort from SAPOL, working nationally and coordinating internationally to try to address.

Regarding the specific LSA numbers, I do not have those at hand, but I am more than happy to take the honourable member's question on notice and find out. I should be able to find out rather quickly and inform her of the number of officers that are currently working within the LSA to which she refers, and answer the specific questions that she has asked.

What I would say, regarding police numbers generally, is that this government remains committed to having a well-resourced police force. We are a government that, for a sustained period

of time throughout our time in government, has been dramatically increasing the number of police officers employed by SAPOL. It is an important principle, and one that we remain committed to.

Of course, that investment in increased resources within SAPOL, particularly with a larger number of officers, has resulted in a very positive trend when it comes to crime statistics in South Australia, which is obviously a component of the honourable member's question. For instance, I will refer the honourable member to the fact that—these are approximate numbers that nevertheless should be relatively accurate, I am advised—over the last 10 years (that is, between the 2004-05 financial year to the 2014-15 financial year) offences against property have been reduced by 38.3 per cent. That is an incredible achievement, and one that our hardworking men and women who are working with SAPOL on the ground deserve a lot of credit for, I think.

But I also do think that this is a government that deserves a degree of credit as well. What I referred to only last week, when I had an opportunity to address the Police Association, was that in order to have policing policy working well, there are three key pillars that need to be operating and working comprehensively together. They, of course, are the men and women who are employed by SAPOL, the senior leadership within SAPOL and having adequate representation for the men and women employed by SAPOL, and of course government.

I think that in South Australia, for the better part of a decade and hopefully for many years to come, we have had those three pillars working incredibly hard to achieve the sort of result that I just referred to. I thank the honourable member for her question. I am happy to come back with the specifics regarding the precise number of officers currently employed regarding the relevant LSA, and I will attempt to get that information to you as quickly as possible.

#### **SOUTH AUSTRALIA POLICE**

**The Hon. J.S.L. DAWKINS (15:16):** Supplementary: does the minister consider that the make-up of the region that the honourable member refers to, given that it ranges from east of Renmark to Policeman Point in the Upper South-East, is the best model for servicing the diverse communities that are within that LSA region?

**The Hon. P. MALINAUSKAS (Minister for Police, Minister for Correctional Services, Minister for Emergency Services, Minister for Road Safety) (15:16):** As the honourable member would be aware, SAPOL is currently going through the process of dramatically reviewing the way that it has organisationally arranged itself through the SAPOL 2020 reform program. That is something this government supports the police commissioner in in his endeavours. Notwithstanding some questions from members opposite that seem to imply they are not supportive of giving the police commissioner the independence and support he needs to be able to undertake that reform, it is something this government does support.

As I understand it, the police commissioner at the moment is focused on the way LSAs are structured within the metropolitan area. Regional LSAs are not currently under review in terms of what their structure and make-up is, but of course it is entirely within the purview of the police commissioner to look at that going into the future. As I understand it and as I am advised, there are no immediate plans underway to be reviewing the way the boundaries are set up within regional LSAs, but that work is in train within the metropolitan area.

I suspect, without making any assumptions about what the police commissioner's intentions are, that once a new LSA model is bedded down within metropolitan Adelaide, the police commissioner might turn his mind to whether or not there are learnings out of that that could be equally applied to regional areas, which will provide an opportunity to make a contribution to that debate.

#### **MASSCHALLENGE**

**The Hon. G.A. KANDELAARS (15:18):** My question is to the Minister for Science and Information Economy. Can the minister update the chamber on the recent announcement to bring MassChallenge to South Australia?

**The Hon. K.J. MAHER (Minister for Employment, Minister for Aboriginal Affairs and Reconciliation, Minister for Manufacturing and Innovation, Minister for Automotive**

**Transformation, Minister for Science and Information Economy (15:18):** I certainly can. I thank the honourable member for his question and his longstanding interest in many of these areas. The state government has recently announced our commitment to invest up to \$250,000 to bring one of the world's top innovation and start-up accelerators to Adelaide. This investment will ensure our state is a founding partner with MassChallenge in Australia.

Launched in 2010 in Boston, Massachusetts, the not-for-profit MassChallenge is a start-up accelerator program that operates as a competition with more than \$2 million in cash prizes, and offers those participating access to expert mentors, global networks and funding opportunities, as well as marketing and other resources. The MassChallenge organisation currently has successful programs operating across the globe in places like, as I just mentioned, Boston, Israel, Switzerland, Mexico and the UK. As this program takes in no equity, or puts restrictions on the companies participating, it enables them to take advantage of this world-class program to prosper. I am informed that this accelerator has worked with 835 companies worldwide, which have raised more than \$US1.1 billion in funding and generated so far about \$US520 million in revenue and created more than 6,500 jobs.

MassChallenge and the government have some goals that are closely aligned: to stimulate economic growth and job creation by encouraging entrepreneurial activity and supporting early-stage South Australian entrepreneurs as they develop their game-changing ideas, technologies and discoveries. I know that in MassChallenge's headquarters in Boston and London they take the approach to help entrepreneurs and start-ups become very competitive and to build global markets.

Adelaide is a perfect host city for MassChallenge. We are home to the Microsoft Innovation Centre, one of two in Australia which already helps entrepreneurs and start-ups; we are a Cisco Lighthouse City, along with major cities such as Barcelona, Chicago, Hamburg and Dubai, which is enabling our state to showcase many innovations; and, of course, we were the first city in Australia to introduce free wi-fi in outdoor spaces across our CBD.

Having a MassChallenge program based in Adelaide will deliver significant benefits for local entrepreneurs and innovators at a time when our state's economy is transitioning to new high-tech, high-value manufacturing. This partnership will constitute a significant and visible step toward cementing South Australia's position on the global entrepreneurial map. Some of the notable benefits that we might anticipate through partnering with MassChallenge include:

- an investment in the infrastructure of entrepreneurial support in our state, including key resources like access to mentorship, education and financing;
- enhancing competition, collaboration and the quality of South Australia's entrepreneurial ecosystem; and
- leveraging the MassChallenge model and growing our entrepreneurial system in Adelaide to attract businesses and entrepreneurs to our state, not just from across Australia but from right across the globe.

The government is now finalising the formalisation of this strategic partnership and intends that this will be, hopefully, a first step in a lasting partnership with MassChallenge. I must also acknowledge the federal government's work in working with MassChallenge, which has also announced a partnership with the MassChallenge organisation to come to Australia, which we were very pleased and proud to partner with so that we could bring MassChallenge here to Adelaide.

There have been instances already of Adelaide companies benefiting from MassChallenge. One example is Makers Empire, an Adelaide-based company which has received help in Adelaide with grants to get themselves started and were a participant a couple of years ago in the MassChallenge program in Boston; a great story of an Adelaide company having influence on the world stage. The Makers Empire group spent time in Boston, I think it was for three months for their MassChallenge program, and had access to some extraordinary mentors and some education, and their 3D printing software designed for schools has now achieved sales not just in Australia but in New York and other places across the US. This is a fantastic example of the benefits that a program like MassChallenge can bring.



We are committed to implementing the best initiatives possible to develop these sort of programs for our innovation network. I understand that the first call for applications to participate in the MassChallenge Australia program will be made later this year and I look forward to updating the chamber in the future about this program as it continues.

### *Resolutions*

#### **NUCLEAR FUEL CYCLE ROYAL COMMISSION**

Consideration of Message No. 116 from the House of Assembly.

**The Hon. K.J. MAHER (Minister for Employment, Minister for Aboriginal Affairs and Reconciliation, Minister for Manufacturing and Innovation, Minister for Automotive Transformation, Minister for Science and Information Economy) (15:25):** I move:

That this council concur with the resolution of the House of Assembly contained in Message No. 116 for the appointment of a joint committee on the findings of the Nuclear Fuel Cycle Royal Commission and that the council be represented on the joint committee by three members, of whom two shall form the quorum necessary to be present at all sittings of the committee, and that the members of the joint committee to represent the Legislative Council be the Hon. D.G.E. Hood, the Hon. R.I. Lucas and the Hon M.C. Parnell.

The Nuclear Fuel Cycle Royal Commission's final report was delivered to the Governor on Friday 6 May. The comprehensive report makes 12 key recommendations, the most significant being for us to pursue the establishment of a fuel and intermediate-level waste storage facility in South Australia. The royal commission has found that it is both safe and viable to pursue a used fuel waste storage facility and this would have significant economic benefits for South Australia. The commission found that without broad social and specific community consent, such a proposal would be difficult to achieve.

The royal commission has also identified political bipartisanship as a central feature in the potential for South Australia to increase our involvement in the nuclear fuel cycle. This reflects the long-term intergenerational impact of the royal commission's recommendations. Following the release of the royal commission's report, the Premier announced a detailed consultation process through which all South Australians will have the opportunity to forward their views over the coming months.

This motion proposes the establishment of a joint house select committee to consider the findings of the Nuclear Fuel Cycle Royal Commission, focusing on the issues associated with the establishment of a nuclear waste storage facility and to provide advice and report on any South Australian government legislative, regulatory or institutional arrangements and any other matters that the committee sees fit. The committee will enable the parliament to analyse and debate the royal commission's final report and in doing so contribute to the broader community's engagement process about the report.

Ultimately, the government is responsible for deciding if South Australia's role in the nuclear fuel cycle is expanded. The work of the joint house select committee will help inform the government's response to the report, which is intended to be delivered to parliament by the end of this year. The royal commission's final report provides a substantial evidence base for South Australians to consider and marks the start of a very important conversation about the future. We need an informed discussion leading to wise judgement on our state's role in the nuclear fuel cycle and the royal commission's report presents a substantial body of work which will assist us in doing just that. I encourage members to support the establishment of this committee and its work so it can make a valuable contribution to this important decision for our state's future.

**The Hon. R.I. LUCAS (15:28):** I rise on behalf of Liberal members to support the motion. The Liberal Party's position in relation to proposals for the establishment of committees of inquiry to seek information, provide further information or seek facts is generally to support them. It is not 100 per cent, but generally to support them. From that essential base, our party room has decided to support the proposal from the government for a parliamentary committee of inquiry.

I will not delay the debate on this occasion to further reflect upon what I label as the hypocrisy of the Labor Party and certain Labor members in relation to the whole nuclear issue. Those who are interested in those comments can see my contribution and others during the recent debate on the

specific government legislation in relation to allowing public funding for public discussion of issues relating to the nuclear cycle royal commission debate.

I address therefore the specific issues raised by the motion that we have before us. We support the notion that the committee, or the structure of the committee, as has been outlined to us, essentially will be two Labor members, two Liberal members and two Independent or minor party members, giving a committee of six, which means that neither of the major parties, government or alternative government, will have a majority on the committee.

Given the strongly held views of some members who come to the committee—and I look to my far left, the Hon. Mr Parnell: I suspect that we are well aware of his views in relation to this issue, and he comes to the work of the committee with a very fixed view in relation to the issues that must be addressed—it is therefore my expectation that it is probably unlikely that there will be a unanimous view between the six members of the committee. I remain to be surprised, but that would be my political assessment as we entered it. That does not mean that the committee cannot still do useful work and hopefully highly productive work.

If members of the committee can accept that some have come to the table with fixed views on particular issues, fixed views both privately and publicly expressed on the issue, I am sure it is entirely possible for the committee still to work together and to provide useful information not only for themselves but, hopefully, for other members of parliament and for the community generally on this very important issue.

I noted the Leader of the Government's statements that this decision ultimately was to be a decision for the government, and that is an issue on which I would disagree with the minister. Certainly there has been some criticism that the government was going to outsource its views to the same construct that delivered cycling on footpaths and a variety of other issues, that is, the citizens' jury construct with which the government is so enamoured. The government in response to that has said, 'No, no, that's not the case; the decision is the government's'.

My view is that the decision ultimately will be a decision for the parliament. I accept the fact that the government is one part of the parliament, but not the majority view in both houses. Certainly its view will hold sway in the House of Assembly (or it would be expected that that would be the case), but ultimately on something as critical as this it is a decision for the parliament, and I think that is why the government has constructed a tripartisan select committee.

The Leader of the Government has quoted the royal commissioner outlining the need for a social licence and importantly bipartisan support, because we are talking about decades and hundreds of years in terms of the decision that might be taken by the state of South Australia. I accept the view that the government has to take a decision, but the alternative government also has to take a decision, and those minor parties or Independent members who have not already taken a decision also have to take a decision as to what is to happen, and I am assuming that legislation that exists in South Australia will have to be either amended or repealed and new legislation will need to be passed, and that would require the support of a majority in both houses of parliament.

So, whilst I agree with most aspects of what the Leader of the Government in this chamber said, that is just one aspect on which I put a different view on the table in relation to ultimately where the final decision should be. The other aspect of the process of this, as I understand it, is that the government will be requiring this committee to undertake an intensive program of work, because the expectation or the requirement is that its work be completed no later than November.

