HOUSE OF ASSEMBLY

Tuesday 14 October 2008

The SPEAKER (Hon. J.J. Snelling) took the chair at 11:02 and read prayers.

WATER (COMMONWEALTH POWERS) BILL

Adjourned debate on second reading.

(Continued from 23 September 2008. Page 116.)

Mr WILLIAMS (MacKillop) (11:04): Today the parliament is addressing a matter which can only be described as being too little, too late. If ever there was a fitting time to use that commonly used phrase, this is certainly the time with regard to this matter, the Water (Commonwealth Powers) Bill 2008. I will go through a range of matters which will demonstrate why we have before us today a bill which is far too little and far too late.

I will remind the house of what has happened over the past, and it has been a long time coming. I might even go back to the 1890s. I will remind the house of what has happened in more recent times and how the government of South Australia and the federal government in Canberra have failed the people of South Australia. I will remind the house of some of the things which should have been done, both by the government of South Australia and the federal government in Canberra, as well as some of the things which now will not be done because we have missed an opportunity.

It is not what is in this bill that is the problem for South Australia; it is what is not in this bill. It is the missed opportunity—the things that have not been done that are not being addressed and the mistakes of the past that are being ignored that is the problem. I accept that there is nothing in this bill that is a problem to the opposition, and we will be supporting the bill. However, there is plenty in the bill which will create problems because the government of South Australia has accepted this as a solution. This is not a solution, and in accepting it at this time it will prevent us as a state and as a nation from doing the hard work and getting the achievements that we do need to get if we are to fix this problem.

We will see people across this nation think that, as far as the legislative process goes, we have solved the problem, whereas this bill barely starts to solve the problem. Every South Australian is now very well aware of the difference between the rhetoric this government comes out with—particularly the Premier, but all the front bench, including this minister—and the reality that sits behind that rhetoric. Every South Australian is aware of that. Let me use just one example which, I think, people will appreciate right up front. I recall both the minister and the Premier exhorting in this house that what we need is an independent authority. I remember them saying, 'What we need is something like the Reserve Bank Board; that is the sort of independence we need.' Last week we saw the Reserve Bank Board in action.

We saw the Reserve Bank Board sitting behind closed doors making an independent decision. We saw the Reserve Bank Board, with all the pressure from the public, from the pundits, from the so-called experts and from the politicians (not the least), yet the Reserve Bank Board did not consult with the federal Treasurer, it did not consult with the Prime Minister and it did not consult with the state treasurers. The Reserve Bank Board made an independent decision. That is what the Premier of this state has said that we need to save the River Murray. On rare occasions I happen to agree with the Premier. We need an independent authority, which will make decisions without fear and without favour and which will not be subject to having to consult, being vetoed or being overturned by state ministers or, indeed, a federal minister.

As we debate this measure today, I will point out exactly where this bill fails to give us a Reserve Bank Board-type authority, fails to give us that sort of independence and fails to deliver what we need in South Australia. We need decisions made independently from political consideration. We need decisions based on good science. We need decisions which recognise the here and now. For goodness sake, we need decisions made that recognise the needs of the environment, and we need water allocations made for the environment so that the environment has at least the same status as high security water holders.

At the moment, with water restrictions, we have irrigators on 11 per cent—hopefully, we might get some rain in the catchment and that will improve—irrigators in New South Wales, on the Southern Darling, are on 100 per cent, irrigators on the Murrumbidgee are on almost 100 per cent,

and we have the environment—as we see every time we look at the Lower Lakes—on zero per cent. As most commentators have been saying, we need the independent authority to be able to say, 'Yes, as a country, as a nation, as a state, we do value the environment and we do value the environment highly,' because that is something that has been missed by the Rudd government, and it is something which has obviously fallen off the radar for the Rann Labor government here in South Australia.

One of the things that I have learned from listening to this government over the past 6½ years is that the greater the spin the less the substance. There is an inverse proportionality between the spin that comes out of this government and what actually happens in reality. I will talk about the process that we are going through in a few minutes, but it is a very convoluted process that we are using here today, and one that certainly has not been used by this parliament in the 10 or 11 years that I have been here, to the best of my memory. It is one which I understand has been used previously but on very rare occasions, and I will talk about that in a moment.

This process means that most of the members of this place have very little understanding of the detail behind the bill, because the bill we are debating is very small. I will come to that in a moment. That has allowed the government to spin and spin and spin, because most members of the house and most members of the media of this state are not going to pick up the document that sits behind this bill (the tabled text) and read it and understand it.

The Hon. K.A. Maywald: They should.

Mr WILLIAMS: Of course they should—the minister says they should, and they should, and I will come to that in a minute. I am talking about the relationship between spin and substance. Every time I hear a minister—particularly the Premier, but any of his ministers—come out and use the term 'historic' with regard to something they do—it is the first time; it is the biggest; this is essential for South Australia—you know that they are playing on people's emotions.

When this government resorts to playing on people's emotions you know that it has run out of substance, and that is what has happened here. It reminds me of a quote—and I cannot quite remember it; one of my colleagues may be able to enlighten me—that was made in the British parliament where one member suggested that another member was intoxicated with their own verbosity. I think that would be an apt description of our Premier.

I feel somewhat for the minister in this situation, because I am sure she came to the job, the ministry that she holds, with the best of intentions and with a well-held belief that she would actually be able to do something, particularly for her own constituents, because her constituents are probably the most affected by what has been happening with the River Murray. I think the minister, in her heart of hearts, must be dismayed at the betrayal—

The Hon. K.A. Maywald: The drought.

Mr WILLIAMS: —of the government. She says the drought. It was only three weeks ago, on Saturday, that the Prime Minister breezed into town and announced the changes to special exit payments for irrigators under certain conditions. The Premier was quoted in the *Sunday Mail* as saying that this was the last piece of the jigsaw to save the River Murray. The minister was quoted as saying that it was fantastic news. I am sure that is not what she said in cabinet on Monday morning, because I think it was by late Tuesday that the next statement came that maybe this was the last piece of the jigsaw; that they were actually going to go out as a government and do something positive to try to keep people on their farms and on their irrigation blocks in the Riverland, Murraylands and around the Lower Lakes. They were actually going to underpin water for the critical needs of the permanent plantings.

Now, according to the Premier's own comments on Sunday, that was not part of the plan on the Saturday when he had accepted commonwealth money to help people leave the industry. I am sure that the minister had to fight damn hard in cabinet to get the decision to do something to keep people on their irrigation blocks—which was announced, I think, on the Tuesday.

The Hon. K.A. Maywald interjecting:

Mr WILLIAMS: Supported not only by myself, minister; it was something I suggested to you almost 12 months ago. The response of yourself and your colleague the Minister for Agriculture, Food and Fisheries to my suggestion was something like incredulity that we would use taxpayers' money to underwrite the permanent plantings of the state. I argued for that all that time ago because I could see, and the Liberal party could see, the importance of those permanent plantings—albeit that they were owned by private businesses. They are an important part of the

economic wealth of the state, and way back 12 months ago I recognised that there was a need for the government of South Australia to do something about that.

It is just a pity, minister, that you had to wait so long and that you could not do anything about it until after you had announced you would accept commonwealth money to help people exit the industry on the condition that they tore their crops out of the ground. That is lamentable, and that is why I said in my opening remarks that it is what is not in this package that is the problem, not what is in there. I may have to repeat that from time to time to remind the minister how her own constituents are being let down.

I now turn directly to the minister's second reading explanation. It is interesting that the minister says, almost in her opening remarks:

> It is clear that the current governance and planning structures for the Murray-Darling Basin are outdated and will not enable us to deal with the pressures of overallocation, climate change, environmental degradation and future economic development.

I am not too sure that they are outdated. If being outdated is the problem, they in fact became outdated in 1901 when we moved from separate colonies to federation. If the governance arrangements became outdated, that is when they did so, and that is probably when we should have seen that we needed to move as a nation. Now, 107 years later, the minister says that they are outdated. The reality is that being outdated is not the problem; they just do not work, because they have entrenched parochialism. That is the problem.

I have to say (and I will demonstrate this as we go through the tabled text), that what we are discussing today reinforces that entrenched parochialism will stay. It is not being undone or overturned, and that is the problem. The upstream states simply thumb their noses at agreements, at protocols, and at South Australia. Their actions are treated with absolute impunity. We learnt just recently, probably only a matter of a month ago—

The Hon. K.A. Maywald interjecting:

Mr WILLIAMS: Excuse me, Mr Speaker, but if the minister wants to carry out a conversation I suggest she goes out into the lobby to do so.

The Hon. K.A. Maywald interjecting:

The SPEAKER: Order! The minister should show the same respect to the member for MacKillop that he always shows to her during her contributions.

Mr WILLIAMS: Thank you, sir. We learnt only quite recently that, after at least six years of drought, the Queensland irrigators harvested more water in the last water season than they have ever harvested before. That is what I am saying about parochial interests coming into play: more water is harvested than ever before. Down here in South Australia we scratch our heads and wonder why the Lower Lakes are literally dying; we wonder why permanent plantings on the river are dying and 10 per cent of the citrus groves in the Riverland were allowed to die last year because of lack of water.

The Hon. K.A. Maywald interjecting:

Mr WILLIAMS: I will come to that, because we did a lot about water in South Australia, to be quite honest—we did a damned lot. We were probably taking a bit of advice from the minister in those days, because I remember the then Premier used to dance to her tune on numerous occasions. It was the minister who caused him to hold an inquiry which brought about his ultimate downfall. The minister was not without influence when the Liberal Party was in power.

I do not recall the minister coming forward with any grand plan in those days. The minister will have an opportunity to round up at the end of the debate, and I am looking forward to the minister tabling the grand plan that she put before the Olsen and Kerin governments when she first came in here and the Liberal Party was in power—her grand plan for saving the Riverland and saving the River Murray—because, obviously, she has something that the rest of us are not aware of.

The question we need to ask ourselves is: having seen what happened in Queensland—and I will come to some other examples later on in my contribution—will we see any changes as a result of this bill? My gut feeling is that the answer to that question is no. I quote from the minister's second reading—and this is the sort of thing that horrifies me about this government—where she stated:

South Australia has been instrumental in the development of a governing framework whereby the commonwealth and the other basin states will implement new arrangements for managing the basin's water resources. As such, it is appropriate that we are the first state to introduce legislation to reform the governance arrangements for the Murray-Darling Basin.

That is exactly what I was talking about earlier when I said that we are giving people false hope. We are making out that we are doing something when, in reality, we are doing very little. We are claiming kudos. We are tugging at the heartstrings when we are actually not achieving very much at all. If we have to rely on sending out press releases saying that we are the first state to introduce the legislation to try to win some kudos in the electorate, we are missing the point. That is the point I am trying to make.