We are at the end of May now and the committee is not going to be established until June. The expectation is that the committee's work is going to have to be concluded by no later than November. I think that is the timetable that the government representatives have outlined in terms of the citizens' juries and various other community consultation processes. The government has said that it is going to make its decision by the end of this year, and when one works that time line backwards, the members who are undertaking this task are going to be pretty significantly committed for an intense period of some four to five months, in terms of trying to do the work that has been asked of it.

Given that the royal commissioner has just spent \$7 or \$8 million over 12-plus months in producing a body of work, clearly the parliamentary committee—it is not able to work full-time,

obviously, because the parliament will be sitting as well—is not going to be able to traverse all of those issues in the same degree of detail, in terms of the taking of evidence, etc., as the royal commission has done. So it is going to be important for the committee in its early stage to work out how on earth it is going to go about its task within the time frame and address the issues that various members of the committee want to be addressed during the four to five month period that we are going to have. It is not impossible that, once a decision is taken by the parliament, issues of detail and process and other things can still be explored by the parliament, and I am sure will be, post an initial decision, but most of the key work is obviously going to have to be concluded before the parliament takes an initial decision as to what particular path it wishes to go down.

I guess we have to bear this in mind, that just because a parliament takes a decision in 2016 does not mean that at some stage in the not too distant future a different parliament could not seek to unwind the whole thing. That is why, clearly, the royal commissioner is seeking bipartisan support for it, and that is why, I guess, the idiosyncratic position of the Labor Party on this issue in a short space of time bears scrutiny. It is entirely possible that having made one quantum shift in thinking, how sure can you be that there might not be at some stage in the future another quantum shift in thinking?

I am assuming the attempt is going to be that, having made a decision, and if ultimately that is supported by this parliament, it is in some way locked in to make it extremely difficult for that decision, at great cost at some stage in the future, to be unwound and changed in some way. That is an issue that the committee will need to consider as it looks at the specific terms of legislative, regulatory or institutional arrangements, and any other matter that the committee sees fit.

Clearly, there are very significant environmental and social questions, many of which have been addressed, and evidence has been taken by the royal commissioner and others. Some members of the committee will be relatively comfortable that that area has been thoroughly traversed; other members of the committee might wish to take or to gather further information in terms of those critical questions, in terms of what the parliament is being asked to consider and the state is being asked to consider as well. I hasten to say that, whilst I have an intense interest in clearly those issues, I do not profess to be an expert, as some of the members might profess to be in terms of the environmental issues of not only this project but some other projects as well.

The reason why I was asked by my party to serve on the committee—unlike perhaps some other members it was not something that I confess I was not clamouring to do—is that there were not a lot of bodies over which I climbed to win this particular position. The issues that I am being asked to look at, and I am very interested in looking at, are clearly what I would call the pot of gold arguments that have been used to argue in favour of supporting this. They are the significant economic and financial questions that need to be raised.

Clearly, the Premier in particular and others have changed, and even the Treasurer who at least publicly had said that he had been adamantly opposed to uranium mining over various parts of his career—not all parts of his career I might say—in recent years he has obviously changed his position on the nuclear fuel cycle in South Australia. However, the thing that appears to have won them over has been the pot of gold argument; that is, there is a financial nirvana to be won through, in essence, being one of the first movers in this particular area of storing medium and high-level nuclear waste here in South Australia. That is an issue that I am intensely interested in.

Clearly, the royal commissioner and the people who work for him have had to make significant assumptions about the nicely rounded billion dollar figures that are included in the final report. I think it is important that this parliament, before it makes a final decision, understands the nature of the assumptions that have been made. I believe in the time frame that we have it will be impossible—even if we had unlimited time—in essence, to say that the assumptions are wrong, because assumptions are assumptions made by genuine people with the information.

However, I think it will be important to understand the assumptions and perhaps to understand what the implications of different assumptions might be in terms of the pot of gold argument and, in particular, the issue of how thoroughly the notion of first mover advantage almost, or being one of the first movers in this particular area, has been considered.

That is, how reasonable are the assumptions that have been made that if the state of South Australia, after what will be a long period of time, ultimately commences storing medium and high-level waste in South Australia and that others in the world see or are convinced by the pot of gold argument, whether or not there will not be a reasonable number of other countries and other nations that will be convinced to move down this particular path and become competitors in the market for medium and high level waste?

Also, how reasonable are the assumptions that that potentially significant competition from a number of other countries can be prevented or whether the assumption that it is unlikely to occur to any great degree is reasonable or not, particularly if other countries do not go through what will surely be in the South Australian and Australian context significant regulatory oversight? My colleague the Hon. Mr Ridgway has been to England, and he has recounted to colleagues the time frames involved in that particular facility and their warnings in terms of what needs to be done. International treaties that need to be either renegotiated or unwound, planning and regulatory oversight, and all of that sort of thing will have to be done in the South Australian context, if we go down that path.

There might be other countries that perhaps might not be that worried about going for that same degree of regulatory oversight and play by the rules of international treaties in the future. What are the assumptions that the royal commissioner has made, or that this pot of gold argument has made, in relation to the possibility of competition from others who do not go to the same degree of regulatory oversight that we are likely to go through? They are just some of the issues in terms of the pot of gold argument, the economic and financial questions, that I believe the committee does need to provide further information on to the South Australian parliament and community. I think to do that the committee will need the assurance from the government, unlike other committees, as to access to significant human resource, in terms of staffing and/or consultancy support.

That means a separate budget with high-powered legal advice will be clearly required. With the greatest respect to other members of the committee, we do not want to rely on those amongst us who might be lawyers to provide us with legal advice on international treaties and the many other legal issues. Access to highly competent legal advice, but also access to highly competent economic and financial advice. Clearly, it cannot be from the same tribe or tribes that provided that advice with the same assumptions to the royal commissioner.

Clearly, the committee needs to have a fresh set of eyes, if it so determines. That is certainly the view that I will be putting to the committee; that is, if it so determines—and I accept it will be a decision of the committee. It needs a fresh set of eyes, a devil's advocate, to look at the assumptions and to, in the end, not say, 'Hey, you got it wrong' but 'The pot of gold argument, with this level of pot of gold, relies on these assumptions and these things to happen. However, there will be a slightly bigger or smaller pot of gold if those assumptions are different in this respect or if the competition in the marketplace is different in some other respect.'

If this committee is to do the work it needs to do, and I accept on face value that the government representatives and the government are genuine in wanting the committee to do a good body of work, and certainly some of the members on the committee I accept have accepted the position with that understanding from their viewpoint as well, but certainly there will need to be an early indication from the government that it is prepared to provide, in a short-term intensive way, an appropriate level of resourcing to ensure that these important issues can be canvassed.

There are lots of other issues. I have raised some issues in terms of administrative and structural that talk about the regulatory and institutional arrangements with government representatives already—not parliamentary members but the people within the bureaucracy who are evidently handling this—and I am particularly interested in the institutional arrangement, the supposedly independent agency, that will provide oversight if we are to proceed down this path; and I think there is going to be an agency from around about July whilst we consider this. If parliament decides not to go down the path, I presume that is the end of the independent agency, but if it decides to go further then I am assuming this independent agency will continue.

The question I have already put to the government representatives and to the government is: what is the true independence of this particular agency? Currently, it is a senior officer. I have asked: is that senior officer answerable to Mr Kym Winter-Dewhirst, as the chief executive of the

Department of the Premier and Cabinet? Are all those officers within the Department of the Premier and Cabinet answerable to Mr Kym Winter-Dewhirst during this particular period? To whom do they report?

I am told they are going to report to the Premier, but they are the sort of detailed issues in terms of the institutional and oversight arrangements that the committee needs to think about as well. Some of those are subsidiary to the critical question about whether or not the parliament should be voting to proceed down this path, and I accept that.

Some of these issues do not need to be resolved absolutely before the parliament votes on the legislation; they are matters of secondary detail. Nevertheless, I think they are important issues as well. I have asked the question, for example: who is making the decisions about the government advertising for the nuclear fuel cycle discussion at the moment? Is that going through the PCAG Process, through the Department of the Premier and Cabinet? Does this mean that Kym Winter-Dewhirst, Paul Flanagan and Rik Morris, within the Department of the Premier and Cabinet, are the people making the decisions about how much money is going to be spent, and the nature of that advertising during this particular period? How can we be assured that this independent agency is truly independent in relation to the taxpayers' money that is going to be spent on advertising and those sorts of issues?

There are a lot of issues like that, and I have detailed questions. I do not propose to delay discussion at this particular stage, but I at least canvass some of the issues which need to be addressed. Some are at what I would call the high level—the critical issues as to whether or not we are going to recommend to go down the path—and then there are the secondary level issues which relate to, 'If we do that, how are we going to manage the process from 2017 onwards?' With that, I indicate that the Liberal Party will be supporting the motion that is before us.

**The Hon. M.C. PARNELL (15:52):** The Greens support the establishment of this joint select committee, and I indicated to the Premier a week or two ago that I was happy to serve on that committee. I do not propose to take a lot of the time of the Legislative Council tonight to go through a detailed critique of the royal commission, its processes and its findings.

As much as I know members would be eager to hear my views on this topic, I will in fact only speak for a short period tonight. But, I do want to cover three or four things: I want to talk a little about the subject matter of the select committee, the processes of the select committee, the standing orders that will guide the work of the select committee, and also to reflect on the likely outcome of the select committee.

In terms of the subject matter, I believe that this committee is necessary to be a counterbalance to the royal commission process, because that process was deeply flawed. I have done my best to summarise the royal commission's findings into a sentence or two. In my view, the royal commission's tentative findings, as confirmed in their final findings, were that the international nuclear waste dump was a good idea for South Australia.

My view, and the view of many experts, is that those findings were based on dubious economics, heroic assumptions and a big dose of guesswork. The commission identified a problem that lasts for hundreds of thousands of years and then proposed a solution with income that lasts just a few decades, but with costs lasting virtually forever. If anything were to go wrong in the future, then we would be on our own.

The problem with the royal commission I think starts from the fact that it was the wrong vehicle. When I discussed this with the Premier, well over a year ago now, and I asked the question, 'Why a royal commission?' his response, which was no different to the response he has given publicly—there are no secrets out of school here—was that he was keen for the inquiry to have a status and that the best vehicle, in the government's mind, to give it status was a royal commission.

We have had royal commissions on very important topics. People automatically think, 'That must be important. They've declared a royal commission.' But I think it was the wrong vehicle for a number of reasons, not the least of which is that the royal commission is a particular creature that has particular powers that are incredibly useful in a range of inquiries, but not necessarily (and in fact I think not at all) in relation to the inquiry that was before them. We have seen royal commissions

dragging reluctant witnesses before it to answer questions that they would rather not have to answer. That was not the situation with this royal commission. There was no George Pell being encouraged to give evidence to this royal commission. Those who came, came willingly; many who were willing were rejected. It was completely the wrong way around.

It was an elitist process. I have mentioned before that my submission was rejected on the grounds that I refused to have it sworn before a JP. In my professional life, I witness everyone else's declarations, but I just could not see that it was at all relevant to the task that was before them. As a result, a large number of people were disenfranchised. They saw the rules, they saw how hard and complicated it was going to be, and they did not do it. It would be interesting to look at the submissions that were made to see how many were made by young people. The importance of young people is that the project that the royal commission is now advancing is one that is going to possibly not start until many of us are dead and certainly will not finish until all of us are dead. Therefore, I think it was interesting that so few young people engaged in the royal commission process.

But it gets worse, because even this citizens' jury that we are now going to have—a number of us went to the briefing the other day, and what we discovered was that under 18s are ineligible to serve on this citizens' jury. There are going to be 350 randomly selected South Australians, and none of them will be under 18—the very generation that will ultimately have to live with the consequences of the decisions that this generation makes. I think that is a huge hole in the process.

I think the royal commission process was ill-conceived in that it was approached in some ways as if it was a court of law: that there would be findings of facts, the facts would be agreed, and they would then form the basis of recommendations. But the thing is the facts are all contested, and the boundaries between facts, myths and aspirations are blurred. Aside from stating the obvious fact that I think everyone agrees with, and that is that a nuclear waste dump is not going anywhere unless we have community consensus, I think that the ultimate findings of the royal commission are little more than a repackaging of the views of vested interests in the nuclear industry, as spruiked by their various consultants and others in the nuclear fan club.

I agree with the Hon. Rob Lucas that we will need to explore the pot of gold, because when you unpackage this issue, the pot of gold is the only rationale for doing this. It is not as if we have a domestic problem with high-level nuclear waste that we somehow have to deal with ourselves. The pot of gold argument is the only argument. If the pot of gold turns out to be an illusion or a mirage, then the whole rationale for this project evaporates. That is why I think the select committee will have important work to do picking through the economics.

I will come to witnesses shortly, but certainly one witness I think it would be good to get before the select committee would be Professor Dick Blandy. He has been out in the media, he has written a number of articles, and his view is that he continues to be opposed to locating a high-level nuclear waste dump in South Australia on both safety and economic grounds. To quote the professor, he says:

It is unlikely that there will be an economic bonanza for South Australia from the proposed dump.

As they say: 'If it looks too good to be true, it almost certainly is.'

I think a fair bit of the committee's work will be unpackaging the economics.

I want to refer briefly to the process of the select committee, and one advantage that this committee has over the royal commission is that the royal commission was effectively a one-way process. People said things to the royal commission, and only the royal commission could examine witnesses and ask them questions, and seek clarification, so from the public's perspective, it was a one-way process.

The parliamentary select committee, on the other hand, should allow for more rigour. It will be the first time that people outside of the royal commission staff can ask their own questions and can explore the integrity and the veracity of the various positions that were put. So we will certainly need to hear from economic witnesses, but also it is important to note that there were a number of important stakeholders who made written submissions to the royal commission, asked to give verbal evidence and were denied, and that includes all of the main conservation groups. They were denied the ability to eyeball the commission and to give testimony in person.

So, whilst you will see written submissions from the Conservation Council of South Australia, Friends of the Earth and the Australian Conservation Foundation, you will not find transcripts of their evidence because they were denied the ability to give evidence to the royal commission. The select committee, on the other hand, I think if it is going to do its job of looking at all sides of the argument, will have to invite these people in. They cannot be ignored in both the royal commission and the parliamentary select committee.

I want to refer briefly to the standing orders of this parliament because there have not been too many joint select committees, and when you look up the standing orders you will find that there are nine paragraphs related to joint committees. In a nutshell, it is what we are doing, it is three members from each house. The government and the opposition have agreed that neither of them will be in a majority so it is two Liberal, two Labor and two crossbench. Importantly, the chairperson of the committee is entitled to a vote, but not a casting vote, and, where the votes are equal, the result is in the negative.

I do not think that will cause this particular select committee any grief, looking at the make-up of the committee and the pre-existing positions that people have taken; I do not think that will cause grief. But in the end, I am fairly sanguine about it and I am here for the ride, and for the process, to make sure that that is as thorough as we can get it rather than putting a lot of faith in the outcomes, but I will come to that shortly. Interestingly, the joint committee standing orders say in paragraph 9:

The procedure of every Joint Committee shall, except where herein otherwise ordered, be regulated by the Standing Orders of the Legislative Council relating to Select Committees.

We then have to look at the select committee standing orders for the Legislative Council. Most of us are familiar with these; we have served on many select committees. But, of course, the one standing order that we have had to tiptoe around over many years, an ancient old standing order, and one of these days I will get round to getting rid of it, or will be suggesting to this honourable place that we collectively get rid of it, is the old 398. I will read standing order 398:

The Evidence taken by any Committee and Documents presented to such Committee, which have not been reported to the Council, shall not be disclosed or published by any Member of such Committee or by any other person, without the permission of the Council.

Basically, taken at face value, you cannot talk about the evidence you have received, and you cannot distribute the documents you have received until the committee has reported to the council. We get around that by having additional provisions when we set up select committees, which is to say, and I have not got the exact words but, notwithstanding what I just read—

**The ACTING PRESIDENT (Hon. G.A. Kandelaars):** The Hon. Mark Parnell, I do have to bring to your attention that there is a message here—message No. 116—in terms of requesting the committee that the minister will move a number of resolutions to deal with the very issue you are talking about.

**The Hon. M.C. PARNELL:** Thank you, Mr Acting President. I fully expected we would be dealing with it, but I just wanted to make the point that my advice to the Premier, when invited to be part of this, was that I did not want this committee to be constrained by this standing order. It was not in the message that we received—it's on its way, is the message we have just got, so that is great.

We do want the media to be present; we do want the ability to be able to circulate the documents as they are received by the committee; and, we certainly want to have the ability to be able to talk about the evidence. The one thing that I think everybody agrees with is that this project is going nowhere without broad community consensus, and that consensus depends on having a full debate, and a full debate depends on all the information being out there and disclosed.

Let us look at the possible outcome of the select committee. I note the point of the Hon. Rob Lucas that, in the very short amount of time that the committee apparently will be given, it will be difficult to do as comprehensive a body of work as this task requires. My expectation is that the formal outcome of the select committee will probably be along the lines of: 'The select committee finds that the proposal for a high level international nuclear waste dump in South Australia is well founded, will make us all rich, has few risks and should be proceeded with forthwith.' That is my prediction. It will

not be something that I expect to be signing up to, but I expect that, looking at the process, very likely that could be the outcome.

I do not think the committee will apologise for the government's wasting of \$9 million of taxpayers' money on, ultimately, stuff that we already knew. We knew that nuclear power was not economic: it was never going to be an option for South Australia. We knew that the market for processing nuclear fuel is already saturated: there was never going to be a role for South Australia in that. In terms of uranium mining, there have been very few restrictions on the number of mines or the amount that can be mined, so I do not think any value at all was added.

So, there are three or four of the terms of the royal commission where we got no value from \$9 million. I could have given this parliament that advice for free. So, we are just down to the dump. From day one of the royal commission being announced, certainly the conservation community was out there saying, 'Don't be fooled by the comprehensive terms of reference; this is all about the dump.' As it has transpired, it is all about the dump.

I hope that the select committee will provide more rigour than did the royal commission, that it will not just cherry-pick evidence that is favourable to a predetermined outcome. I hope that this select committee will not be elitist, and I hope it will hear from those who have so far been denied a voice. I hope it will give far more weight to the voices of traditional Aboriginal owners, on whose land ultimately a project like this will be targeted. In particular it would be good for the select committee to hear from Aboriginal groups that have become part of the No Dump Alliance of South Australia.

My intention is to participate in good faith, but to not resile from criticising aspects that deserve criticism. I think it is clear that there will be members on this committee who have put their views publicly, but nevertheless that does not mean that we cannot collaboratively and collectively work to explore the evidence with rigour. I was hoping to start with profound agreement with the Hon. Rob Lucas, but I will finish by disagreeing with him. He said that, ultimately, it will be the decision of the Parliament of South Australia. Well, he is only partly right: the Parliament of South Australia is one part of it; the national parliament is another part of it, but, ultimately, given the scale of this project, the magnitude of this project, the constitutional provisions that exist, this is a decision for all of Australia, and it is a particular decision for South Australia.

So, yes, parliament is a big part of that, but I think we need to recognise that this is the biggest thing that has ever been proposed for this state, with consequences that last longer than anything else that has ever been proposed. It is not just going to be a simple resolution in November or December, or even next year, of this parliament that determines whether this state's future is tied to taking the worst of the world's dangerous radioactive waste.

**The Hon. D.G.E. HOOD (16:10):** My contribution to this debate will be rather brief today, as the real work, I think, on this issue will be done by the committee, and then ultimately by the parliament after that. Members would be well aware that Family First has been quite public in its position of in principle support at least for our state pursuing the nuclear fuel cycle. For that reason, it goes without saying that we will support a committee to investigate the royal commission's findings. We do; we do so wholeheartedly.

This is a very significant opportunity for South Australia, and especially in the current economic climate that our state finds itself in, it is something that I believe we would be negligent not to fully scrutinise. We do support the committee; we support it strongly. I would like to also, if I may, offer some credit to the government for the way that it has handled this issue thus far. The Premier called me personally about this a couple of weeks ago and informed me that they were looking at forming a joint select committee and asked me if I would be willing to serve on the committee, which I said I would. I understand it sounds like exactly the same thing happened to the Hon. Mark Parnell as well, and presumably some other members.

I think it is credible that the Premier in particular has decided to have a two plus two plus two; it is in line with our standing orders. He probably did not have a lot of choice—I think his choice was not to have a committee at all—but the fact that he is determined to do that I think is noteworthy and credible. Also, as we all know, if you serve in this place long enough, it is the make-up of committees that essentially determines their outcome. You can have a committee on any given topic,



and if you give me a list of the members who are on it, I will tell you which way that committee will come out before it starts sitting, just about. I do not think it takes a genius to be able to do that.

Yet on this committee we have members who will have very divergent views. Obviously, the Greens have a very strong position on this; they have had that for a very long time. We are probably newer players to this arena, but we have put in the public arena our general position, at least our in principle position. I understand that certainly within the Labor Party, the left traditionally would have been in opposition to something like this, although obviously we now have a premier from the left who seems to be much more open to it. The Liberal Party has been mixed on it in the past as well.

I think it is going to be a very interesting committee. I look forward to some genuine debate. I look forward to educating myself on some of these issues and getting into some of the detail. I look forward to hearing from the conservation groups, for example. What are their positions and, more importantly, why do they hold the positions they hold? I am very much looking forward to that.

I think the crux of all this is, as pointed out by the Hon. Mr Lucas in his contribution earlier today, that I am really interested in finding out about this so-called pot of gold. What exactly is this pot of gold? We have heard extraordinary numbers thrown around, in the billions, even tens of billions. I have even heard on occasion hundreds of billions of dollars quoted as being potential revenue for South Australia in the longer term if we go down this path. These are extraordinary numbers. I guess in the colloquial one would call them game-changers.

Really the key task of this committee as I see it at this stage—certainly my key motivation for being on this committee at all—is to examine the legitimacy of that proposition. How likely is it that these numbers are going to turn into reality, this enormous pot of gold, so-called? What are the risks? What would prevent other players from entering the market and undercutting South Australia, for example? What are the risks of this pot of gold turning into a legitimate pile of money for South Australia?

I cannot help but think that if it is true, if the committee is satisfied that it is true that there is legitimately a so-called pot of gold at the end of all this, then what a potential boon it will be for South Australia. The most common figure that is thrown around at the moment is round about \$5 billion a year in revenue. If that is true, in a budget of roughly \$15 billion that is a third of our state budget per year, which would in theory mean that taxes could be reduced by a third in South Australia. Now that would be just a wonderful thing for the state of South Australia.

*An honourable member interjecting:*

**The Hon. D.G.E. HOOD:** These are the things to be debated, and I look forward to that. If there is an opportunity to be exploited then it should be, but that said I think we are long way from that yet. Obviously, the message before us today is: do we form this committee or not? Family First supports the formation of the committee and I am happy to serve on it.

**The Hon. J.A. DARLEY (16:15):** I rise to indicate my support for this message and the establishment of a joint committee charged with considering the findings of the Nuclear Fuel Cycle Royal Commission with respect to the establishment of a nuclear waste storage facility and reporting on other related matters. I do not intend to speak to this matter in any detail at this stage. There will, no doubt, be plenty of opportunity to do so once the committee has reported and, just as importantly, following broader community consultation. Suffice to say, this matter is likely to generate more interest and more conversation than any other matter that has been considered by this place in recent times.

Indeed, given that the establishment of a nuclear waste storage facility is such a divisive issue, it is absolutely critical that we hear from a wide cross-section of the community and as many stakeholder representatives as possible. Hopefully, this committee will go some way towards assisting in that process. With those few words, I support this most important matter.

Motion carried.

**The Hon. I.K. HUNTER:** I move:

That it be an instruction to the joint committee that the joint committee be authorised to disclose or publish as it thinks fit any evidence or documents presented to the joint committee prior to such evidence or documents being reported to the parliament.

Motion carried.

**The Hon. I.K. HUNTER:** I move:

That the Legislative Council standing order 396 be suspended to enable strangers to be admitted when the joint committee is examining witnesses unless the joint committee otherwise resolves, but they shall be excluded when the joint committee is deliberating.

Motion carried.

### *Bills*

## **SUPPLY BILL 2016**

### *Second Reading*

Adjourned debate on second reading.

(Continued from 19 May 2016.)

**The Hon. R.I. LUCAS (16:17):** I rise on behalf of Liberal members to support the second reading of the Supply Bill. The Supply Bill, as members will be aware, is a mechanism each year to provide appropriation of just over \$3 billion to enable the continued payment of public servants and public services until the passage of the Appropriation Bill some time later in the year—and given that the budget has been put back we understand until now early July, although that might not impact on the final passage of the Appropriation Bill through the parliament, the Supply Bill nevertheless makes provision for the ongoing delivery of public services in South Australia; therefore, it is unexceptional and we support it.

The Supply Bill is one of the few opportunities, particularly for members of the Legislative Council, to speak on any issue that might in any way directly or indirectly be funded by the public purse: a dollar here or a dollar there as part of our 2016-17 billion dollar annual budget is funded in some way by the Supply Bill. It has traditionally been treated with great flexibility. On occasions, I think some members have sought to restrict the length and breadth of the debate, and certainly I support the notion that it is one of the few opportunities that Legislative Council members have had over the years to be able to speak on a wide variety of issues and that convention, in my view, ought to be continued and protected.

Having said that, I want to address some issues in terms of the financial and economic issues that confront the state of South Australia. The federal budget that was recently brought down had some good news for South Australia. Without putting all the detail on the public record, the total payments to South Australia from the federal budget next year, compared to this financial year, increase by just over \$1.1 billion. To be precise, total federal payments to South Australia next year will actually be \$1,137 million more than for this year. By 2018-19 the federal budget shows the total payments will actually be \$1,756 million more than for financial year 2015-16.

What we are seeing is that next year's payments, compared to this year, jump by just over \$1.1 billion, and by 2018-19, if compared to this year, they actually jump by over \$1.7 billion. That comprises both tied grants and completely untied general payments such as the GST. The jump in GST revenue is extraordinarily significant when one looks at just this year compared to next year, a jump of more than half a billion dollars in GST payments to South Australia from the commonwealth.