If this government had some substance to these bills it would be issuing press releases about the substance; it would not be issuing press releases stating, 'We're the first; we're the biggest. Aren't we good?' Self-praise, minister, is no recommendation.

I am not an avid TV watcher but I think it is the *Kath and Kim* program where one of the characters says, 'Look at me, look at me, look at me.' That is this state Labor government—look at me, look at me, look at me! I have to admit that I have never seen the program but I understand that that is a catchcry of one of its stars. It is certainly the catchcry of this government—look at me, look at me! I think it is embarrassing.

The minister says that the Liberal Party has not done anything. I have already pointed out that, if the current legislation and arrangements were outdated, they became outdated way back in January 1901. In the intervening period, there has obviously been at least robust debate between those former colonies that are now states.

The commonwealth has generally had a relatively low profile but, from time to time, it has been called upon to put in large sums of money, especially for works. I recently read some material about the discussions preceding the building of the Hume reservoir. In 1922, the commonwealth government announced that it would be a funding party to the building of the Hume reservoir if the basin states (principally New South Wales and Victoria) used it only to underpin the existing licences, not to issue licences. We all know what happened there. The commonwealth put money in, and the states kept issuing licences. That is what happened throughout the 1900s, and I suspect it will continue to happen, because we do not have it right.

However, in November 2006, John Howard—quite unique among prime ministers—said, 'This is enough. It's time we actually did something about it.' It was the Liberal prime minister who actually recognised that it was time to pull the states into order, to get them to come together and cede power to the commonwealth government so that we could have a truly independent authority to manage the River Murray.

In November 2006—I think it was Melbourne Cup day—he called the states together. What was South Australia's reaction to that? I remember the Premier on television that night, as he walked out of the meeting in Canberra, saying, 'We are going to build a weir at Wellington. That's our solution. That will save South Australia.' That is how much our Premier knew about what was going on when he went to that historic meeting. That is how in touch with the situation our Premier was—build a weir at Wellington!

The minister has had the hapless task of retreating from that statement ever since, saying 'We don't want to build a weir; it's our last resort.' How many times have we heard that since the Premier said that that was the solution to the problem? That is how out of touch the Premier was when he went to that most important meeting. No wonder we have missed the opportunity.

The Hon. K.A. Maywald: Wrong meeting, Mitch.

Mr WILLIAMS: Right meeting, minister. More recently—following that meeting in November 2006—in January or February 2007, the Howard government said, 'We want to go further. We are going to pull the states together. We recognise that there's going to be pain, but we have to fix this for the nation—and we will kick in $10 billion. We know there is overallocation; we will buy the water out. We will earmark $3 billion to buy water, to buy licences or to compensate growers who are willing to give up their licences.'

At that time, $3 billion would have bought about 1,500 gigalitres of water, which is a pretty good start. It is what the Wentworth group was calling for. It is what a lot of the commentators were saying would be needed. I will probably present some information later to suggest that even that will not be enough, because of some other things that we failed to do over the years.

We know that the Labor Party had a national plan, and that national plan was to undermine John Howard politically. Its national plan was nothing to do with saving the River Murray; it was nothing to do with saving irrigators in the Riverland: it was about winning a federal election on 24 November 2007. That is what the Labor Party's plan was about, and that is what it set about doing—undermining John Howard's plan, making sure that it would not succeed.

What has been happening is a pity, and that is why I am saying not only is it too little, it is too late. We have lost precious time while those political games were being played. Mike Rann is supposedly an influential member on the national Labor Party scene. It ill-behoves him as the Premier of South Australia, to waste that time, but that is what happened, and that is history.

The Hon. K.A. Maywald: That's your spin.

Mr WILLIAMS: You are in so far, minister, you can't get out of it, can you? The Premier—and he repeated this only recently—went to New South Wales and spoke to the New South Wales government and Premier and said, 'We need to get on board. We need to do this. We need to adopt what Howard's put before us.' The Premier then went to Queensland and did the same there, and came home and said, 'I've got agreement from New South Wales; I've got agreement from Queensland. I think we're going to be saved.' Not once has the Premier ever claimed that he went to Victoria. He has never claimed to have gone to Victoria and argued the case with the Victorian government, with the Premier of Victoria. Isn't it curious why he did not do that?

Why did the Premier go all the way to Sydney to talk to the New South Wales government, and then go all the way to Brisbane to talk to the Queensland government, and not bother to go across the border to Victoria? It is curious why the Premier failed to do that. My curiosity suggests conspiracy—perish the thought! But we do know that the Victorian government kept wriggling and squirming and twisting and turning. We do know that the Victorian government kept saying to Malcolm Turnbull and John Howard, 'Just give us a couple of weeks—almost there, almost got it sorted out. Just give us a little bit of time.' That went on month after month. That is fact.

The Labor Party got what it wanted: it won the federal election, and the growers in South Australia are still suffering. The Lower Lakes and the communities around them are still suffering. The economy of this state is still suffering. It is a form of politics that I do not subscribe to. I do not think that our job in this place is to work towards the detriment of our citizens to achieve a political end. I do not think that is what we are here for.

The Hon. K.A. Maywald: You are really funny, and you know it.

Mr WILLIAMS: That is what your government did, and you know it, minister. We got a federal Labor government, and what did it do? The Howard government actually passed the Water Act 2007, which set up most of the things which John Howard believed we should be doing. That was passed by the federal parliament but, unfortunately, it was limited in its powers because the Commonwealth Constitution did not give it some of the powers it really needed, and we are purporting to give it some more powers that are going to make it work. I am arguing that we are not giving it nearly enough powers.

Mr O'Brien: Be specific.

Mr WILLIAMS: I will be specific; I will come to that, Michael.

The Hon. K.A. Maywald interjecting:

Mr WILLIAMS: It will take a while; this is a large matter, minister. I would hate to think of how many words have come out of your mouth on water matters over the last couple of years, minister. As minister, you get a lot of opportunities. What did the Rudd government do when it came to power? It did diddly squat with regard to the River Murray; it did diddly squat with regard to the $10 billion plan.

As luck would have it, they were due to come to a COAG meeting in Adelaide on 26 March 2008. How embarrassing would it have been to have a COAG meeting in Adelaide with the River Murray, the water situation and the drought not even on the agenda? I do not know whose agenda it was on, but we know from the Victorian Premier that it was not on his agenda. In the documents he had when he came to Adelaide for that COAG meeting, the River Murray, water, the drought, and the $10 billion plan was not on the agenda that he had been given for the COAG meeting. I think it only made it onto the agenda in the car park at the Magill Estate, which is a fine restaurant.

So, there was a very hastily put together agreement. The political imperative for our Premier and his government at that time was to get John Brumby's agreement. Nothing else

mattered; they had to get John Brumby's signature. That is where things started to get really messy and go really astray, because the price of getting that signature was huge. The price of getting that signature is one of the reasons it is too little, because we gave away far too much. The Victorian bureaucrats—

The Hon. K.A. Maywald interjecting:

Mr WILLIAMS: The minister says, 'Rubbish'. The Victorian bureaucrats are still laughing up their sleeve at this minister and this government. They did us in the eye. When I talk to them, what fascinates them is how easily it happened. So, that is the problem: it became a political solution to a political problem created by politicians playing politics to win a federal election—the political problem created by the politics of the past 12 months. Then, when you had all the state premiers in South Australia, we had to get a solution—and, if you read all the press in the run up to that meeting, the solution was to get John Brumby's signature. How would we do it? Well, we would do whatever we had to—and that is what they did.

A huge price was paid for that compromise: $1 billion to Victoria to work on some infrastructure, which the experts I talk with and the experts who commentate publicly suggest may well have a net effect of having less water in the river, not more. How amazing is that, when we have a solution that costs the taxpayers of this nation $1 billion and we end up with less water in the river? There are a lot of people out there—and I happen to have great sympathy for what they say—who do not believe that the Victorian food bowl projects, stages 1 or 2, will deliver the sort of savings the Victorian government has claimed. In fact, the Victorian Auditor-General supports the position I am taking and questions the supposed saving. Even the minister before us today has been on record saying that she has concerns about the project and the supposed savings. But not once have I heard this minister, the Premier, or anyone from this government complain about the Victorians and what they are doing, and not once have I heard them complain about the Victorians building a pipeline over the Great Divide.

So, we will have a second major city in Australia being reliant on the River Murray and its tributaries for its water. At a time when the Premier is preaching the doom of climate change, he has not mentioned one word about Victorians taking 75 gigalitres of water a year out of the Goulburn Valley and pumping it into Melbourne—75 gigalitres a year that currently is subject to restrictions. I think the irrigators who would otherwise be using that water are currently still on zero allocations. Is that right?

The Hon. K.A. Maywald: No.

Mr WILLIAMS: That is not right?

The Hon. K.A. Maywald: No.

Mr WILLIAMS: What allocation do they have in the Goulburn Valley?

The Hon. K.A. Maywald interjecting:

Mr WILLIAMS: All right, I will. It is probably very low. Once it has been piped into Melbourne, by sleight of hand at some point in time, I would stake my life on the fact that that water will suddenly become critical to human needs and, every time there is a water restriction, that pipe will still be full of that 75 gigalitres of water a year. I would stake my life on that. Yet, we have not heard one sound from this government. I must admit that I have raised it a number of times. I have asked questions in here but I have not had one of them answered. We have always had the answer, 'You are talking about a different project.'

The Hon. K.A. Maywald: You always get an answer.

Mr WILLIAMS: I did not say I did not get an answer: I said you have not answered the question, minister. There is a big difference, and that is the thing about spin, minister: you claim that you give an answer but you never answer the question, and you know that. The compromise that came out of the memorandum of understanding in March 2006, which was then backed up by the intergovernmental agreement on 3 July this year, missed the opportunity of maximising the political will that was out there across the nation, particularly amongst the voting public. The people in the western suburbs of Sydney for once in their life could see the Lower Lakes on their TV screens and ask, 'What the hell is going on? Why are we doing this? Why we are destroying the environment?' Suddenly there was some political will. That was squandered. But what about the money, the $10 billion? I think that has been increased. I think it is a bit over $13 billion.

Mr Pederick: $12.9 billion.

Mr WILLIAMS: $12.9 billion? In the order of $13 billion, but what is happening to that? A sum of $3 billion of that was earmarked to buy back water, as I said earlier, and that should have been a well-planned exercise—and I will come back to that in a moment—and the balance of it was principally to be used for works, for upgrading infrastructure. I remember the Premier warning us that most of that money would be spent in New South Wales and Victoria, that it would be spent upstream, and he said it was because that is where the problems are and that 'it is about gravity, stupid'. I remember the Premier saying that. If we fix the problems up there and save the water up there, it runs down the river into South Australia.