We often hear from the Premier and the Treasurer that, yes, we are getting this extra money from the commonwealth government, but it is tied up in health or it is tied up in education or tied up in environment specific purpose payments. But the reality is when one looks at the federal budget that, yes, there have been increases in the specific purpose payments, but there have also been big increases, and are going to be big increases, in the GST payments to the state, which are completely unencumbered and completely able to be spent at the discretion of the state government.

So the state government makes the decisions within its own spending priorities as to how it wishes to spend the money. That disproves the essential premise that the Premier and the Treasurer have often proclaimed, that in some way any additional monies that we get from the commonwealth

are tied into particular areas. Yes, a proportion is tied to specific purpose payments but a very big sum of money comes in the GST, which is for the discretion of the state government to spend.

What we also saw in this federal budget was a further increase in health spending. The debate about health spending in South Australia and health contribution has been mired in claims of what the extent of any cuts or savings might have been. I noted this morning on ABC that the ABC Fact Check, which the Labor Party often proclaims is the independent source of factual information on controversial issues, completely discounted the position of the Premier and the Treasurer in South Australia in relation to health funding.

Essentially the argument is relatively simple, although it is a complicated argument to prosecute in eight-second grabs on television. The essential argument which the ABC Fact Check highlights has two points, the first of which is that health funding from the federal government is continuing to increase. This is a discussion point that the state government has utilised on occasions as well, and the federal government utilises on occasions as well, that is, in absolute terms, health funding continues to increase.

The extent of what is claimed to be a cut or a saving is whether it is increased at the rate that was either agreed or promised. The situation is that health funding does increase, it does not actually get cut. But it might have been cut, or there might have been savings made from, a level of a previous agreement, that is, there might have been an even bigger increase in health funding that had been promised or committed and therefore what is known as the saving or the cut is a reduction in the level of the increase in health spending.

The ABC Fact Check said that, in essence, the position that the Premier and Treasurer in South Australia had been prosecuting was factually wrong. There have been increases in health spending, contrary to the claims that had been made by the Premier and the Treasurer. The other issue that the ABC Fact Check raised has been the subject of an argument between the federal government, federal opposition and various state governments as well, and that is that former prime minister Gillard had promised large, unfunded increases in health spending outside the forward estimates. The ABC Fact Check said—and this is not the Liberal Party saying this—that was essentially an unfunded promise made by a former prime minister.

It was surprising for me to hear that coming from ABC Fact Check, because they almost entirely mirrored the position that federal Treasurer Morrison, Prime Minister Turnbull and, prior to that, former prime minister Abbott, had been prosecuting for a number of months, if not years. That is, in essence, saying that former prime minister Gillard promised the world but did not fund it, and what was being talked about was a reduction in the level of increase in health spending. I can understand both sides of this particular argument, but, as I said, the ABC Fact Check has come down. Because the Labor Party are such firm supporters of the ABC Fact Check, as the independent source of advice on—

*The Hon. J.S.L. Dawkins interjecting:*

**The Hon. R.I. LUCAS:** I am sure they would not want to cherry-pick it, given the statements that have been made in this house today and in recent days. I am sure they would not want to cherry-pick the ABC Fact Check advice. The reality is that we are seeing increases in total funding coming to South Australia.

In the specific purpose payments, we are seeing another increase in health funding in this budget. The state government will say, 'Well, look, it's still not as much as Julia Gillard promised us.' Nevertheless, it is a further increase over and above the increase that prime minister Abbott and the Abbott government had promised. The Turnbull government have provided an ever further increase in specific purpose health payments to South Australia. In addition to that, we have this huge increase of over half a billion dollars next year, compared to this year, in GST, which we can spend completely on health if we wanted to, or on education, or on transport, or whatever it is. We in South Australia have to make those particular decisions.

The other general point I make in relation to the Supply Bill is on the recent issue of the privatisation of the MAC. There was a genuine discussion point as to whether or not the government's privatisation of the MAC was going to qualify for the 15 per cent asset recycle bonus—that is, for

every billion dollars in an eligible privatisation, the commonwealth government would pay a bonus of \$150 million to the state if you had eligible new infrastructure projects to spend that on. That was known as the asset recycle bonus fund.

As I said, the first question is: is it accepted as a privatisation or not, and how much of it is accepted as a privatisation? There was a genuine question as to whether this was a privatisation, because the MAC will continue, and there is an introduction of four new private sector competitors. Some of the money was actually taken out prior to the introduction of the private sector competitors, and the tender had finally concluded (that is, taken out of the MAC and put into the budget). Would that qualify for a potential asset recycle bonus?

There were also issues as to the way it was taken out. Some of the money was taken out as a dividend, and some of it was taken out as a retained surplus. There were genuine questions and discussions at the federal and state levels as to whether all of those payments—particularly given the advice former under treasurers had given to the Budget and Finance Committee—would be included in the calculation.

The reality is that, in the most recent Treasury appearance before the Budget and Finance Committee, the Under Treasurer reported that the commonwealth government had agreed that the MAC privatisation was accepted, it had met the qualification from the commonwealth as an eligible privatisation, and that all of the funding that was being taken into the budget had already been taken as a dividend or as retained surplus, and that those amounts that were still to be taken would qualify.

If that is the case, the estimates provided to me recently are that that potentially could be a total of somewhere between \$2 billion and \$2.5 billion being returned to the state budget. The Mid-Year Budget Review I think already incorporates an estimate of about \$1.6 billion, but, as I said, estimates provided to me from both industry and government sources indicate that it will be much more than the \$1.6 billion; it will be at least \$2 billion and possibly as high as \$2.5 billion.

The 15 per cent potential bonus for that is, if it is \$2 billion, at least \$300 million extra, and if it is \$2.5 billion it is \$375 million extra that is available for job-creating infrastructure projects. Having got approval for the first stage of this, what the state of South Australia had to do was actually go to the commonwealth and say, 'Here is a new infrastructure project which will help create economic growth and jobs in South Australia, which we want to get a tick of approval for to spend our \$300 million to \$375 million on.' What the facts now show, from evidence in the Budget and Finance Committee and elsewhere, is that the state government started to play games.

The first game they played was they said, 'We won't come up with a new project. What we will actually promise to do, if you will give us this extra \$300 million plus, is accelerate the completion of the Darlington project and the Torrens to Torrens project by six months.' They went to the commonwealth and said, 'We won't actually have a new infrastructure project, but we have two existing projects we are already funding. We want to spend this money on bringing forward the completion date from one particular date to a six-month earlier date.' Unsurprisingly, the commonwealth said, 'Who do you think we are? We didn't come down in the last shower. That is not an eligible project. That is not a new infrastructure project that is going to help create jobs and drive economic growth in South Australia. Go away.'

So, what Mr Rowse told the committee at his last appearance earlier this year was that the government then packaged together about \$400 million worth of projects. That is why this estimate that I have put on the public record of \$300 million to \$375 million would appear to be in the right ballpark, because the Under Treasurer has conceded that he and the state made an application for \$400 million worth of asset recycling bonus money to be spent on a variety of projects.

What did they try this time? Having been knocked back about accelerating two existing projects, they tried to repackage already announced projects from the 2015-16 budget in June last year and the Mid-Year Budget Review in December. They packaged together an extraordinary package of things, like already promised upgrades of school facilities, road maintenance, and the major events funding package, which is the package of money we give to whatever that body is—whether it is the Tourism Commission or Events SA, I am not sure of the exact title now—to pay half a million dollars to Liverpool Football Club (the Treasurer's football club) to come and play a soccer

game here in Adelaide, or to the Rolling Stones, from that major events fund. That is not even an infrastructure project.

The Under Treasurer said, 'Well, I know it's not infrastructure but we argue that it is economic development.' But that is not what the asset recycle bonus fund said. It said that it had to be an eligible infrastructure project, and yet the state of South Australia tried to convince the commonwealth government to get funding for its major events funding package.

The fourth one was, again, the already announced transport project, the Northern Connector. Again, the same problem; it was an existing project like Darlington and Torrens to Torrens. Unsurprisingly, when the federal budget papers came down a few weeks ago, South Australia missed out completely on getting any of the asset recycle bonus fund. Two other states and two territories were listed as having received asset recycle bonus funds. South Australia did not receive a dollar. We checked with the federal minister's offices and said, 'Well, is there something in the pipeline? Is there more money coming?' and they said, 'No, we're about to go into caretaker mode and that's it,' and the federal budget papers make it clear that the asset recycle bonus fund was closed, and the unspent monies were returned to budget as a budget saving.

That is saying to us that the government, having taken the decision to privatise the MAC, and the government, having won the first part of the argument, that is, to qualify all of the money they receive as being an eligible privatisation project—so having completed the first tranche, the government started playing games with the second tranche in terms of trying to get funding for already existing and committed projects, some of which were not even infrastructure. But then what happened was that the federal government said no. They have now closed the fund, and South Australia missed out on somewhere between \$300 million and \$375 million in funding which could have been used for a new infrastructure project to help drive economic growth and create jobs in South Australia.

The Premier and the Treasurer have questions to be answered, because unless they can come up with some convincing response as to why they gave up \$300 million to \$375 million—and one other point I would make is that the Under Treasurer has put on the public record in the Budget and Finance Committee that any monies a state receives for the asset recycle fund (so if you got the \$375 million) would be quarantined from the horizontal fiscal equalisation arrangements for the GST, so that is, it would not be that we would get \$300 million to \$375 million in recycled bonus funding, and then lose GST grants as a result of it. So the Under Treasurer was asked that question by the committee and he was quite clear that that was not going to occur.

It seems an extraordinary position, and only the Premier and the Treasurer can answer why this has occurred. It is a critical issue, because on the surface of it what it is saying to us is that through the financial mismanagement and incompetence of the Weatherill government, the Premier and the Treasurer in particular, we in South Australia have lost out \$300 million to \$375 million in funding for us to be able to help tackle the unemployment problem in South Australia.

I am sure there are one or two thinking members of the Labor caucus who, hopefully, will assist us in asking the hard questions. How could you have let this happen? What is the level of financial mismanagement and incompetence that exists at the upper levels of this government after more than 14 years? Is it just laziness? Is it incompetence? And, sadly, in relation to the Treasurer, is it just a simple issue of financial mismanagement and a lack of understanding of relatively simple budgetary and fiscal issues that relate to his portfolio? But only the Premier and the Treasurer can answer these questions, and answer them they must, in relation to those issues.

There were a significant number of other issues that I wanted to address in some detail, but I will only touch on them pretty lightly now. I will prosecute them at a different time. We have seen significant other financial mismanagement and waste right across the board. We are a state that is confronting the highest level of unemployment in the nation. No matter how the Treasurer and the Premier try to spin the issue, the brutal reality is that every month the unemployment figures come up and we are, sadly, Top of the Pops in terms of our unemployment. We have been looking at what it is the government has been doing, or seeking to do, in relation to tackling the unemployment issue.

Those members in this chamber have seen the completely inadequate response from the Leader of the Government in this chamber in relation to the Northern Economic Plan, and, sadly, his

understanding of what is being done under the Northern Economic Plan is lacking, sadly lacking. There is a lack of urgency.

It is a plan which was launched in January. The \$10 million Small Business Development Fund was launched in January, and, contrary to what the minister told the Legislative Council, applications will not actually open until 1 July. Small businesses will not actually receive funds until some time well after 1 July. Yet, we have a chronic unemployment problem in the northern suburbs already, as we are told, and the lack of urgency from the minister in actually getting action undertaken on a plan that has already been announced is very sad indeed.

Today we asked the question about the other big plank of the Northern Economic Plan, the \$7 million Northern Adelaide Food Park. Again, when one goes to the PIRSA website, the Department of State Development website, government websites, there is no detail at all as to how that funding is going to be distributed, when the money will actually be given to businesses to help to try and create jobs in the Food Park. In fact, again, evidence taken from PIRSA at the recent Budget and Finance Committee made it clear that they still had not decided on how the \$7 million was going to be allocated.

For the life of me I cannot understand how a government can get itself into a position where it announces a Northern Economic Plan, a \$24 million plan, and it says we are going to have a \$10 million Small Business Development Fund and a \$7 million Food Park, and it has no idea at all as to what the guidelines will be for the development fund for small businesses or for the Food Park.

Surely to goodness, your governance systems, your governance structures, ought to be that if you are releasing and launching a plan which says it is a great idea to have a \$10 million Small Business Development Fund, you have actually worked out how you are going to distribute the money, and you can actually start the plan straightaway, if you have a chronic unemployment problem in the north.

The same thing with the Food Park. If you are announcing \$7 million to attract tenants to the Food Park, why on earth would you not have already agreed and decided on that before you actually launch the plan. The reason is that the government is really only interested in the announcement. It is interested in the packaging. 'You have to have a number, Premier and ministers.' 'Okay, we've got \$24 million.' 'You've got to have a couple of titles in there.' 'We'll call one a Small Business Development Fund, because that sounds good, and we will call one a Food Park, because there is support for that at the local level, and we will put \$7 million in it.'

Maybe a minister asked the question, 'Well what are they actually going to do and how are they going to spend the money,' and they say, 'Well, we have no idea, but we will sort that out later,' because the Premier and the Treasurer and the government are only driven by the press release. They want to go out there in January to announce a bold new Northern Economic Plan with \$24 million in funding, and everyone assumes that something is actually going to happen. Here we are in almost June and you still cannot get a dollar out of the Small Business Development Fund. That will not start until July.

We still do not know, and the minister does not know. A month or six weeks ago, when I asked him the question, he said, 'Look, we are working on the guidelines for the Food Park and I will bring an answer back to the house shortly.' Today he is flick passing it completely, saying, 'I've got no idea whether there are guidelines'—not that he's working on them—'that's somebody else's problem, that's PIRSA's problem'. So, we do not know how that is going to operate.

That is the problem, sadly, after 14 years with this government. It is more interested in the announcement, the packaging and the plan—the saleable title: the Northern Economic Plan; the saleable title—\$10 million small business development fund; the saleable title—a \$7 million Food Park—but it does not give a continental about how it will actually operate or work, that can be done later on. There is no urgency, no hurry, no need to resolve these issues quickly. Too bad if there is chronic unemployment in the northern suburbs already, as they often tell us: the reality is that that is just left until afterwards. These are questions that members of the caucus should be asking of the Leader of the Government in this chamber, the Minister for Primary Industries, the people who are responsible for these catastrophes within government. You announce the funding, and then nothing happens.

We had the extraordinary position of the Investment Attraction Agency. The Investment Attraction Agency! Members of the Budget and Finance Committee who are with me at the moment, I can see the look in their eyes, because they know what is coming. The evidence we took about the Investment Attraction Agency was that they have \$15 million to give to businesses in South Australia. We asked them the question: there is \$5 million this year, how much money did you spend on administering the \$5 million? Then we asked: you have \$10 million next year, how much money are you going to spend on administering it? To put you all out of your misery, they are spending \$13.6 million on 40 full-time equivalent staff to distribute \$15 million in grants to businesses!

Now, who is in charge of that program? Surprise, surprise, minister Hamilton-Smith! Why are we not surprised? A man certainly lacking in any financial competence or management capacity at all is demonstrating it adequately, a minister who is more interested in empire building, in having mini-bureaucracies. Because he does not control the whole of the Department of State Development (there are about five ministers involved in that department) what he is doing, having been given responsibility for that, is building up his own mini empire in it. He is taking it over from within. It is like a cancer growing within the Department of State Development under his control, the Investment Attraction Agency.

He appoints a highly paid chief executive, and they now are going to have 40 full-time equivalents. They have already spent more than half the \$15 million on two businesses. So, two businesses have got \$8 million out of the \$15 million, so there is only \$7 million left to be distributed, and you have 40 full-time staff. You have hot and cold running staff through the Investment Attraction Agency, under the control of minister Hamilton-Smith and the chief executive, doling out money at a cost of \$13.6 million. They have gold-plated taps, gold-plated desks or whatever in the Investment Attraction Agency.

This is what your government is doing. This is what you do when you hand over control to carpetbaggers, to people who sell out their principles from one side of the political spectrum to the other for the price of being a minister and having a white car. A mini-empire is being built within that Department of State Development, and the only way it will be justified now is that they will have to give him more money, because it looks terrible if you are spending \$13.6 million to spend \$15 million. They will not do the right thing and ask, 'Minister Hamilton-Smith, why on earth have you got 40 staff and \$13.6 million to distribute \$15 million?'—that is the obvious question—'Let's get rid of three-quarters of those staff that you have just taken on.'

**The Hon. J.S.L. Dawkins:** Get rid of the minister!

**The Hon. R.I. LUCAS:** Get rid of the minister as well. 'Let's get rid of those who you've just taken on, and we'll use the rest of the agency, together with a few number of extra staff who you've got.' But you have other ministers in other agencies. They must look at the hands-off attitude to ministers like minister Hamilton-Smith and their departments and the programs like the Small Business Development Fund and others. They must just shake their heads, surely, and say, 'What level of incompetence am I sitting around the table from? How on earth do we support and protect ministers who perform in such a financially incompetent way that they can spend \$13.6 million on distributing \$15 million?'

What is the solution going to be? Not to cut it back and solve the problem. Cabinet is going to be asked in the budget discussions, the ministers sitting around this table, 'We're going to have to give minister Hamilton-Smith more money to distribute, so the equation is going to look a bit different.' It will be \$13.6 million to distribute \$30 million or something, so that percentage will change a bit. Other ministers are going to have to take further cuts and savings in their budgets because ministers like minister Hamilton-Smith, minister Maher and others are incapable of actually managing their budgets, and the Premier and the Treasurer, sadly, are lacking the authority or the willingness, or both, to pull in the reins and do something about what is going on in some of those departments.

We have seen some of the other programs, such as the Unlocking Capital for Jobs program, the \$50 million program. We asked the question. This was a big announcement in the media; a big announcement, 'We are going to unlock capital, we are going to provide assistance to businesses to create and grow jobs.' We asked the person responsible for that, 'How many applications have you done due diligence on and how many grants have you given?' One in 18 months—one! There is

\$50 million there, a big announcement, they signed up the banks to the scheme, and they have given one grant.

We asked the question, 'Maybe you did due diligence on a whole range of others because you deemed them worthy and then you rejected them or something?' No, they had only ever got to the due diligence stage of one application, which was the one they gave. They had a few inquiries, but they were not serious enough to take any further. So we have an unlocking capital program somewhere in this agency, supposedly creating jobs with a \$50 million bankrolled budget, and over 18 months or two years it has processed one application to one business.

There are so many of these examples, it would make you cry, if you were that way inclined. It would make you cry to have to endure sitting through it, as we do on Budget and Finance every second week. There is a \$4 million scheme that Premier Weatherill signed up with minister Brock, a \$4 million loan scheme for small businesses, a part of a job acceleration package that was announced to get minister Brock across the line. We asked the question, 'Okay, how many small businesses have you assisted through the \$4 million loan scheme?' None, zip, zero, nil; not one. A \$4 million dollar loan scheme has been operating there for almost two years, or whatever it is, and not one business in South Australia has been assisted by Premier Weatherill and minister Brock's small business loan scheme.

That is the problem you have with this government and with these ministers. You have ministers and premiers who just do not understand how the real world works. They see the real world in terms of businesses being, we announce a package which we can market to the media. It has to have a trendy title and a lump of money; call it something nice and that is it. Then you just move onto the next one. You have the \$4 million loan scheme. You have the \$50 million Unlocking Capital for Jobs scheme. You then have the industry Investment Attraction Agency scheme. You then have a Small Business Development Fund. You then have a Food Park, whatever it is. You just move from scheme to scheme with different lumps of money, different ministers all involved, no accountability, no record, other than the work that committees like the Budget and Finance Committee do to—

**The Hon. J.S.L. Dawkins:** It makes the Riverland Sustainable Futures Fund look good.

**The Hon. R.I. LUCAS:** There are any number of these schemes and funds and grant schemes, etc., which need to be brought to account in terms of what is the value of these particular programs. What we need to do as an alternative course of action is to actually bring down the costs of state taxes and charges, the cost of doing business in the state of South Australia, essentially the proposition that Steven Marshall, the member for Dunstan, put to the people in South Australia at the last election, and continues to be the basis of the 2036 trailblazing document that was launched earlier this year by the Leader of the Opposition.

For those members who are interested, I always have my copy with me and I am very happy to quote from it at length if any members need guidance in terms of what is an alternative course of action; what is a better way of approaching the budgetary and financial problems of the state and the economic development and job creation issues that confront the state of South Australia. Is it, after 14 years of doing exactly the same, worthwhile continuing with or is it actually worthwhile contemplating a new direction, a fresh change, something which actually recognises the reality of the real world and something which recognises that what has been done for the last 14 years by this government has failed and failed miserably? With that, I indicate my support for the second reading.

**The Hon. D.W. RIDGWAY (Leader of the Opposition) (16:56):** I rise to speak to the Supply Bill 2016. I hope I do not repeat too much of what my colleague the Hon. Rob Lucas has said. Unfortunately, I had a briefing with the Minister for Agriculture and the chief of Biosecurity on an important issue so I have been somewhat delayed. Nonetheless, I will make a few comments about the Supply Bill.

Of course, it is about supplying the financial resources to the Public Service to continue doing their work until the Appropriation Bill is passed after the budget which now has been delayed a week from late June until early July, until after the federal election. We are not quite sure why that is: whether it is because there is bad news in the budget and the Premier and the Treasurer and their Labor mates in Canberra did not want that bad news circulating in South Australia prior to the federal



election, or whether they think it is good news and they do not want that good news swamped by a good election result when Malcolm Turnbull is returned to office on 2 July.

**An honourable member:** Don't be so sure about that.

**The PRESIDENT:** Order!

**The Hon. D.W. RIDGWAY:** At the end of the day, we are here debating the Supply Bill. As members would know, I am the shadow minister for agriculture, food, fisheries and forests and tourism, many of which operate in regional areas. I know my colleague has spoken a little about the regional development grants but I have had some firsthand discussions, if you like, with a number of the recipients. It is an interesting strategy when a good local business is awarded a grant: they have met all the criteria: there is the fanfare, the press release and then there is the deed of arrangement that comes afterwards. The government announces it, the minister, the Premier and minister Brock spruik it by way of a ministerial statement—how many jobs have been created and all of this wonderful investment.

However, when you drill down into it often the conditions that are placed upon the people who are fortunate enough to be awarded a regional development grant are so onerous that they are not able to take them up. There are things like having stationery approved by the government before it can be printed; titles taken over some of their assets. In one instance I heard that an application was lodged in January. It is now the middle of May and they have heard nothing other than an acknowledgement that it had been lodged. Business people—as you would know, Mr President, having been a subcontractor with a backhoe business—need to actually get on and do their business. If they have applied for a grant they need to get an answer, whether it is to be forthcoming or not, because they often have to make other decisions about investment.

People have been quite disappointed with having lodged the application only to find it takes forever to be notified and then, in the end, if you are fortunate enough to get a grant and all the fanfare, the announcement, the press release, the story in *The Advertiser*, the story in the local paper, the story in the *Stock Journal*, to find that the terms and conditions being offered to you are so onerous that you cannot actually take up the grant. I wonder how many of those grants have not been taken up as a result of the very onerous conditions that the government has put on them.

I noticed a couple of weeks ago that, out of that same fund, interest-free loans were to be granted to businesses in Whyalla. I think everybody supports that move in this very difficult time, with concerns around Arrium. Nonetheless, if they have the same conditions attached to them as some of the other grants the government is talking about, even if they are interest-free, these poor people will not be getting the assistance they think they are getting. I will quickly move on to the ongoing saga of the administration of the drought loans, particularly in the South-East. As members would know, I grew up in and have farmed on the South Australian-Victorian border, and it seems bizarre that Victorian farmers have been able to access the drought loans much more easily and readily than South Australian farmers.

I have often suggested that I think South Australian Treasury takes a much more mean-spirited view of these drought loans. For the chamber's benefit, the way it works is the federal government allocates money to the drought scheme, and the state government then administers that money. Interestingly, the state government charges the federal government (in this case, \$2½ million) to administer the loan. If a farmer defaults, the state government has to take the risk; the commonwealth expects the money back.

I expect what has happened in New South Wales, Victoria and Queensland is that the state governments have recognised that agriculture is an important part of their economy. Our government talks about food and wine from a clean environment being one of their strategic priorities, but it is clearly not a strategic priority. If you look at what is happening across the border, I suspect that the Victorian treasury department takes a slightly more generous view of agriculture and is willing to take a bit of a risk. More of these loans are approved in the other states; here in South Australia, they are not.

We have seen time and time again that the government talks the talk but does not actually walk the walk. That gives me a chance to segue into one of the issues that one of the ministers in

this chamber (Hon. Ian Hunter) is dealing with. I heard him described in question time today as, 'The worst water minister this state has ever seen.'

Minister Hunter is in charge of the natural resources management levy as well. The other day, he said something in relation to the crisis facing dairy farmers which I found quite alarming. The opposition would like to see dairy farmers exempt from the NRM levy for 12 months. At the end of the day, this is a crisis facing the dairy farmers, and this would easily be an opportunity to relieve them of a few thousand dollars. Minister Hunter said, 'Oh, but the NRM levy—'

*There being a disturbance in the chamber:*

**The ACTING PRESIDENT (Hon. J.S.L. Dawkins):** Order! Is the Hon. Mr Malinauskas okay? He's not?

**The Hon. P. Malinauskas:** I'm fine.

**The Hon. D.W. RIDGWAY:** You looked like you may have passed out. I know I am boring, but I did not think I was that boring.

**The Hon. P. Malinauskas:** No, I was just on the phone.

**The ACTING PRESIDENT (Hon. J.S.L. Dawkins):** It is out of order to speak on a phone in the chamber. Many people take no notice of that order, but the reality is that the members in the chamber were concerned about your positioning.