The Hon. K.A. Maywald: He was actually quoting Malcolm Turnbull.

Mr WILLIAMS: Yes, and that is what the Premier said. But he came back with $600 million of that $6 billion which he originally said was going to be spent upstream to fix problems, yet he has come back with $600 million of that to spend in South Australia for some fantastic projects. I am not too sure that they are going to put a huge amount of water back into the river. I do know that it would probably cost at least $6 billion to do the sort of work upstream that needs to be done to increase efficiencies.

Why would we want to increase efficiencies? Because that will allow us to continue to produce food, and I do not have to remind the house that 40 per cent of Australia's food production is within the greater Murray-Darling Basin. Increasing efficiency will allow us to continue to produce food; at the same time, we will have a much more efficient use of water and we will be able to send more water down the river. We will be able to increase the reliability of supply right across the system and we will be able to address the environmental issues. That is why you spend money on infrastructure.

We have a federal government now that is going to spend money on infrastructure, somewhere at some time, but in the meantime it is out there in an ad hoc way buying water licences. In the upstream states, there are a whole host of water licence products. I was told some years ago that, upstream from the South Australian border, you can buy no fewer than 83 different varieties of water products. It depends on which valley you are in and on the reliability of the water—a whole host of things. So, we have to recognise that, unlike South Australia, where we have one water product because we have one stream and we can extract the water anywhere in that stream and the reliability is basically the same north of Renmark as it used to be in the Lower Lakes, upstream it is not like that.

We have irrigation districts. Some are very efficient and some are less efficient, but most of them rely on delivery systems that are somewhat inefficient compared with what we have here in South Australia. If you were doing a buyback and were planning to upgrade infrastructure, I would have thought you would have a plan so that you do not plan to upgrade some infrastructure in one irrigation district and, as you start to spend the money, you say 'Woops! We inadvertently bought half the water out of that district and now we don't need the infrastructure because it is going to be too costly for those who are left to actually pay for the running costs.'

These are the sorts of things that you have to plan. They have to be done in a logical fashion, but that is not what we are seeing from the current government. What we are seeing is pork-barrelling with the $600 million which was earmarked for infrastructure upgrades. What we are seeing is an ad hoc buyback of water. We are seeing no planning and, if there is, there is no evidence of it.

In fact, the federal government got a great headline for buying out Toorale Station. Great headline, but what was the plan? My understanding is that they bought Toorale Station, but the water that now will not be harvested by that particular station may well be harvested by somebody else because the commonwealth does not have ownership of it. That is what has been put to me. I do not know whether it is right or not, but that is certainly what has been put to me.

I have spent a fair bit of time talking about the 'too little'. Let me just very briefly at this stage talk about what we will get if the parliament passes this measure that is before us—and I suspect that it will. The Murray-Darling Basin Commission will disappear and we will get the Murray-Darling Basin Authority. What will be the difference? The difference will be very little. We will have the same staff. The people actually sitting on the authority will possibly be different from those who were sitting on the commission but we will basically have the same staff, we will basically have the same functions and we will basically have them doing the same thing.

I do not have a problem with that. They will be responsible largely to the federal minister, but they will still maintain a fair bit of responsibility to the ministerial council and to the New Offices

Committee, so it is still going to be a convoluted decision-making process—and I will get to that a little later. We will get a basin plan, and this is supposed to be the big win. I have some concerns about how much we will get out of the basin plan and I believe that parochialism will win the day.

This has been highlighted by the Premier and the minister: we will get water for critical human needs. For the first time in South Australia, we will be guaranteed water for critical human needs. This is where spin overcomes reality on a regular basis. We will not be provided with the water that will be pumped through the SA Water pipe network for critical human needs any more if this measure passes than we were previously.

There are two issues relating to critical human needs water that will flow down the river. One is the actual volume of water itself that SA Water can pump out, and in times of low flows South Australia will continue to have to find that water from its total allocation. South Australia will still be making decisions as to whether the water that is allocated to South Australia that year is used for critical human needs or irrigators or the environment. That will not change. What will change is that the authority will be charged with ensuring that the water, which will allow that volume of water that will be pumped by SA Water to flow through the river, will be provided as a first or highest priority. The river is maintained so that water can be delivered to supply critical human needs. That is the delivery component and that is already part of the system. We call it dilution flows.

The Hon. K.A. Maywald: No, it's not.

Mr WILLIAMS: The minister says no, it is not. Out of South Australia's 1,850 gigalitres minimum entitlement, a certain portion is a dilution flow. A component of the water that comes into South Australia is known as the dilution flow.

The Hon. K.A. Maywald: It's not enough.

Mr WILLIAMS: I know it is not enough. It is the dilution flow, the water that guarantees that we can get water of a suitable quality to our pumping stations, the last ones at Tailem Bend. That is what it is about: now it will be critical human needs conveyance water. It is nothing new.

The Hon. K.A. Maywald interjecting:

Mr WILLIAMS: Good try, minister. You sit on a ministerial council, and you are trying to tell me that the ministerial council of today would allow the river to dry up between the Hume Reservoir and the South Australian border if water were there to be delivered to Adelaide and that that water would never get to Adelaide but would sit in the Hume Dam. Give me a break, minister. That is the way the river has been operated since at least 1914, since the first agreement was made.

We are formalising, but we are not instituting a situation where critical human needs water, the water that is actually in your taps, is being supplied by anyone new or anywhere other than the same place it comes from today—that is, out of South Australia's allocation—and it is for metropolitan Adelaide and all our country regions which rely on the river.

I remind the house that South Australia relies on the River Murray probably more than does any other state in the nation: 90 per cent of South Australians rely on the River Murray for their domestic water supply, and some 85 per cent of irrigation water is used on permanent plantings, which is much higher than in any other state.

One of the other things we will get out of this matter is that we will refer some powers to the commonwealth to give the ACCC a role, and I commend that. The ACCC will be involved in the process of establishing market rules and the charges the various operators can make throughout the system. I do not have a problem with that.

The reality is that COAG agreed to these things way back in 1994. That is why we had competition payments through the nineties. They were largely about the states meeting their obligations to those COAG agreements, and the one about water pricing and water charges was signed off by the states in 1994. Why do we have to have legislation to change it now? Because to some degree the states have ignored it. This is the point I keep making and coming back to: we have agreements, legislation and legal instruments that the states continue to ignore, and we are not really getting anything through this process that will change that.

We are told that from this we will have the opportunity for South Australia to carry over. Again, it is great that that will be formalised, but it is something we were able to do previously, albeit through negotiation. We carried over water last year, and I think we carried over some water

the year before. How did we do that without this legislation? We had a ministerial council, we talked to the other people upstream and we said, 'By the way, your dams are empty. Do you mind if we save a bit of water in there?' The answer came back yes.

It will make it easier, I grant that, but this is not ground-breaking stuff. This is not really new. I guess this now begs the question of the government: now that it has access to the upstream storages—and I believe that we will have access to the rate of some 300 gigalitres (probably South Australia's requirement for a year and a half)—will the government still be wanting to double the capacity of the storages in the Hills? Will we still be spending at least $1 billion doubling the size of Mount Bold or building a new dam somewhere else in the hills? Will this government still be creating new storages down here where the evaporation rate is much greater than it is in the Hume and Dartmouth areas? It begs that question. We have in the past been able to negotiate that position; now it will be relatively formalised, but does it mean that we still have to build new storages here in Adelaide?

Again, the tabled text amends the Murray-Darling Basin agreement and we will have a different system to recognise low flows and a three-tiered system: tier 1 will recognise normal conditions and flows; tier 2 will be lower flows; and tier 3 will be extreme low flows. Those situations will trigger certain parts of the agreement and set in train certain processes. A lot of that work is yet to be done. From my reading of the document that was tabled, it basically sets out the process of how we will take the next step to work out how we will do it when the time arrives.

I remind the house about the 'too late' aspect. For goodness sake, the Water Act 2007 is called that because it was passed in 2007. We are almost at the end of 2008 and we have been so anxious to get on with this that we have had people working away in the back rooms on how to do it. I will go through the document in a while and point out the sort of processes that will be foisted upon us because the work has not been done.

The legislative process before us today is an interesting one. The only thing the state government of South Australia has done quickly with regard to the water situation in South Australia in the almost seven years it has been in power is to bring this bill to the house. It is now moving with incredible haste and we are being asked to use a process that is totally unfamiliar to the house, with incredible haste, on a very important matter. That is the only thing that this government has done in haste with regard to water. Everything else it has done has been done at a snail's pace or slower.

The bill contains a mere seven clauses, but the minister tabled a very large document, some 304 pages, in the last sitting week. It was great: I got a briefing on it last Thursday, giving me a huge amount of time to get my head around it!

Mr Griffiths: Lucky you are clever.

Mr WILLIAMS: I thank my colleague. The process is that we have tabled a text which contains amendments that the commonwealth government proposes to make to the Water Act 2007. I understand it contains an amended version or a new version of the Murray-Darling Basin Agreement. It contains a couple of other schedules which refer to some other matters, including amendments to commonwealth acts, and some transitional provisions.

All the detail about where we are going and what we are doing is in the 304-page document. None of the detail about what the government's situation will look like is in the bill before us. All that the bill does is enable us to shift the powers needed for the commonwealth government to make those amendments—that is all that the bill does in seven clauses. It enables the commonwealth to make some changes. It enables the commonwealth, principally, to disband the Murray-Darling Basin Commission and rename it the Murray-Darling Basin Authority and make it responsible, by and large, to the federal minister.

The haste with which we are expected to pass this legislation is indecent. The minister came to me earlier this morning and said that she wants to get this bill through both houses this week. That is the way that the government wants to do it and the government has put itself into that position. I remind the house of my comment about 'too late'. This government has squandered something like 18 months—with no haste whatsoever—and now got itself into a position where it hopes to debate this major change—at least in its mind it is major—in both houses this week. I think that is indecent. It denies members of this parliament the opportunity and the right to look clause by clause at the tabled text. I guarantee without fear of contradiction that very few members in the house have read the 304-page document.

The Hon. K.A. Maywald: They should have.

Mr WILLIAMS: The minister says that they should have. I think the minister is being ridiculous. She knows very well that none of her colleagues have read it. I wonder whether the minister has read it word for word.

The Hon. K.A. Maywald: Have you read it?

Mr WILLIAMS: I have, indeed.

The Hon. K.A. MAYWALD: Word for word?