**The Hon. D.W. RIDGWAY:** We all look forward to your political death, but certainly not your real death.

*Members interjecting:*

**The ACTING PRESIDENT (Hon. J.S.L. Dawkins):** I call the Leader of the Opposition.

**The Hon. D.W. RIDGWAY:** Thank you. The Hon. Ian Hunter said that an NRM levy is less than 1 per cent of a business operating cost, and he is probably right. But, when a business is operating below cost, and therefore they are actually not making any profit at all, that 1 per cent is a significant impost upon that business. He does not actually understand how business works. We do not have thousands of dairy farmers, but they are confronted with a particular crisis at the moment. One way the government could show some good faith is by waiving that levy for those particular dairy farmers.

The consumption of South Australian milk is interesting, too, in relation to public servants. In DEWNR (Department of Environment, Water and Natural Resources), the minister's own department, they had a tender document wanting a company to offer to supply milk to the agency, but it did not stipulate that it had to be 100 per cent South Australian milk. You would have thought it was a pretty simple thing for a government. Minister Bignell is out there saying we have to buy more South Australian milk, the Premier has been out there saying it, we have all been out there saying it, and yet you have a government that actually has a tender that does not say, 'You must buy South Australian milk.'

I have also had it reported to me that in the Royal Adelaide Hospital only last week there were two pallets of New Zealand milk seen in a lift. Now I am told it has actually been secreted away, because they were a little bit embarrassed about that. I also heard from a patient in the Repat last year who was served what I assume was the little UHT pot of milk with their tea or coffee in the morning; again, it was New Zealand milk.

It is a bit rich for our government to say, 'The community has to support our producers and buy South Australian milk,' when clearly minister Hunter's agency was out there looking for any milk, and the anecdotal evidence is that the Department of Health buys any milk wherever it can get it. It is a bit rich that we have, if you like, two different messages coming out of the government: do as I say, not as I do. I think it is really important that we do support our producers, and it is really important that the state government actually is a model customer and leads by example, rather than just telling people what to do.

Another thing that is also interesting that comes back to the state, which is a theme I am just picking up on as I get briefings from various agencies, is the promotion of our great state. There is

so much money now spent on promoting us to ourselves. It is about, if you like, endorsing the government's policies. The government spends millions and millions of dollars on their own political announcements. But there is also the other stuff, like we saw before the last election.

The 'Adelaide, Breathe' campaign, where that space cadet dropped out of a spaceship and floated down to Adelaide, was one of those trendy advertisements, and it was really only shown in Adelaide prior to the election. I think it has had some more airings since, but all of this money is spent to promote South Australia to ourselves, which does not actually grow our economy. It does not bring more people, more tourists and more students, it does not grow the economy, and it does not grow our exports. It is sort of designed to make us feel good about ourselves.

I know there are a number of publications that have some government input. There is *The Lead*, the contract with Solstice Media, and there is Brand SA that do some promotion of the state overseas, but mostly it is focused inwardly to make us all feel good about ourselves. I think it is time we actually had a look at that expenditure. If you are running a business and there are 10 or a dozen staff, do you walk around and spend money telling each other what a great business you have, or do you actually go out and grow your sales, your revenue and your product range? That is what this state needs to be doing.

On that, I just have a few little areas I would like to mention, and maybe some of them are pumping up my own tyres just slightly. Recently, we have announced that Adelaide has been fortunate enough to win the world whisky conference in 2017. It is quite an interesting concept, where I managed to meet the guys who were promoting this and introduced them to the Convention Bureau. The Convention Bureau then went through a bit of due diligence and I believe provided them with some money out of the bid fund to secure the conference.

This conference has only ever been held in New York and London, so to have it here in Adelaide I expect will be a very different format. So, I was delighted to have that. You will see some of the world's biggest players come to this conference: Diageo, Jim Beam, all of the big players and all of the big scotch whisky companies out of Scotland, but you will also see lots of the very small producers from all over the world coming here.

Twelve months ago I hosted an industry forum on the distilled spirits industry, and I invited PIRSA to attend. The name of the gentleman who did attend escapes me now, but we had a representative from PIRSA there. This was about growing our economy. It was not about scoring political points; it was about growing our economy. I was pleased to see somebody from PIRSA there.

Some 10 days ago I hosted another one of these forums as a planning forum, if you like, ahead of this conference next August, so we are talking 15 months away. It has never been held in the Southern Hemisphere and there was huge international and overseas interest, and we had people from a range of industries here in South Australia. But also, it is interesting to note, there were more people from overseas and interstate at that particular forum interested in what was going to happen in Adelaide next year than we saw from South Australia. There were people from Scotland, Ireland, Wales, India and the US, and it was quite unbelievable that we had this really strong support.

In the lead-up to that forum I wrote to minister Bignell and asked if he could attend. I put on the record that Mr Bignell's office wrote back and said that he was unable to come. I was disappointed because it would have been good to see him there. I also wrote to the chief executive of PIRSA and the chief executive of the Tourism Commission because I thought these are the two agencies that would benefit from having some representatives there, who could get a feel of the magnitude of this conference. Unfortunately, I did not receive a reply from either of those two chief executives, which I am a little disappointed about. The conference itself will be here in 2017, 2019 and 2021, so this is not just a one-off event; this is something that will be here for a number of years. I see the Hon. John Gazzola getting quite excited about the opportunities to go to the World Whisky Conference.

**The Hon. J.M. Gazzola:** No, I didn't get invited.

**The Hon. D.W. RIDGWAY:** Well, you could have represented the minister, but he obviously did not see fit to send you along, but I am sure that I can arrange a VIP pass for the conference if you would like to go to it. It was a really useful day and I was excited that we had this great gathering

of people. I know that the group who put it together are tremendously appreciative and delighted that they have support from the bid fund and the Adelaide Convention Bureau, and they cannot speak highly enough of that and they are delighted, and I am delighted as a South Australian. We would not have the event here if it was not for that support. I do congratulate the bid fund and the convention bureau for making that money available.

We had all of these players (and a lot of them will not be back until the conference) here last Friday at an event not funded by the government, not funded by me, but funded by the industry itself to pull them together, and this includes the Australian Hotels Association, the Restaurant and Catering Industry Association, and Karen Raffen from Brand SA came along. We tried to get as many of the stakeholders in as we could, and I am a little disappointed that we did not have somebody from PIRSA or the SATC.

I looked across the crowd and could not see them. I do not believe they were sitting up the back taking notes and not making themselves known to me. If they did, I am pleased they did, but I do not believe that was the case. However, I hope they will support this event because it is an emerging industry that could help grow our economy, and we have all these little bars in the laneways that have popped up around Adelaide that the government is really proud of, and most of them now stock a range of boutique whiskies and gins, and we are seeing more and more gin producers, so this is a great opportunity for our state in that conference.

I also want to quickly mention the World Water Ski Championships, which is an interesting event. Prior to the last election there was a bid in process, and I rang Mr Bignell and said, 'Look this is a too-important event. I think we should have it. It does not really matter who wins the next election, we should bid for the 2017 World Water Ski Championships.' Incidentally, they wanted to put it into the Torrens, and we all laughed a bit and said, 'You could never ski in the Torrens,' but the world experts see the Torrens, west of Morphett Street Bridge, as one of the world's best bits of water for water skiing.

It is right in the middle of the CBD; it does not flow or rarely flows; it has no tide; and, it has reeds down the side of it so the water level and the water conditions never change. For these world championships you need to have identical conditions. The boats are computer controlled so it is actually just the skiers' ability. Also, being in the middle of the CBD, you can stay at the Intercontinental as a competitor and walk to the event.

The world waterskiing authority said, 'We would like to come to Adelaide, but you need to bid.' I said to minister Bignell, 'We need to bid.' He said they would have a look at it. Sadly, they did not bid and, of course, we did not win the election so a bid did not go in. I know the head of Events SA, Hitaf Rasheed, had said to me on a number of occasions, 'David, we might have to put a couple of hundred thousand dollars into this event.' I know that it has a viewing audience of some 300 million. I spoke with Mark Beretta, who is the sports reporter on the Channel 7 *Sunrise* show—I think he was a national waterski champion—and he made the comment, 'If you put that on, Channel 7 will come and film it.'

So there are some real opportunities. I expect it would take some investment of money to make it work; nonetheless, we missed an opportunity, and now Seattle is hosting the 2017 event and Malaysia is hosting the 2019 event. A disappointment, but hopefully we have not lost it forever and maybe there is an opportunity to showcase our city sometime in the future, in 2021 or 2023, with that particular event.

I also note the demise of the tourism signs. I think they were erected in 2000 by our tourism minister, the Hon. Joan Hall. Members would be familiar with them, the great big colourful ones you see at various times promoting the Flinders, the outback or Eyre Peninsula. Sadly, most of them are in disrepair. Some of them have fallen down and been taken away. In fact, I think I have related in here the issues with the sign out at Coober Pedy. It got so bad that it got stolen, but in the end DPTI wanted a traffic management plan lodged by the council to re-erect it. It was just a joke. Even though we are moving into the digital age, I think those signs form a fairly important part of the future of our promoting South Australia.

I did have a briefing from Tourism the other day, and I will pursue this more vigorously next Monday at the Budget and Finance Committee. We have 80 signs around the state. My

understanding is that the SATC is only going to upgrade 22 of them. Matthew Abraham or David Bevan drove across the Victorian border, I think around Pinnaroo and Ouyen, and saw the sign that had fallen down. I do remember him on radio one morning saying, 'It looks so bad'—I do beg your forgiveness for this, Mr Acting President—it looks like South Australia is a busted-ass state because they can't even afford to have a decent sign to welcome people to the border.'

I saw a map recently of the location of the 22 new signs that minister Bignell and his team are proposing, but there was no sign at the South Australian-Victorian border east of Bordertown. To declare not so much a conflict but an interest, my farm butted onto the highway and almost the border. There was one neighbour's paddock between us and the border, so I am very familiar with that road and with the amount of traffic. It is the busiest road coming into South Australia. It is busier than the road through Pinnaroo and Ouyen up to Sydney, busier than the Riverland, busier than the highway to Perth, because it connects two pretty important cities.

It is the busiest highway, with a lot of tourists. When I was back there and farming, at times there were about 2,000 vehicles a day, and it would not surprise me if it is not up to some 4,000 vehicles a day, yet there was no intention to put a sign there. If you are going to have a policy to replace at least 22 of them, why would you not have one at one of the gateways to the state? I was a bit surprised. I raised it, and I suspect that SATC may have changed their mind now and will be upgrading 23 of them. I have just checked my notes for the latest figures. There are 4,600 vehicles a day, so that is 30,000 a week and 1.5 million a year. So it is a really good place to tell people about what we have here in South Australia.

It is interesting that there is a whole range of things that the government talks about doing well, but when you drill down to it, they really skate over the top. I think the tourism signs are a good example of their absolute focus on Adelaide. The Liberal policy of bringing footy back to the city was such a good policy, because football in the city has promoted—

*The Hon. P. Malinauskas interjecting:*

**The ACTING PRESIDENT (Hon. J.S.L. Dawkins):** Order! The honourable member is out of order.

**The Hon. D.W. RIDGWAY:** I will not be distracted by—was he just at the SDA or still working in the supermarket when the policy was announced? I am not sure. But, at the end of the day, bringing footy back to the city was always a very good idea. That is why we are not surprised that the city's—

*The Hon. P. Malinauskas interjecting:*

**The ACTING PRESIDENT (Hon. J.S.L. Dawkins):** I remind the honourable member that interjections are out of order at any time, but particularly when the member is out of his seat and leaning outside of the chamber.

**The Hon. D.W. RIDGWAY:** Thank you for your protection, Mr Acting President. Nonetheless, it was a great idea and we knew it would be successful, but what we are seeing now is all these people coming into Adelaide. We have more people coming than ever before, but they stay fewer nights because the government's policies are not dispersing them into the regions, so we are not seeing the benefit out into the regions, as we should, from increased visitors.

I do not want to go on for too long tonight, but I will speak about a couple more issues. I congratulate PIRSA. As members would know, this chamber and then the House of Assembly passed the bill to allow South Australians to grow opium poppies. I commend PIRSA for the work they have done to progress the promulgation of regulations and expressions of interest. Whilst I do not expect that we will see poppies all across South Australia from border to border, nonetheless it needs the support of the agency for that whole regulatory framework to support the industry. I am happy because I noticed only today that some information has gone up on the PIRSA website in relation to the regulations around the production of poppies. I am excited by the opportunity, but I am also really pleased that PIRSA has got on and done the job. It gives you a warm glow that you can get a bit of legislation through the parliament and then the government agency actually progresses it and does its part as well, so we end up with an opportunity for our farming communities.

We announced just recently the multi-peril crop insurance, which is an opportunity for farmers to, if you like, offset their risk by ensuring against their production costs. So, at the end of the day, I hope in the next budget we see the current government offering that, because at this point in time it is only \$40,000 or \$50,000, but it will give the farmers the incentive to manage their own risk, and that is very important.