Mr WILLIAMS: Word for word. I will confess that I skipped fairly rapidly through the parts of the Murray-Darling Basin Agreement which have not changed, but I have read the rest of it word for word, and markings and highlightings are in my copy.

I will spend a little time looking at the bill because the house deserves an understanding of how the bill works, and I wish to spend time on some matters in the tabled text, which highlight the argument I am making, in order to highlight the problems I foresee. I refer to clause 3 of the bill which provides:

> Commonwealth Water Act instrument means any instrument (whether or not of a legislative character) that is made or issued under the commonwealth Water Act.

I would be somewhat surprised if anyone in the house understood the effect of that, and I will confess that I am not too sure that I do—'(whether or not of a legislative character)'. Does that mean that, under that definition, a commonwealth instrument is a disallowable instrument; or are we giving the minister, the ministerial council, the officers group, or anyone else power to make law which will not be reviewed even by the commonwealth parliament? That is the question that arose in my mind when I read that and I draw it to the attention of the house. There are some lawyers in the house, and I hope that those with legal training might apply their knowledge to that. I hope that the minister in her summing up might address my curiosity on that particular point or we will have to draw attention to it at the committee stage.

I skip forward to clause 4, which refers the powers to the commonwealth. This is the tricky bit because it does it in two ways. It refers the powers which are anticipated by the tabled text; that is, the amendments it is expected the commonwealth parliament will make. By studying those amendments and going back and conferring with the principal act, we can get a reasonable understanding of what powers we are transferring through that process. That is noted in the clause as 'the initial referred provisions'. We have given the commonwealth the power to make those amendments to the Water Act. We then also give the commonwealth further powers to make further amendments in the future to the commonwealth Water Act 2007, but we do restrict what parts of the act can be amended, and we restrict it to what is known in clause 3 as 'referred subject matters'.

There is a list of the subject matters to which we are referring power to the commonwealth government and to which it can address amendments in the future. They are reasonably limited and they are within the areas that have been contemplated; that is, those restricted areas about which I have talked earlier. We are not handing carte blanche to the commonwealth powers to manage the river system: we are restricting it to those powers about which I have spoken and about which I will speak again as I go through the tabled text.

Clause 5 gives us the opportunity to terminate the reference. Again, there are two steps that this parliament may choose to take some time in the future. We may choose to terminate the whole process outright and say, 'We no longer allow you to have those powers that allowed you to make those original amendments to the Water Resources Act,' or we may take a second step and say, 'All we are going to terminate is the additional power which allowed you to make additional amendments as time goes by regarding the referred subject matters.' Clause 6 discusses the effect of making a termination of that second part of the process and how it works. Obviously if we terminate that second part of the process after it has already been used, the question arises, is the matter that has been amended legal or not? How that works is set out in clause 6.

Clause 7 is an evidential clause, which provides that the Clerk of the House of Assembly of the South Australian parliament will be obliged to hold and be able to produce a copy of the tabled text and that, under certification by the Clerk, it will be taken to be a genuine copy. That is all the bill does. The old saying refers to the devil being in the detail and that is exactly where it is. I will refer to a number of matters in the tabled text and bring them to the attention of members because,

as I said (and I stand by it), I suspect that very few members will have taken the opportunity to read it.

The tabled text contains schedule 1, which sets out the amendments that are proposed to be made to the commonwealth act and the upgraded or amended Murray-Darling Basin Agreement (the latest iteration of that agreement). Schedule 2 contains some other amendments which repeal the Murray-Darling Basin Act 1993 and makes amendments to other commonwealth acts, including the Legislative Instruments Act 2003, the Trade Practices Act 1974 and the Water Act 2007. Schedule 3 contains the transitional provisions to allow it to move, among other things, and obviously one of the important parts is the transition of the staff from the commission to the authority.

Most of the meat, I guess, is in schedule 1, which contains the amending clauses to the commonwealth act and I will briefly touch on some of them. The first amendment (18D), inserts a new clause, which provides:

> A protocol made by the authority under a schedule to the agreement is a legislative instrument, but neither section 42 (disallowance) nor part 6 (sunsetting) of the Legislative Instruments Act 2003 applies to the protocol.

I again refer to the matter that I raised a few minutes ago. Does that mean that a protocol made by the authority is a disallowable instrument, or does it not? From my reading of the document I cannot work out the effect of that. I must admit, although I did a fair amount of reading over the past weekend, I did not go to the website and download the commonwealth Legislative Instruments Act and read that, so I confess that my homework has not been complete.

I move on to new section 86A, part 2A, 'Critical human water needs'. The act will have a clause inserted here that states:

> (a) that critical human water needs are the highest priority water use for communities who are dependent on basin water resources; and
>
> (b) in particular that, to give effect to this priority in the River Murray system, conveyance water will receive first priority from the water available in the system.

As I have said, that is what South Australia knows as dilution flows.

New section 86B talks about the basin plan to provide for critical human water needs. The basin plan needs to stipulate exactly what the critical human water needs are for each state, including how much water needs to be available for critical human needs. Subsection (1) provides:

> (b) include a statement of the amount of conveyance water required to deliver the water referred to in paragraph (a).

So it is clearly a separation between the critical human water needs—the water that comes out of your tap—and the water to convey that water through the river system.

I am at pains to ensure that everyone in the house understands that there are two parts to it and that the part that will be guaranteed by legislation is the conveyance, not the water that is going to come out of your tap. That still has to be found by South Australia from its allocation. I think that is important, because the spin we have been hearing has tended to cloud that.

New section 86D concerns matters relating to tier 2 water sharing arrangements. It talks about how the triggers will work when we go into low flow conditions and what will happen. One thing I am pleased to learn is that under these conditions some of the upstream tributaries will also be taken into consideration, particularly with regard to providing conveyance water. That is something new, and I know that people in South Australia have been calling for that for many years. Basically, my understanding of this is that, in significantly low flow circumstances, water from most tributaries can also be used to meet the highest priority of providing for conveyance water. However, I need to point out that new section 86D(3) provides:

> The arrangements referred to in paragraph (1)(d) [about critical human needs] must:
>
> (a) recognise South Australia's right, as provided for in clauses 91 and 130 of the Agreement, to store its entitlement to water—

so it is recognised that South Australia will have a right to the upstream storages, and—

> (b) recognise that each of New South Wales, Victoria and South Australia is responsible for meeting the critical human needs of that state, and will decide how water from its share is used.

That is the crux of what I have been saying: South Australia is responsible for finding the actual water that will be supplied for critical human needs—the water that will come out of the taps. Let us

not get sucked into believing that we have something new here. We are formalising a process that has occurred for many years.

I come back to the point about having an independent authority charged with making decisions. New section 86F (emergency responses to the reaching of trigger points) sets out the process. It provides:

> (1) If a water quality trigger point or salinity trigger point referred to in paragraph 86B(1)(c) is reached, the Authority must—

this is the independent authority that is charged with making decisions—

> (a) in consultation with the Basin Officials Committee, formulate an emergency response to ensure that water in the River Murray system that is available to meet critical human needs is returned to a state suitable for meeting critical human water needs; and
>
> (b) subject to subsection (2), take the action necessary to implement the emergency response.

New subsection (2) provides:

> The authority must not take any action under paragraph (1)(b) [that I have just read] that affects state water sharing arrangements or Border Rivers water sharing arrangements unless the Murray-Darling Basin Ministerial Council has agreed to the action.

This is the independent authority, and this highlights its independence. Even under an emergency response situation, it must consult with the Basin Officials Committee and it cannot take any actions unless the Murray-Darling Basin Ministerial Council has agreed to the action. I may come to it, but I will tell the house now that the Murray-Darling Basin Ministerial Council agrees only by unanimous vote. The authority, by dint of section 86F (the emergency response), can act under an emergency situation only if every state agrees. This is the brand new independent authority. Remember, this is the one that was going to be like the Reserve Bank—independent; making decisions without fear or favour.

The Hon. K.A. Maywald interjecting:

Mr WILLIAMS: The Reserve Bank does not consult with the federal Treasurer when it is about to make a decision regarding interest rates, minister, and you know that very well. If we go through it, time after time we have similar sort of language. We have this plethora of organisations. We have the Basin Officials Committee, we have the Murray-Darling Basin Ministerial Council and we have the authority. There is an incredible process of consultation between those three groups with veto powers all the way through—peppered all through this document—which really takes away the authority from the authority. This is an example of the sort of thing.

New section 93 is headed, 'Process for making water charge rules', and this is repeated in many instances through the document. The minister asked the ACCC for advice about making water charge rules. New subsection (7) provides:

> If:
>
> (a) the minister makes, amends or revokes water charge rules;
>
> and
>
> (b) the rules do not reflect the advice that the ACCC gave the minister under subsection (2) in relation to the rules, or the amendments or revocations;
>
> the minister must, when the rules, amendments or revocations are laid before a house of the parliament under the Legislative Instruments Act 2002, also lay before the house a document that sets out:
>
> (c) the respects in which the rules, amendments or revocations do not reflect the advice given by the ACCC; and
>
> (d) the minister's reasons for departing from that advice.

Just imagine, minister, the Reserve Bank saying last week, 'We're going to give a 1 per cent reduction in interest rates. That is my advice to the federal Treasurer.' And the federal Treasurer and the Prime Minister say, 'Oh, no, you're not. You're going to give a 1.5 per cent reduction in the interest rates, and this is the reason' (and table it in the parliament). That is the difference between the Reserve Bank Board and this sham authority that we will have under your legislation.

That is just the process for making water charge rules. It is the exact same processes for water market rules. I will not read them all out again, but it is the exact same processes. I think that pretty well gets me through the matters in the amendments part of the tabled text I wanted to raise. I will move now to the amended Murray-Darling Basin Agreement. We have set up a new

ministerial council. I am not quite sure how much different it is to the old ministerial council. I do know that it retains most of its powers. It includes clause 9, functions of the ministerial council, paragraph (d), which states:

> to agree upon amendments to this agreement including amendments to, or removal or addition of, schedules to this agreement as the Ministerial Council considers desirable from time to time.

So, it is the ministerial council that reserves to itself the power to amend the Murray-Darling Basin Agreement. It is a power that it has had for a very long time, but the authority is on the outer there. The Murray-Darling Basin Agreement has been, and will remain, the major document which governs the way that we manage the river system. The ministerial council will retain the power. As I said earlier, clause 13, proceedings of the ministerial council, subclause (6) states:

> A resolution before the Ministerial Council will be carried only by a unanimous vote of all ministers present who constitute a quorum.