I want to cover some issues around the Investment Attraction Agency and the board chaired by Mr Rob Chapman, President of the Crows. Recently, my colleague the Hon. Rob Lucas exposed that the Investment Attraction Agency is spending I think \$13.6 million to distribute some \$15 million in grants to businesses. Evidence to the Budget and Finance Committee last week revealed that the Weatherill government is now spending \$4.9 million of this on 30 staff in the new Investment Attraction Agency to administer \$5 million in grants to businesses. Next year, the Weatherill government has promised to spend \$8.3 million on 40 staff to administer \$10 million in grants to businesses.

It really surprises me; of course the government's focus has also been on South-East Asia. Minister Hamilton-Smith, the Hon. Kyam Maher's very best friend he says often in this chamber, has had a big focus on South-East Asia and India, and it has an international board, but there is not one board member from that part of the world. Everybody knows that India is a complicated part of the world with which to do business, so I really cannot understand why the minister would not have on the board somebody from that part of the world.

I also draw attention to something Mr Chapman had to say at an SA Business Index luncheon. He is Deputy Chairman of the government's Economic Development Board and head of the government's investment agency, and, amongst other things, Mr Chapman said:

We've got to sell South Australia for a start. At the moment, we're not even in the consideration phase—no-one knows where we are...not even on the radar so we've got to do a better job at selling the state, and then make a value-proposition or compelling reason why they should relocate here.

This is not the first time I have raised this issue in this place. The state Labor government is intent on trying to sell, as I said earlier, South Australia to itself. We need to promote South Australia to the world, not to ourselves. It is interesting that the two full-page ads this year by Brand South Australia, around Easter time, in *The Advertiser* were telling South Australians how good South Australia is. We are all still here, and most of those who are not happy with South Australia have already gone. I am not quite sure that we need to tell each other why South Australia is good, we have to be telling the world to come back. It is concerning that the deputy chair of the state government's own Economic Development Board and head of the Investment Attraction Agency feels compelled to come out with statements like the one I just mentioned because he is so frustrated by the incompetence of the current government.

Going forward, I hope to see this government change its approach and start selling South Australia to the world, because South Australia has a lot to offer, with our premium food and wine and advanced manufacturing, and the future has been secured by the federal Coalition's \$80 billion naval shipbuilding project to be built in Adelaide. We have some of the most beautiful regions in the world for tourism. There is much we have to offer, and the government needs to be selling South Australia. With those few words, I support the Supply Bill.

Debate adjourned on motion of Hon. J.M. Gazzola.

## **CORPORATIONS (COMMONWEALTH POWERS) (TERMINATION DAY) AMENDMENT BILL**

*Second Reading*

Adjourned debate on second reading.

(Continued from 18 May.)

**The Hon. A.L. McLACHLAN (17:26):** I rise to speak to the Corporations (Commonwealth Powers) (Termination Day) Amendment Bill. I speak on behalf of my Liberal colleagues. I indicate that the opposition will support the passage of the bill. The bill before the chamber amends the Corporations (Commonwealth Powers) Act, which refers legislative power from South Australia to the commonwealth to enact the Corporations Bill 2001 and the Australian Securities and Investments Commission Bill 2001 as law extending to each state, and to make express amendments to those

acts regarding forming corporations, corporate regulation and the regulation of financial products and services.

The above powers (made pursuant to section 51 of the constitution and with referrals from all other state parliaments) create the basis for the national regulation of corporations and financial products and services. The corporations scheme commenced on 15 July 2001 and replaced the national scheme laws. All states have enacted referral legislation in accordance with section 51(xxxvii) of the constitution, that being the federal constitution, referring the relevant power to the commonwealth parliament.

This bill is necessary because the referrals of power supporting the scheme terminate on the 15<sup>th</sup> anniversary of the day of the commencement of the corporations legislation, which will be 15 July 2016. The bill extends the references of power for a further five years, until 15 July 2021. It has previously been extended in 2005 and again in 2011, in both instances for five-year periods. Unless extended by the parliament, South Australia would cease to be a referring state and part of the corporations scheme.

The government asserts that, if South Australia ceased being a referring state, the extent to which corporations legislation would continue to apply within South Australia would be uncertain. Further, this uncertainty would also undermine any attempt by the state to establish its own system of corporate and financial regulation, as any South Australian laws would be invalid, to the extent they are inconsistent with a valid commonwealth law. I indicate to the chamber that the Liberal Party supports the bill. It will not be seeking amendments. I do not have any specific issues to raise during the committee stage.

**The Hon. P. MALINAUSKAS (Minister for Police, Minister for Correctional Services, Minister for Emergency Services, Minister for Road Safety) (17:28):** I thank everyone for their contributions thus far and look forward to looking at the bill at the committee stage if need be.

Bill read a second time.

*Committee Stage*

In committee.

Clause 1.

**The Hon. A.L. McLACHLAN:** The Liberal Party has no contribution and will not be seeking amendments.

Clause passed.

Remaining clauses (2 and 3) and title passed.

Bill reported without amendment.

*Third Reading*

**The Hon. P. MALINAUSKAS (Minister for Police, Minister for Correctional Services, Minister for Emergency Services, Minister for Road Safety) (17:31):** I move:

That this bill be now read a third time.

Bill read a third time and passed.

**REAL PROPERTY (ELECTRONIC CONVEYANCING) AMENDMENT BILL**

*Second Reading*

Adjourned debate on second reading.

(Continued from 18 May 2016.)

**The Hon. A.L. McLACHLAN (17:31):** I rise to speak to the Real Property (Electronic Conveyancing) Amendment Bill. I speak on behalf of my Liberal colleagues. I indicate that the opposition is supporting the second reading of the bill.

This bill is part of the Council of Australian Governments reform that aims to provide a single electronic conveyancing system throughout Australia. Once implemented, national electronic conveyancing will provide a common regulatory framework to enable documents in an electronic form to be lodged under the Torrens land title legislation in each state and territory. The government asserts that South Australia's participation in national electronic conveyancing will reduce extant administration burdens and costs associated with the physical settlements and processing of paper-based land transactions.

The bill before us is the third in a tranche of legislation to effect electronic conveyancing. I have previously spoken on behalf of the party in support of the Real Property (Priority Notices and Other Measures) Amendment Act when it was introduced in the chamber last year. That act introduced the first set of changes that are required to facilitate the introduction of national electronic conveyancing to the Real Property Act. In particular, it will introduce a statutory power to require parties to conveyancing transactions to verify their identity as well as new instruments called priority notices. Those amendments commenced on 29 April 2015.

The Electronic Conveyancing National Law South Australia Act 2013 introduced a common regulatory framework that will enable electronic documents to be lodged under Torrens land title legislation in each state and territory. That act commenced on 21 January this year. This bill before us is the last, as I have indicated, to fully implement the national electronic conveyancing system.

Not only is it asserted that it will reduce costs and delays associated with conveyancing and settling land transactions but it is also asserted that it will increase the accuracy of transactional data lodged with the land registries and hence reduce the costs of corrections. It is anticipated to also reduce the complexities and costs of dealing with land across eight different jurisdictions.

In practical terms the bill will make certain changes to our conveyancing system to facilitate a smooth transition from paper conveyancing to electronic transactions, and further avoid the complexity and cost of dealing with two separate systems.

In practical terms, some of the amendments include: broadening the certification requirements to align with the requirements for electronic conveyancing, to provide greater certainty that conveyancers, legal practitioners and mortgagees have complied with their statutory obligations, including verification of identity. It also provides for a client authorisation to be provided when a party to a transaction is authorising their solicitor or conveyancer to execute and lodge documents on their behalf. It will introduce an offence prohibiting legal practitioners or conveyancers from executing or lodging an instrument other than in accordance with the terms of a properly completed client authorisation form. It introduces amendments to permit a mortgage to be lodged without the mortgagor's execution, where the mortgagee is represented by a legal practitioner or conveyancer.

The bill removes the requirement for the Registrar-General to issue, and for the registered proprietor to produce, duplicate certificates of title and tenant copies of crown leases, as this practice is incompatible apparently with the new system of electronic conveyancing. The bill further introduces a subscription service known as Title Watch; an alert service which will notify the subscriber by email or SMS that activities such as lodgement of a priority notice have been detected on the nominated title. It also amends the Real Property Act to expressly allow a registered proprietor to caveat their own property. The bill creates offences to accommodate the new electronic conveyancing system, such as an offence for fraudulently using a digital signature or client authorisation or false certification.

I have endeavoured to set out the more practical initiatives in this bill. I anticipate that I will have some questions in relation to the operation of the bill if it is enacted into law. It is interesting to note that there is a substantive move in all three tranches of legislation to place a greater burden on the conveyancing profession and the legal profession to certify identity. This is a significant philosophical shift in the regulation of the conveyancing of our land. The Liberal Party has formed its view to support the second reading of the speech based on the submissions of stakeholders, in particular the Law Society. I commend the bill to the chamber.

Debate adjourned on motion of Hon. G.E. Gago.



**STATUTES AMENDMENT (ATTORNEY-GENERAL'S PORTFOLIO) BILL***Second Reading*

Adjourned debate on second reading.

(Continued from 18 May 2016.)

**The Hon. J.A. DARLEY (17:38):** I rise to speak very briefly on the Statutes Amendment (Attorney-General's Portfolio) Bill. In the main this is a technical bill aimed at addressing minor errors and other technical deficiencies in legislation. Areas of reform include changes regarding forensic procedures, changes to the Civil Liability Act, regarding admissions of fault and legal protections for apologies made in civil proceedings, changes regarding definitions applicable to vulnerable witnesses, accessibility to court records and upper maximum age limits for jurors, amongst others.

I am particularly pleased to see that this opportunity has been used to address some shortcomings in the Electoral Act, as they relate to political expenditure and donation disclosure thresholds for donors to political parties. I also note that the opposition did propose amendments in the other place, aimed at dealing with some of these areas of reform, and I certainly intend to consider those if they are moved in this place as well. With those very few words, I indicate my support for the second reading of the bill.

Debate adjourned on motion of Hon. G.E. Gago.

**STATUTES AMENDMENT (COMMONWEALTH REGISTERED ENTITIES) BILL***Second Reading*

Adjourned debate on second reading.

(Continued from 18 May 2016.)

**The Hon. A.L. McLACHLAN (17:39):** I rise to speak to the Statutes Amendment (Commonwealth Registered Entities) Bill. I speak on behalf of my Liberal colleagues and indicate the opposition will be supporting the bill.

The bill seeks to amend the Collections for Charitable Purposes Act 1939, which requires charities that are collecting, or seeking to collect, money or goods for defined charitable purposes in South Australia to be licensed. It also seeks to amend the Associations Incorporations Act 1985, which makes provision for the incorporation, administration and control of associations.

We currently have a state scheme that sits alongside a national scheme. The aim of the bill is to reduce the 'administrative burden for charities' registered under the Commonwealth Australian Charities and Not-for-profits Commission Act 2012 (ACNC). Currently, charities collecting, or seeking to collect, money or goods for a defined charitable purpose in South Australia have to be licensed. South Australia has had a regulatory disclosure scheme since 2009. In 2012, a national scheme was also established by the commonwealth government. In March 2016, the federal government confirmed it would be retaining the national structure. It claimed it assisted them in identifying charitable organisations for income tax purposes.

It is not mandatory for charities to register with the ACNC national scheme; however, any charity seeking access to commonwealth taxation concessions, including deductible gift recipient status, is required to be registered. This bill before us proposes that any charity registered under the commonwealth act that gives notice of its intention to act as a collector will be allowed to conduct fundraising collections in South Australia without having to apply for a licence under the South Australian act.

The bill reduces duplication by relieving charities of the obligation to complete the South Australian registration if they are registered under the federal scheme. It enables the minister to request criminal history information from SAPOL about a particular applicant or licence holder to better address concerns about the potential misuse of funds collected for charitable purposes. It also enables the minister to require, by way of written notice, a person to produce records, documents or other information in the person's possession which are connected with an activity for which a licence

is required. The amendments relating to the minister's power to gather information have been achieved by inserting entirely new sections (14A and 14B) into the act.

The bill relieves charities of the obligation to lodge periodic returns if certain information has been provided to the ACNC, and clarifies the definition of 'charitable purpose' to make it clear that it includes support, provision and research in connection with health services. The inclusion of health services and research accords with section 12(1)(a) of the Commonwealth Charities Act.

The Attorney has indicated in the other place that the provisions contained within the Charities Code of Practice, which are issued by the minister under the South Australian Collections for Charitable Purposes Act, will continue to apply to all licence collectors in South Australia. The code of practice covers areas such as hours and location of collection activities, identification requirements for collectors, receipts, the health and safety of collectors, and disclosure by collectors.