That is why the opposition has been saying all along, ever since the MOU back in March, that this government is not serious about referring powers, because it is retaining the veto power. That has been the problem for the past 100-plus years, and it will continue to be the problem as we go forward.

The Murray-Darling Basin Agreement—and I do not think this has changed—sets out the various states' entitlements to water. South Australia's entitlement is set out in a table, and I do not expect that that has changed, but it does raise a question, in my mind at least—and I did raise this with the minister's officers who briefed me last week. I am not too sure that I got an answer that satisfied my curiosity, but South Australia's share is expressed in a volumetric way, whereas the shares of Victoria and New South Wales are expressed as, basically, half of everything else that is left over.

The reality is that the minister claims that the basin plan is going to institute caps, and I will talk about that in a few minutes. If the basin plan institutes caps and that results in a reduction in the amount of water that Victoria and/or New South Wales can extract by way of diversion from any part of the river system, is South Australia guaranteed to retain its notional 1,850 gigalitres? If New South Wales and Victoria are forced to take a reduction of, say, 10 per cent, 15 per cent or 20 per cent, what will be the impact on South Australia's share, which is expressed in different terminology? I have not received an answer to that and I am hoping that the minister, in her summing up, can satisfy my curiosity on that matter.

As I have said, I understand it has been in the agreement for a long time that New South Wales and Victoria basically share all the water in the system, apart from the 1,850 gigalitres that comes to South Australia. That is highlighted in clause 94, entitlements of New South Wales and Victoria, subclause (1), as follows:

> Except as otherwise expressly provided in subdivision D of this division—

subdivision D is all about the sharing between Victoria and New South Wales; it is not about the quantum—

> and subject to South Australia's entitlement under clause 88 or 90, New South Wales and Victoria are each entitled to use—

and then paragraphs (a), (b), (c), (d), etc., basically say that all of the water left is equally shared. So, the amended agreement that we are being asked to agree to, through this process of passing the bill before us, basically states that New South Wales and Victoria each continues to take half of the water that is left. The minister may be able to tell me how I am so wrong on that. I hope I am.

With regard to South Australia's storage rights, this is where I am talking about it being too late. Where have the government and the minister been? As I said, John Howard started this process at the beginning of 2007 when he said, over 18 months ago, that they wanted to change the governance arrangements, they wanted to do it better and they wanted to get it right. The minister has come out and said many times that we now have access to the storages upstream, but you have to ask what the government has been doing in those 18 months when you look at the clause in the Murray-Darling Basin agreement that gives us access to that storage. Obviously, South Australia has wanted formalised access to that storage for many years (I do not know how many times I have heard that in meetings), but clause 130 of the amended agreement provides, under 'Accounting for South Australia's Storage Rights' (and I will read this through, because it just shows how ill prepared we are at this stage):

(1) The authority [this is this new, independent authority] must, as soon as practical after this agreement comes into effect, prepare a draft schedule to this agreement in accordance with this clause.

(2) The authority must provide the draft schedule to the committee.

(3) After considering the draft schedule, the committee must submit the draft schedule and the committee's advice in relation to it, to the Ministerial Council.

(4) After receiving the draft schedule and the advice of the committee, the Ministerial Council may:

(a) approve the schedule with or without amendment; or

(b) refer the draft schedule back to the authority for further consideration.

That was this independent body that was going to stop all this nonsense of buck-passing and blame-sharing. It was going to cut to the chase and it was going to make decisions based on good science. That is the process. This is just to set up a protocol to account for the water that South Australia might wish to put into those upstream storages. Paragraph (5) provides:

When the schedule is approved by the Ministerial Council under paragraph (4)(a) it:

(a) becomes part of the agreement; and

(b) takes effect…

What a convoluted process. Again, I will not labour the point by continually reading similar sorts of provisions in this agreement, but that is what happens. We have this very hastily put together tabled text process, because this government and the federal government choose to play games.

The Hon. K.A. Maywald interjecting:

Mr WILLIAMS: No; I do not want you to take another 100 years. I would have thought seven years—for most of which we have been in drought. I remind the minister that it was her Premier who spoke to the National Press Club back in February 2003—five years ago—and said that we had to change the way we do things, that we had to reduce Adelaide's reliance on the River Murray. That was in February 2003, and now he says that they want to build another dam to make sure that we can stay reliant on the River Murray.

The Premier said that we have to do something about stormwater harvesting, yet in seven years we have done nothing about it. He says that we have to do something about the governance arrangements and the way that we manage the river system. Yet here we have the minister, in great haste, rushing this very important matter though both houses of parliament this week, when she has had all these years.

This document is full of those sorts of processes, so we are to adopt a document that says it is a plan to develop a plan. That is what it is: it is a plan to develop a plan. This whole process is more about spin than it is about substance, which is where I started.

The Hon. K.A. Maywald interjecting:

Mr WILLIAMS: If the minister had been listening much earlier in the contribution, she would have heard that I said we would be supporting it. As I said earlier, the problem with this bill and the tabled text is not what it contains but what it does not contain. That is what I am trying to point out to the house: that when you read what is in this document you find that it is quite different from the press releases coming out of the minister's office; it is quite different from what the Premier has been saying on taxpayer-funded TV and radio commercials—which, I might say, are an absolute waste of taxpayers' funds and an absolute abuse by the executive government of this state.

I understand that the Premier takes taxpayers' money to do that sort of thing because he cannot stand up in front of the media and political journalists and give a good story about actually achieving anything—because he has not achieved it—so he resorts to taking taxpayers' money to make a political advertisement and gets his face on television on a nightly basis. It is a disgrace; nothing less.

I turn now to the basin plan. The government and the minister have hung their hat on this basin plan. I think I have been making the point that there is some urgency. The basin plan will not come into effect until 2011 which is three years away. Where has the government been? I will bring some more evidence about that to the attention of the house in a moment. The basin plan is supposed to be the be-all and end-all of this process and that is why we have this authority. One would say that is why this authority should, indeed, be independent.

That is what the opposition has been saying for some time: cede the powers so that we can have a fully independent authority and we do not have all this nonsense of a ministerial council retaining veto powers and frustrating the development of a real system to manage the river so that it delivers for those who rely on it, critical human needs, irrigators and the environment—not necessarily in that order. That is what we need but we are not getting it.

Schedule 2 contains a further amendment to the Water Act, new section 43A—Authority to seek comments from the Murray-Darling Basin Ministerial Council on a proposed plan. I will go through this but I will not read it all out. This highlights the nonsense about an independent authority. Subsection (4) states that the Murray-Darling Basin Ministerial Council must, within six weeks after the authority complied with subsection (2)—which is drafting the plan—give the authority a written notice either saying that the ministerial council agrees with the plan or stating that it does not agree or that, at least, any one of its members does not agree.

If the Murray-Darling Basin council gives the authority a notice that states that it does not agree, the authority must first, consider the matters and, secondly, undertake such consultations in relation to the matters as the authority considers necessary or appropriate and either confirm the original plan or alter the proposed plan. Then the authority, which supposedly has all this power, must prepare a document that summarises the submissions and how to address those submissions, etc.

The Murray-Darling Basin Ministerial Council—again, after receiving the subsequent document—has another go. Within three weeks, the ministerial council can agree or disagree and, if it does not agree, it goes to the federal minister. This is where the decision is actually made and this is the process. This is the part that was in the act prior to any of these amendments. Under clause 44 of the principal act, 'the minister may adopt the basin plan'. Subclause (3) provides:

Within 30 days after the authority gives the minister a version of the basin plan under subsection (2), the minister—

(a) must consider that version of the basin plan and the views given to the minister under subsection (2); and

(b) must either adopt in writing that version of the plan, or direct the authority in writing to make modifications to that version of the basin plan and give it to the minister for adoption.

(4) A direction under subparagraph (3)(b)(ii)—

which is the one I just read out—

is not a legislative instrument.

I read that to mean that it is not a legislative instrument, it is not subject to the Legislative Instruments Act, and therefore is not disallowable. It is made by the minister, there is no review of that directive, and it is binding. Subclause (6) provides:

If the minister give the direction under subparagraph (3)(b)(ii)—

(a) the authority must comply with the direction; and

(b) the minister must adopt, in writing, the basin plan given to the minister in compliance with the direction.

So, if the minister does not like it, he gives a direction and the authority must comply with that direction and give the amended plan back to the minister, and the minister must then adopt it. That is not—I repeat, not—the way the Reserve Bank works.

The minister is suggesting that I should read the Reserve Bank Act. I repeat: that is not the way the Reserve Bank works. The Reserve Bank is charged with the obligation of making decisions, and they are not reviewable by the minister and they are not subject to a direction by the minister. The Reserve Bank makes its decisions based on good scientific work and analysis, just as the authority that will supposedly have authority over the river should be running. Subclause (7) provides:

When the basin plan is laid before the house of parliament under the Legislative Instruments Act 2003, the minister must also lay before the house a document that sets out—

(a) any direction the minister gave under subparagraph (3)(b)(ii) in relation to the basin plan; and

(b) the minister's reasons for giving that direction.

The Premier, in answer to a question that we posed to him in the house one day, said that that would prevent the minister of the day from doing anything which would not be in South Australia's interests. I am paraphrasing what he said, but the reality is that we have had ministers and governments upstream doing things for 100 years that have not been in South Australia's interests, and I do not expect that to change. I do not expect it to change in the near future, in the mid-term or in the longer term, when the only powers that we are giving are those set out in this tabled text. The reality is that we have shirked our responsibility.

The house may be happy to hear that I am coming to the end of my contribution, but I just want to reinforce my cynicism. I have with me a copy of *The Weekly Times,* a rural publication from Victoria, dated Wednesday 3 September. There is a large picture on the front page with the heading, 'Water grab leaves southern irrigators...DAMNED'. The story is about new dams being constructed in the Moree district in New South Wales. It is about one landowner who is doubling the capacity of his dams to 11,400 megalitres. He has two old dams. One had 250 megalitres, which has been increased to 1,400 megalitres, and one had a 750 megalitre capacity, which has been increased to a 4,000 megalitre capacity. This was done this year—a couple of months ago—as we are all running around signing intergovernmental agreements saying that we have fixed the problem. The article in *The Weekly Times* states:

> The Murray-Darling Basin Commission's Independent Audit Group estimates Queensland and NSW irrigators have increased the capacity of their on-farm storages by at least 1.6 million megalitres [that is, 1,600 gigalitres] since the interstate cap on diversions was signed in 1995.

Way back in 1995, the basin states—New South Wales, Victoria, South Australia and Queensland—agreed that they would put a cap on water diversions. What they agreed to do was put a cap on surface water diversions. They ignored ground water diversions. Notwithstanding that, we have had what is called floodplain harvesting, where people are diverting millions and millions of litres (thousands of gigalitres) of water before it even gets into the rivers, and they are doing it with impunity.