The Liberal Party, in supporting the passage of this legislation, has taken into account the public consultation by the Department of Treasury and Finance. It notes that the submission by the South Australian Council of Social Services has indicated a minor concern, in relation to the provision of the release to the minister by the Commissioner of Police, not only prior convictions but also extends to information that might be relevant to the person's character or antecedence. Whilst I do not wish to delay the passage of this bill, I ask that the minister respond to a couple of questions, either in the summing up of the debate, or in committee, or I am prepared to receive an undertaking that the information will be supplied within a reasonable time at the conclusion of the passage of this bill.

This is not to say that the Liberal Party is concerned about this provision, but we would like an understanding of what gave rise to the inclusion in the bill of the provision that will enable the minister to attain not only criminal history information but other information regarding the antecedents of particular individuals. In particular, why was it considered necessary, were there any particular incidents that demanded this particular solution, and under what set of circumstances does the government envisage this provision being used? In other words, what procedures will be followed when this sensitive information is received and where will it go to from there? As I have said, the Liberal Party supports the bill. We will not be seeking amendment in committee. With those words, I conclude my speech in relation to the second reading.

**The Hon. P. MALINAUSKAS (Minister for Police, Minister for Correctional Services, Minister for Emergency Services, Minister for Road Safety) (17:45):** I would like to thank speakers and contributors to the debate. I understand there are a couple of questions that have been raised throughout the course of the Hon. Mr McLachlan's contribution. I will undertake to take those questions on notice and get back to him with a response as quickly as possible.

Bill read a second time.

*Committee Stage*

In committee.

Clause 1.

**The Hon. A.L. McLACHLAN:** The minister has given an undertaking to me that he would respond to the questions that I have raised in the second reading. I accept that undertaking and therefore am happy that the committee process continues this evening. I will not be seeking any amendments.

Clause passed.

Remaining clauses (2 to 21), schedules 1 and 2 and title passed.

Bill reported without amendment.

*Third Reading*

**The Hon. P. MALINAUSKAS (Minister for Police, Minister for Correctional Services, Minister for Emergency Services, Minister for Road Safety) (17:49):** I move:

That this bill be now read a third time.

Bill read a third time and passed.

### **MAGISTRATES COURT (MONETARY LIMITS) AMENDMENT BILL**

#### *Second Reading*

**The Hon. P. MALINAUSKAS (Minister for Police, Minister for Correctional Services, Minister for Emergency Services, Minister for Road Safety) (17:49):** I move:

That this bill be now read a second time.

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

Leave granted.

The Magistrates Court (Monetary Limits) Amendment Bill 2016 (the 'Bill') reduces the upper monetary limit for minor civil matters in the Magistrates Court from \$25,000 to \$12,000.

The intention of this legislation is to reduce court delays and the complexity of small claims in the Magistrates Court.

The catalyst for this Bill was a report entitled, *Statutes Amendment (Courts Efficiency Reforms) Act 2012: Review of the operation and impact of the increased monetary limit for Minor Civil Matters* (the Report) produced by the Office of Crime Statistics and Research (OCSAR).

In 2012 the government introduced the *Statutes Amendment (Courts Efficiency Reforms) Bill 2012* (the 'Courts Efficiency Bill') into Parliament amending the *Magistrates Courts Act 1991* (the 'Magistrates Court Act') to increase the monetary limit of Minor Civil proceedings from \$6,000 to \$12,000. The Courts Efficiency Bill, however, was amended in the Legislative Council. Once passed, section 23 of the *Statutes Amendment (Courts Efficiency Reforms) Act 2012* (the 'Courts Efficiency Act') amended section 3(1) and section 3(4)(a) and (b) of the Magistrates Court Act and increased the monetary limit from \$6,000 to \$25,000. These amendments commenced on 1 July 2013.

Section 28(1) of the Courts Efficiency Act requires that the Attorney-General, conduct a review of the operation and impact of the amendments made to the Magistrates Court Act, as soon as practicable after the first anniversary of the commencement of section 23. OCSAR conducted this review, the results of which are contained in the Report.

The purpose of the increase was to keep in line with interstate jurisdictions and improve access to justice, by expanding the range of claims that could be made without incurring substantial legal costs that would otherwise outweigh the value of the claim. It was acknowledged that the enlarged Minor Civil jurisdiction may impact upon the ability of the parties to represent themselves, but it was felt that the increased access to justice and reduced cost of litigation outweighed this potential negative consequence.

Under section 3(2) of the Magistrates Court Act a Minor Civil action includes small claims, neighbourhood disputes and minor statutory proceedings. A neighbourhood dispute is defined as a dispute between neighbours, or the occupiers of properties in close proximity, based on allegations of trespass or nuisance.

When the Courts Efficiency Bill was originally introduced into Parliament on 1 March 2012 it was proposed that the monetary limit for Minor Civil claims would only be increased from \$6,000 to \$12,000. This increase was proposed in consultation with the Chief Magistrate in order to keep South Australia in line with other jurisdictions and to improve access to justice.

The Bill was amended in the Legislative Council. This included an amendment moved by the Opposition to increase the monetary limit for Minor Civil claims from \$12,000 to \$25,000.

We opposed these amendments at the time and voiced concern in the Legislative Council that the small claims jurisdiction shouldn't be overloaded with long and complicated matters that may lead to further delays. We advised the House that parties in a small claim hearing are usually not entitled to legal representation and this could often add an additional burden, which would only be exacerbated by dealing with more complex trials in a more informal setting if the limit was increased.

We also informed the Legislative Council that the Courts Administration Authority had advised that an increase to \$25,000 would also impact on the workload of court registrars dealing with minor civil claim directions hearings, as there would be an increase in the number of matters being listed. It was also put on record by our spokesperson in the Legislative Council that in most other states the small claims jurisdiction is limited to claims of \$10,000, and Queensland is the only jurisdiction with a small claim jurisdiction of up to \$25,000.

The committee was divided on the proposed amendments, but in the end the amendments were carried.

Between July 2014 and February 2015 OCSAR conducted a review of the operation and impact of the amendments made to the Magistrates Court Act by section 23 of the Courts Efficiency Act. The review was conducted using both quantitative and qualitative forms of data collection and analysis. The qualitative assessment was based on the collation and analysis of feedback from persons directly involved in the implementation and operation of the

legislative changes. This included the judiciary, legal practitioners and representatives from the Courts Administration Authority. An online survey was also conducted for legal practitioners and a submission was received from the Joint Rules Advisory Committee (JRAC), which comprises members of the judiciary, Registrars, and representatives from the Law Society and the Bar Association. The quantitative analysis involved the statistical analysis of a range of administrative data collected by the CAA, including trends in the number of Minor Civil lodgements and time to finalise matters, between 2010/11 and 2013/14.

Following the commencement of section 23 of the Courts Efficiency Act, as set out in the Report, the review found:

- an increase in the number and complexity of small claim lodgements in 2013/14 (up 7.9% to 21,547 in 2013/14);
- some indication of an increase in accessibility to the civil justice system (with an increase in the actual number of small claims between \$6,000 and \$25,000 of in the order of 6.8% compared with claims for this amount range in the General Civil jurisdiction in previous years;
- a possible reduction in the median number of days to finalise a defended claim between \$6,000 and \$25,000 although it is recommended a further 12 months of data be considered before drawing such a conclusion; and
- an increase in the number of days from lodgement to finalisation for small claims since commencement of the Courts Efficiency Act (132 days in 2013/14, compared with between 109 and 118 in the three previous years).

A number of the respondents who provided feedback to OCSAR acknowledged that the monetary increase had broadened access to the civil justice system, but felt that the number of complex claims where the parties were unrepresented had also increased which was requiring additional time for the Registrar or Magistrate to determine the relevant issues. Respondents generally felt that the new limit of \$25,000 for Minor Civil actions was too high and that changes, such as reducing the limit, excluding specific types of claims, or providing more access to simple legal advice were necessary to ensure a balance between accessibility and efficiency.

The majority of respondents felt that an increase in the monetary limit for small claims from \$6,000 was warranted, but most had concerns about the \$25,000 limit. The most common concern was the increased complexity of matters that were now defined as Minor Civil.

It was anticipated at the time of the previous amendment that the lack of legal representation would be overcome by the Magistrate taking on an 'inquisitorial role', however respondents to the review advised that there is insufficient time when conducting matters to fill the gap in the vetting process left by solicitors. These views are consistent with the data analysis, which indicates that in 2013/14 there were 3,256 minor civil lodgements with claim amounts of more than \$6,000, which would have previously been dealt with in the General civil jurisdiction with legal representation.

As spelt out in the Report, JRAC supports my proposal to reduce the upper limit in the definition of a small claim to \$12,000. Based on the 2013/14 figures, a \$12,000 upper limit for Minor Civil would reduce the total number of lodgements by approximately 6%. While this reduction may appear small, it is noted that claims over \$12,000 are generally more complex and require more time to finalise. The impact upon the operation of the Magistrates Court (Civil) is therefore likely to be higher than the percentage reduction suggests.

I note that New South Wales, Victoria, Western Australia and the Australian Capital Territory all currently have an upper monetary limit for small claims of \$10,000. Tasmania has an upper limit of \$5,000, whilst Queensland and the Northern Territory remain outliers with an upper limit of \$25,000. Thus reducing the upper monetary limit from \$25,000 to \$12,000 will bring South Australian back in line with other Australian jurisdictions.

The aim of this amendment is to reduce court delays by decreasing the number and complexity of small claim lodgements in the Magistrates Court.

I commend the Bill to Members.

#### Explanation of Clauses

##### Part 1—Preliminary

###### 1—Short title

###### 2—Commencement

###### 3—Amendment provisions

These clauses are formal.

##### Part 2—Amendment of *Magistrates Court Act 1991*

###### 4—Amendment of section 3—Interpretation

This clause amends section 3 to reduce, from \$25,000 to \$12,000, certain monetary thresholds in the Magistrates Court relating to applications under the *Retail and Commercial Leases Act 1995*, small claims, neighbourhood disputes and minor statutory proceedings.

Schedule 1—Transitional provision

1—Transitional provision

The transitional provision makes it clear that the monetary threshold changes will only apply to proceedings commenced on or after the commencement of the measure.

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

### **DOG AND CAT MANAGEMENT (MISCELLANEOUS) AMENDMENT BILL**

#### *Final Stages*

The House of Assembly agreed to the bill with the amendments indicated by the following schedule, to which amendments the House of Assembly desires the concurrence of the Legislative Council:

No 1. Clause 5, page 5, lines 31 and 32 [clause 5(8), inserted definition of *desex*]—

Delete the definition and substitute:

*desex* means to castrate or spay an animal so as to permanently render the animal incapable of reproducing (and *desexed* has a corresponding meaning);

No 2. Clause 5, page 6, line 22 [clause 5(17), inserted definition of *working dog*]—

After 'working' insert 'livestock'

No 3. Clause 26, page 17, line 33 [clause 26, inserted section 42D]—

After 'working' insert 'livestock'

No 4. Clause 36, page 22, after line 19—Insert:

(1) Section 47(1)—delete 'Division 1 or 1A' and substitute 'this Act'

No 5. Clause 51, page 37, line 23 [clause 51, inserted section 70(4)]—

After 'working' insert 'livestock'

### **HEALTH CARE (MISCELLANEOUS) AMENDMENT BILL**

#### *Final Stages*

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

At 17:52 the council adjourned until Wednesday 25 May 2016 at 14:15.

*Answers to Questions***LONG SERVICE LEAVE**

**22 The Hon. R.I. LUCAS** (3 December 2014). For each department or agency then reporting to the Minister for Manufacturing and Innovation—

1. What is the estimated long service leave liability as at 30 June 2014 in days and dollars?
2. What is the highest long service leave entitlement that has not been taken for any employee, as at 30 June 2014, in days and dollars?
3. (a) What funding, as at 30 June 2014, was held in accounts controlled or administered by the Department or Agency to fund long service leave; and  
(b) What were the names of the accounts and total funds held in these accounts as at 30 June 2014?
4. (a) What policies, and monitoring of these policies, are in place to ensure that there is not a build-up of long service leave liability within the department or agency; and  
(b) Are employees required to take long service leave after a certain level of entitlement has accrued?

**The Hon. K.J. MAHER (Minister for Employment, Minister for Aboriginal Affairs and Reconciliation, Minister for Manufacturing and Innovation, Minister for Automotive Transformation, Minister for Science and Information Economy):** I am advised the following:

1. Forty thousand and eighty eight days and \$11,933,000.
2. Four hundred and thirty five days and \$201,931.
3. (a) The department had access to cash balances held in the then Department for Manufacturing, Innovation, Trade, Resources and Energy (DMITRE) operating account and the accrual appropriation reserve to fund long service leave liabilities.  
(b) The DMITRE operating account held a balance of \$18.2 million and the accrual appropriation reserve held a balance of \$4.0 million.
4. (a) Long service leave is managed in accordance with the Department of State Development (DSD) Leave Procedure and Commissioner's Determination 3.1: Employment Conditions—Leave. DSD regularly monitors the long service leave liability through its workforce reports. There is no requirement for employees to take long service leave as it accrues, however DSD encourages a planned approach to the taking of such leave.  
(b) As per the Commissioner for Public Sector Employment's determination, the department is unable to direct employees to apply for and take long service leave.