The same farmer apparently built a 6,000 megalitre dam in 2003-04. He has been carrying out what we call unregulated floodplain harvesting for the past 10 years, since that cap was put on. The article goes on to state:

> The development appears to fly in the face of NSW's commitments to halt floodplain developments and cap diversions at 1994 levels.

Despite that cap at 1993-94 levels, the New South Wales government managed to introduce its floodplain harvesting policy only in July this year. It has been only since July this year that that floodplain harvesting has been regulated. In terms of the floodplain harvesters—these people who are building huge dams—there is no metering or monitoring.

Interestingly enough, the New South Wales water minister said that what this farmer is doing is all right because it is based on the existing regulated river licence for which approval had been granted in 2005. The water minister in New South Wales at the time that article was written is now the New South Wales Premier, Nathan Rees. Why am I cynical? Well, he reckons it is okay for New South Wales farmers to continue to double the size of their dams and to continue to harvest floodwaters across that state.

Some time ago I was fortunate enough to be at a function where a number of speakers were talking about water. One of them from the CSIRO drew my attention to a particular document entitled 'Projections of groundwater extraction rates and implications for future demand and competition for surface water'. I go back to the comment I made a moment ago that in June 1995 the basin states agreed to cap surface water diversions to the 1993-94 levels. This document was produced in 2003 and highlights the fact that states have abused the agreement of 1995 by licensing ground water extractions. The document states:

> In June 1995, in response to declining river health coupled with an incremental erosion of the security of supply to existing irrigators, the Murray-Darling Basin Ministerial Council decided to introduce a cap on the diversion of water from the basin's river system.

We will continue to have a Murray-Darling Basin council, and it will retain a whole heap of powers, as I have been pointing out. But, way back in 1995 it said that we will have a cap on diversions. I have just seen how much notice the now Premier of New South Wales (the previous New South Wales water minister) has taken of that. He would have sat on that ministerial council; he was taking the 1995 agreement pretty seriously.

> The introduction of the cap was seen as an essential first step in establishing management systems to achieve healthy rivers and sustainable consumptive uses.

That was in 1995. Continuing:

> The cap is a key policy decision to support the goal of the Murray-Darling Basin initiative 'to promote and coordinate effective planning and management for the equitable, efficient and sustainable use of the water, land and other environmental resources of the Murray-Darling Basin'.

The Murray-Darling Basin Commission had a review of that 1995 agreement in 2000 and went on to make this comment:

> The cap has been an essential first step in providing for environmental sustainability of the river system of the basin. Without the cap there would have been significantly increased risk that the environmental degradation of the river system of the Murray-Darling Basin would have been worse. However, the MDBC recognises that there is no certainty that the cap on diversions at its current level represents a sustainable level of diversions.

So, for all these years later (eight years), we have been thinking that we are going to change something, but all of those veto powers have been left with the Murray-Darling Basin ministers' group and, as I have just pointed out, the Premier of New South Wales was one of the members involved in that that ministerial council. I reiterate that I am cynical.

As I said earlier, I have some doubts that the buyback of 1,500 gigalitres will be enough. One of the reasons I have for that (and one of the things that was highlighted when my attention was drawn to this document) is that the groundwater extractions occurring on the banks and adjacent to streams right throughout the basin are having an impact (and in some cases it is quite delayed) on stream flows. Of course, if you pump water out of the groundwater and it is a system where that groundwater is entering into the river via leakage from the aquifer, that is contributing to stream flows. If it is the other way around—that is, water flowing out of the river (and when we talk about river losses, this one of them) into the groundwater—and you extract that water from the groundwater system, you actually increase that flow out of the river. So, there is a direct impact between groundwater extractions and river flows. In many cases, the impact is somewhat delayed. The 2003 document states:

> Groundwater extractions are currently estimated as reducing stream flows since 1993-94 by 186 GL/y.

What that is saying is that the delayed impact in the period from 1993-94 (and that is the base where the ministerial council was setting the cap for surface water extractions) to 2003 was estimated at 186 gigalitres a year.

This document goes on to say that, if we allow this to continue, by 2050 that would increase to 700 gigalitres a year the reduction in stream flows. That is not accounting for the amount of groundwater that has been pumped: this is in addition to that, and this is the impact that it is having on stream flows. That is why it is important that we understand the interrelationship and why it is important that a cap is put on the total extractions. That is why the basin plan is important, and that is why I am so cynical about what we will achieve through the basin plan process because of the lack of powers we are giving to the authority. Recommendation 1 of this document—and, as I said, this was way back in 2003, just after the Premier of this state made that now infamous speech to the National Press Club—states:

> The States should reduce groundwater allocations (and consequently, groundwater use) to sustainable yield levels...

Recommendation 2 states:

> In the short term, groundwater should be accounted for within the spirit of the cap.

That is the information that was given to the ministerial council in 2003—only five years ago—and nothing has happened. In fact, that is not right; we cannot say nothing has happened because it has continued to get worse. When that advice was given in 2003, we were just entering the drought, but the drought has continued to get worse. I think that the rainfall in Victoria in September of this year was the lowest on record. We can expect that inflows will continue to get lower.

We are in a situation where we need to change what we are doing, and that is why the opposition for many months now has been pleading with this government to get it right, to have a real transfer of powers and a real independent authority which does not have to go cap in hand to the ministerial council or minister, which does not have to amend its work at the whim of the federal minister, and which is not subject to petty politics.

Members might say that politics will not interfere because this is so important. I have already reminded the house of the political delays—the 'too late' bit of the 'too little too late'—that occurred in the eight or nine months between January/February of 2007 and the November election. Base politics were at work then, and base politics will continue to work. Water is worth a lot of money to the various states. How we react may well determine a large part of our state's economy as we go forward. Even today the Victorian government in *The Age* has announced an extra $150 million relief for farmers in that state. They are giving $58 million in water rate rebates for irrigators, $20 million for employment programs and building infrastructure in small towns, and $15 million to provide a 50 per cent subsidy on council rates and charges for farmers.

What we have in South Australia is an exit strategy. We have a strategy that says that we have given up, we cannot guarantee. We have a strategy whereby the government has said we have failed to get an independent authority and we cannot guarantee that you are going to get an equal share. Whilst irrigators along some parts of the river with high security water have 100 per cent of their allocation, our irrigators with permanent plantings have 11 per cent, and this government has said to those irrigators, 'We cannot guarantee your future. The best we can do for you is guarantee you some money if you pull your crops out of the ground.' It is a sad day for South Australia. We have missed an opportunity. It is too little. It is too late.

Debate adjourned on motion of Mr O'Brien.

[Sitting suspended from 13:00 to 14:00]

ARKAROOLA WILDERNESS SANCTUARY

The Hon. I.F. EVANS (Davenport): Presented a petition signed by 612 residents of Australia requesting the house to urge the government to prevent exploration and mining in the Arkaroola Wilderness Sanctuary.

AUDITOR-GENERAL'S REPORT

The SPEAKER: I lay on the table the 2007-08 Annual Report of the Auditor-General, including Part A: Audit Overview; Part B: Agency Audit Reports—Volumes I, II, III, IV and V; and Part C: State Finances and Related Matters.

Ordered to be published.

PAPERS

The following papers were laid on the table:

By the Premier (Hon. M.D. Rann)—

ANZAC Day Commemoration Council—Report 2007-08
Promotion and Grievance Appeals Tribunal—Report 2007-08

By the Minister for Transport (Hon. P.F. Conlon)—

Wattle Range Council—Penola Heritage Development Plan Amendment Report by the Council
Regulations under the following Acts—
- Motor Vehicles—Schedule 7—Demerit Points
- Rail Safety—
  - Alcohol and Drug Testing
  - General
- Road Traffic—
  - Miscellaneous—Schedule 9—Expiation Fees
  - Road Rules—Ancillary and Miscellaneous—Bus Lanes

Rules—
- Road Traffic—Australian Road Rules

By the Attorney-General (Hon. M.J. Atkinson)—

The Legal Practitioners Education and Admission Council—Report 2007-08
Rules of Court—
- Magistrates Court—
  - Civil—Amendment 31

Amendment 32
Supreme Court—
Civil—Amendment No.5
Amendment No.102

By the Minister for Environment and Conservation (Hon. J.W. Weatherill)—

Regulations under the following Acts—
Upper South East Dryland Salinity and Flood Management—Amendment of Act

By the Minister for Families and Communities (Hon. J.M. Rankine)—

SA Lotteries—Report 2007-08
Regulations under the following Acts—
Land and Business (Sale and Conveyancing)—Sale and Conveyancing

By the Minister for Industrial Relations (Hon. P. Caica)—

Regulations under the following Acts—
Workers Rehabilitation and Compensation—
Claims and Registration—Schedule 3
General—Medical Panels
General—Transitional Provisions

GLOBAL FINANCIAL CRISIS

The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations) (14:03): I seek leave to make a ministerial statement.

Leave granted.

The Hon. K.O. FOLEY: I rise today to further advise the house of the effects of the global financial crisis on the state's finances. Members will recall that, on 23 September, I made a statement to the house outlining the government's relatively minor exposure to institutions affected by the events in the United States and international developments.

In the weeks since then, there have been extraordinary developments in the global financial system. Falling investor confidence has seen share markets suffer badly, and credit has become scarce as banks and other institutions have become reluctant to lend funds. Intervention on an unprecedented scale by central banks and governments has become a necessity to stabilise financial markets. Only this past weekend, the Australian government moved to protect domestic depositors as well as domestic banks and institutions.

The United States, Britain and the European Union have announced interventions totalling trillions of dollars to support the banking sector and improve confidence in financial markets. The International Monetary Fund's recently published World Economic Outlook predicts that growth in economic activity across the globe will slow significantly through 2009 to be the slowest since 2002. Minimal growth in the United States, United Kingdom and European economies is expected.

However, there is a growing consensus among senior economists that Australia is relatively well placed to ride out the global financial crisis due to our strong and well-regulated banking sector, our solid fiscal position, the ability for further easing of monetary policy and our strong and diversified economic base.

Having said that, Australia and, indeed, South Australia are not immune from the turbulent financial markets and the flow-on effects to the economy. Clearly, the confidence of the Australian household sector has taken a battering and consumers are becoming more circumspect in their spending decisions. Further, activity in the property market throughout Australia is softening.

These developments are concerning, but this is not a time for panic. What is needed is a considered appraisal of our state's financial position. However, these developments have placed further pressure on state finances.

I have already advised the house that negative sharemarket returns have hit Funds SA's investments, with the balanced fund returning minus 9.3 per cent over the 12 months to 30 June

2008. I can now advise that Funds SA's earnings loss for 2007-08 was $1.478 billion for total funds under management. Year to date, figures from 1 July in 2008 to the end of September 2008 show the growth fund is down 5.7 per cent and the balanced fund down 4.7 per cent. Total investment losses for this period to end September from 1 July 2008 are a further $627 million.

As we have seen, the beginning of October has been particularly poor in the sharemarket; however, there has been some recovery in the past day and a half of trading. Part of the total funds under management include the assets part funding our superannuation liability. Continuing negative sharemarket returns in the current financial year have further impacted this liability.

In addition to this, a reduction in the commonwealth government's long-term bond rate (also known as the discount rate) to 5.7 per cent has also increased the value of our unfunded liability. The rate has decreased as people leave equities and move into the relative security of government bonds, decreasing the rate of return offered.

Movements in the long-term bond rate to lower levels change the rate used to calculate current value of the liability. A lower rate results in a larger liability. These two factors have increased the liability from an estimated $6.9 billion at 30 June 2008 to an estimated $8.6 billion at 30 June 2009, an increase of approximately $1.7 billion.

This greater liability is reflected on our balance sheet, increasing our net financial liabilities. Clearly, the government has no control over these external influences. The unfunded liability is our most significant liability, given our low debt levels, but, as members may be aware, the credit rating agencies include the unfunded superannuation liability when determining their credit ratings.

The government maintains its commitment to fully funding our superannuation liabilities by 2034, the target set down by the previous Liberal government. Increased liabilities mean increased payments from the budget are required to meet this target.

In the 2008-09 budget, I detailed the significant impacts the increase in the unfunded liability had had on the budget bottom line. At the time of the 2008-09 budget, this impact was $90 million a year. Since the 2008-09 budget, the further deterioration has meant a further $60 million is required to meet the increased nominal interest expense. This brings the total impact to $150 million.

While the property market in South Australia has shown some resilience over the past year compared with other states, activity has softened in recent months. Housing finance commitments have fallen 19 per cent over the past six months in South Australia compared with a national fall of 22 per cent. Given this slowing in housing activity, Treasury and Finance estimates that overall taxation revenue in 2008-09 will now be approximately $100 million lower than at the time of the state budget, with conveyance duty being the worst hit. Further, economists are predicting the economic outlook for the next one to two years to be less buoyant than in recent years, with more restrained consumer spending.

Treasury and Finance has revised down its 2008-09 GST revenue collections estimated for South Australia (as outlined in the 2008-09 budget) by a further $30 million. However, to the extent that the economy is expected to slow nationally and, as a consequence, consumer spending weakens, GST revenue could be considerably further reduced. This means that from 1 January 2008 the state's finances have weakened due to the financial instability in the globe by about $280 million per year. Markets remain highly volatile and it is likely that figures will change further leading up to the mid-year budget review.

The global financial crisis has clearly had a significant impact on the state's finances. The 2008-09 budget contains significant budget surpluses across the forward estimates to provide a significant buffer against unforeseen pressures. The global financial crisis has significantly drawn down this buffer, so over the coming weeks I will be working through a range of options with Treasury and Finance to ensure the ongoing strength of the state's finances. As always, we will be cutting our cloth to suit the times.

I have said publicly that we will be looking at a broad range of options in both capital and operating expenditure areas. While I will not speculate as to what options may be taken, I can say that the government is committed to maintaining the strength of the state's finances by continuing to focus on key areas of service delivery in health, education, law and order, and water security. I have asked Treasury and Finance to provide cabinet with a full range of options for the deferral or, in some cases, the cancellation of capital projects not considered essential to service delivery in

the current financial climate. Of course, projects can be reinstated should financial circumstances improve in the future.

While this government is committed to fair and reasonable wage outcomes, we will be approaching enterprise bargaining negotiations with a need to maintain budget disciplines firmly in mind. Unions seeking excessive and unreasonable wage increases need to moderate their expectations in line with the changed financial circumstances facing the state.

These are extraordinary times. When this financial crisis will end, how it will end and the changed financial landscape we will have to accept at this stage are completely unknown. Therefore, it is vital that the government prepares an appropriate and proportionate response to the financial challenges facing the state. The protection of the state's finances, the maintenance of a strong balance sheet and the retention of our AAA credit rating are of the highest priority for the government, and the work now being undertaken to examine our spending will ensure that these objectives are met. I will report back to the parliament with a full financial statement detailing the measures we have adopted as a government before parliament rises for the end of the year.

VISITORS

The SPEAKER: I advise members of the presence in the gallery today of members of Campbelltown Ladies Probus Club (guests of the member for Hartley).

QUESTION TIME

STATE BUDGET

Mr HAMILTON-SMITH (Waite—Leader of the Opposition) (14:15): My question is to the Treasurer. Why does South Australia have the lowest budget surplus of all states bar New South Wales and is the surplus adequate? State budget papers reveal that the government's $160 million surplus is 1.2 per cent of revenue, a smaller buffer than every state except New South Wales and considerably less than Tasmania and WA with 9.3 per cent.

The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations) (14:15): I predicted this question because he put a press release out yesterday and I do not think it got a run in the paper. Fancy that question coming from a cabinet minister (albeit for a very brief period) who was part of a government that never once delivered an operating surplus in this state. Never, ever, ever—

Members interjecting:

The SPEAKER: Order! The Treasurer has the call.

The Hon. K.O. FOLEY: Fancy that coming from an opposition that never once in eight years of government delivered an operating surplus. It was Rob Lucas's dodgy cash accounting which had a string of $2 million surpluses which represented heavy deficits—and not one economic or financial commentator would disagree with what I have just said. I will say to members opposite: if they think I am misleading the house, move a substantive motion now, right now, and we will have a debate. Move it now if you think I am saying something that is not true.

They do not have the courage to do it because they know what I am saying is right, because if I was misleading the parliament with that statement, they would be on their feet moving a substantive motion saying and accusing me of misleading the parliament. They cannot do that because they know that, as much as it hurts, what I am saying is correct. I would love to go back over transcripts of the past about how much money the Leader of the Opposition would want us to spend that we are not already spending. Guess what he would like in the city? A $1.2 billion football stadium. How do you think we pay for that?

Mr Hamilton-Smith: Paid for by you.

The Hon. K.O. FOLEY: Who pays for it; who pays for a $1.2 billion stadium? Where does the money come from?

An honourable member: That's his priority.

The Hon. K.O. FOLEY: That's his priority. We are building hospitals; we are building police stations. Genius over there wants to build a footy stadium for $1.2 billion. Talk about financial irresponsibility. But what else do we have?

Mr Hamilton-Smith: The build and own didn't cost the taxpayer a cent. Check your facts.

The Hon. K.O. FOLEY: If the Leader of the Opposition is so incompetent with financial matters that he thinks the private sector would build a $1.2 billion stadium and not put a $1 billion ask on the government, he is unfit to govern. Trust me, your mate Colin Barnett over in the West is putting a $1.5 million public subsidy into a football stadium. And do you know what he is also doing right now? He is thinking about cancelling it.

Do members know what the member for Unley, the shadow education minister, was out there saying we should do only last night and this morning? We should give in to the teachers. Give the teachers what they ask for—$2.5 billion. Their approach to wage negotiations is just give the unions what they want. You have a sell-out policy to sell out the state's finances to cut a deal. You have to get your stories straight. If you want fiscal discipline, practise what you preach. If you want to have budgetary explosions, continue saying things like, 'Give the teachers what they ask for; build a football stadium for $1.2 billion.'

As we move towards the next state election, you are getting into a period where, if you want to be an alternate government, you have to be responsible, you have to be able to say how you will pay for things and you have to be able to deliver good budget management. That is why, since coming to office, every budget in surplus, AAA credit rating, and, as I outlined today, we will make hard decisions and tough decisions. We will make painful decisions because we are serious and prepared to govern and protect this state's finances. This government will ensure that we ride out the economic financial crisis that is engulfing the world, this government will ensure that we retain our AAA credit rating, and this government will continue to deliver strong, solid, forceful economic management that protects the taxpayer.

CHINA VISIT

Ms FOX (Bright) (14:20): Can the Premier advise the house about the nature and purpose of his visit to China?

The Hon. M.D. RANN (Ramsay—Premier, Minister for Economic Development, Minister for Social Inclusion, Minister for the Arts, Minister for Sustainability and Climate Change) (14:20): This morning I returned from a week-long trade and investment mission in China that also involved a number of South Australian businesses, the South Australian Chamber of Mines and Energy, the Chinese Chamber of Commerce, and the China Cluster. I visited the cities of Beijing, Shanghai, Hengdian, Hangzhou and Hong Kong, as well Jinan, the capital of our sister province Shandong.

The overwhelming conclusion from the mission is the undoubted dominant importance of the relationship between South Australia and China in economic terms. In fact, China will be the key factor in South Australia's future prosperity, with the relationship involving Chinese investment through joint venture arrangements in mining activities and potential mineral processing, property development, business migration, wine and agricultural exports, higher education, trade and skills training, professional services and tourism.

Members interjecting:

The Hon. M.D. RANN: I hear the sneers of members opposite. We were able to tell the leaders of China that South Australia has 50 per cent of the world's known uranium, because China—in order to combat CO_2 emissions—wants to massively expand its peaceful nuclear power program. They want a stable and secure source of uranium.

Ms Chapman: You want to sell it to them.

The Hon. M.D. RANN: You don't want to sell it to them? You don't want to? That is very interesting, because let us remember the difference between us and the other side when it comes to mining. There has been a tenfold increase in mining exploration since we have been elected. A tenfold increase, including multibillions of dollars worth of mines. There were four mines when you were in power; now there are 10, with another 20 in the pipeline, including the expansion of the world's biggest uranium mine, with a bigger output from one mine of uranium than all the Canadian mines put together—and Canada is currently the world's biggest supplier. Of course, let us—

Ms Chapman interjecting:

The Hon. M.D. RANN: You don't believe in the Fraser Institute. Let me give you the Fraser Institute figures. It used to be about 36 out of 68 jurisdictions in the world in terms of mining future—now fourth in the world ahead of Western Australia. Just in case you missed it; there was another worldwide survey in the past week about which are the best jurisdictions in the world in

which to do business in mining? Who is the least risky to do business with? No. 1 was Finland, No. 2 was South Australia, and I think Western Australia was about 14th and it received prominence in both the national and the international press. That is the difference between us and them: a real mining future. Because what you see in our desert are mirages in the desert; what we see is future jobs for South Australians, tens of thousands of jobs.

The other interesting thing about China, of course, is that it is a major supplier of students to our universities. Education is now our fourth biggest export. When they were in power, when Martin Hamilton-Smith, the Leader of the Opposition, sat around that cabinet table, how dismal did South Australia rate in terms of the number of overseas students studying here? About eight years ago I think there were about six and a half thousand students; next year there will be 28,000 students studying in South Australia.

I guess, again, that is because you don't get things like that by sitting on your backside and hoping that it will come. It is a competitive world. We know what the Leader of the Opposition's refrain is: let market forces reign. You know, I am waiting for the next person who says that to me. I have had it preached to me for years: let market forces reign. Let the market decide. Well, we have seen what they have done in Wall Street. Let the market prevail until you need the taxpayer—honest and decent working men and women—to bail them out of their trouble while they collect their $100 million dollar payouts, because what we have seen in Wall Street is where greed and fear collide. And this is the response.

It is the policies that you advocated when you were in government. The purpose of my visit was to consolidate the existing relationship we have with Chinese businesses and the Chinese government, and to promote South Australia as a destination for investment and migration. During my visit I was able to meet with key decision makers at the central and provincial level of government. I am very pleased that we had access to the highest level of government and business in China.

If people do not think it is important to meet with government leaders and party leaders in China, then they have not a clue about how the system works there. I met with, of course, Mr Li Yuancho (you would never have heard of him), Politburo member of the Chinese Central Committee. In a very frank meeting, Mr Li informed us of China's exposure to US treasury bonds—apparently hundreds of billions of dollars of exposure to treasury bonds—and the financial turbulence now gripping the global economy. As part of China's response to the crisis (and he spoke about their enormous reserves and the strength of their economy), the minister spoke of China's interest in further broadening its investment base to include Australian and South Australian mining projects with positive long-term economic outlooks.

That is because the Chinese leadership see their economy, which is strong, and the Australian economy, whose fundamentals are strong, to be perfectly aligned. And, yes, uranium was raised in every single trip.

Ms Chapman: What did you say?

The Hon. M.D. RANN: I said that we strongly support the export of uranium to countries that have signed the treaty; and, of course, China qualifies for that. We strongly support uranium exports to China.

Members interjecting:

The SPEAKER: Order!

The Hon. M.D. RANN: I held a separate meeting with minister Wang Jiarui of the Chinese Communist Party International Department and his Vice Minister. I also met with the Vice Minister of the Chinese Minister of Environment Protection of the Central Government and the Vice Governor of Shandong, amongst others.

The importance of South Australia's relationship with China cannot be underestimated. Last year the number of students from China coming to South Australian educational institutions grew by 19 per cent. Since we have been in government there has been a 15 to 20 per cent growth each year. Of course, the relationship is particularly important given recent global financial events and the potential downside risk to growth for some of our other trading partners.

South Australia and China enjoy a relationship of bilateral trade and also social and cultural exchange, which benefits both communities. In the last financial year, two-way trade between China and South Australia was worth $1.8 billion. China is currently South Australia's third largest

export market with exports to the value of $891 million as of August this year. It will eventually be our biggest export market because of the growth in mineral production in this state. Of course, China is also an important source of funding for projects—not just buying minerals—in the mining sector.

While I was in China I met with a number of leading corporations to discuss the range of other gold, uranium, copper and iron ore projects likely to come into production in South Australia in the near term. Some of these projects are already backed by investment from China, including agreements between Tonghua Iron and Steel Mining and IMX Resources to process exports from Cairn Hill. Sinosteel's partnership with Pepinnini to develop the Crocker Well uranium deposit is another important development. This operation is likely to export between $100 million and $200 million of uranium per year from South Australia. From my meetings with Sinosteel and other corporations, I am pleased to report that the outlook for growing Chinese investment in our resources sector is very positive.

We were also there seeking business migration to our state. I would mention that China is the largest source of overseas students in South Australia, with 8,048 students from China studying in South Australia in July this year. In 2006-07, 1,078 permanent migrants arrived from China to South Australia, 410 of whom were business migrants and their families. Such migrants contribute significantly to the economic future of our state.

It was also good to see the signing of an agreement between Mario Andreacchio and AMPCO Films in South Australia and China's Salon Films to produce three feature films jointly in China and South Australia.

STATE BUDGET

Mr HAMILTON-SMITH (Waite—Leader of the Opposition) (14:30): My question is for the Treasurer. Will he rule out additional borrowings by the government or its agencies to prop up the budget as a response to the economic downturn?

The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations) (14:31): What I have outlined to the house is that an appropriate and proportionate response will be prepared by government. In doing so, I stated that that appropriate response will involve the deferment and/or cancellation of capital works projects not considered vital or essential, given the current financial crisis that is confronting the globe, and from where it matters to us most, here in South Australia.

Again, I find it humorous that I would get such a question from the Leader of the Opposition, because when we came to government we stopped the pattern of budget funding that had been around for decades under both sides of politics, and that was to pay the wages of our teachers, nurses, doctors and police officers through borrowings—supplementing it by borrowings—and we broke the back of that. In the first four budgets at least, from memory (probably five budgets and final budget outcomes) we delivered net lending surpluses, that is, we covered the cost of capital and depreciation and our operating costs from the revenue we had available.

What we embarked upon two years ago was a program of rebuilding the state's economic and social infrastructure to the extent to which it was financially prudent. To do that we borrow money. The opposition was out there saying, 'You should not borrow money at this point of the cycle, you should be able to find it from within recurrent expenditure.' What utter nonsense. Why should today's generation pay upfront for infrastructure that will last 30 or 40 years?

What we have said in today's statement to the house has been very open, very transparent and very honest, with the impact of the global financial crisis on our state. What that is now necessitating is a rethink of what we are currently undertaking in our program to meet the current financial constraints that we are in. We have lost an enormous amount of revenue. We have seen our liabilities increase significantly, and we must tune our spending accordingly. That is the right thing to do and the responsible thing to do: a measured proportionate response consistent with the way we have managed the books since we came to office.

WINE YEAST RESEARCH

The Hon. L. STEVENS (Little Para) (14:33): My question is to the Minister for Science and Information Economy. What recent development highlights South Australia as a centre for world class scientific research?

The Hon. P. CAICA (Colton—Minister for Industrial Relations, Minister for Employment, Training and Further Education, Minister for Science and Information Economy, Minister for Youth, Minister for Volunteers) (14:33): I thank the member for Little Para for her very important question. Sir, I know that you would be familiar with this, but across a broad range of fields South Australian scientists consistently excel on the world stage. They make enduring contributions to the social and economic development of our state. Our scientists here in South Australia do some outstandingly good work.

Last week there was a tremendously exciting announcement that puts South Australia at the forefront—and I know that Ivan would be interested in this—of research into wines. One of South Australia's renowned centres of excellence is the Australian Wine Research Institute, which is located at the Waite Institute and is part of our Wine Innovation Cluster. I am delighted to inform members that, through the pioneering work of Professor Sakkie Pretorius, Dr Anthony Borneman, Dr Paul Chambers and the team at AWRI, bioscience in South Australia has achieved a world-first breakthrough, having cracked the genetic code of wine yeast.

With wine yeast being a key ingredient in winemaking, this discovery opens the way for the development of improved wine yeast without the need for genetic engineering. This is an incredible find, and will be a major boost to the Australian wine industry—where, of course, South Australia is a world leader. By better understanding the biology of yeast and the chemistry of wine our wine sector will have the opportunity to innovate, and maximise its marketing potential by altering our wines to suit particular markets.

This find puts our winemakers in a stronger position to manage the fermentation process and to develop wines with the right quality, character and flavour. This discovery will also see our wine sector better placed to meet the growing challenges from developing wine-growing regions such as Chile, South Africa and China, along with the established sectors in Europe, the United States and New Zealand.

The success of Professor Sakkie Pretorius and his team is even more remarkable when it is realised that it took about six months for them to accomplish this feat, while international researchers have been working in this area for many years and have expended millions of dollars in their pursuit.

The Wine Innovation Cluster brings together five of Australia's key agencies in grape and wine research, and in doing so forms a strong entity that drives growth throughout the grape and wine value chain. The cluster is an offshoot of the government's Constellation SA strategy, which aims to enhance collaboration between research organisations and industry in our state, and which has received an additional $1 million in funding in this current year's state budget.

The state government's support for the AWRI is substantial. In addition to the $60,000 provided to develop the Wine Innovation Cluster concept, the government has also provided $800,000 for the development of an Australian metabolomics centre at the AWRI. This funding will supplement the commonwealth funding of $1.2 million through the NCRIS program, along with AWRI's contribution of $100,000.

The AWRI will also receive over $500,000 from the Premier's Science and Research Fund for another wine yeast project which will further add value to our wine industry. In addition, the new purpose-built facility for the Wine Innovation Cluster will be launched in November. The state government has contributed $9.5 million to this new facility, which will link the AWRI with the existing CSIRO plant industry building.

AWRI's remarkable achievement is something that I think all South Australians can be very proud of, and it is further evidence of the government's efforts to ensure that in this state there is a thriving and productive research environment for the benefit of all South Australians—and, indeed, the world.

STATE BUDGET

Mr HAMILTON-SMITH (Waite—Leader of the Opposition) (14:37): My question is again to the Treasurer. Why has the government delivered the worst financial liabilities to revenues performance of all states in the commonwealth? Well before the present financial meltdown referred to by the Treasurer earlier today in his statement, the government set a fiscal target in its last budget which said that the government intended:

> To achieve net lending outcomes that ensure the ratio of net financial liabilities to revenue continues to decline towards that of other AAA rated states.

However, the ratio now stands at 70.4 per cent, the highest of all states in 2008-09, and is forecast to increase across the forward estimates.

The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations) (14:37): Historically, South Australia has had a very high net financial liabilities to revenue ratio, the highest of the mainland states from memory.

Mr Hamilton-Smith: Especially since the State Bank.

The SPEAKER: Order!

The Hon. K.O. FOLEY: My colleague is correct. The reason we did not have a AAA credit rating when this government came to office was because, notwithstanding the sale of ETSA, the former Liberal government could not make the hard decisions to bring down recurrent spending to actually see a decline—

Members interjecting:

The SPEAKER: Order!

The Hon. K.O. FOLEY: If anything I am saying is factually incorrect or a lie then members opposite can call a substantive motion and accuse me of misleading the house; but they will not do that because they know that what I am saying is true. The last government was incapable of bringing that liability ratio down to a level that would enable the state to be re-rated AAA. This government did that, and we did it through making cuts, getting spending under control and building up surpluses and, for a period of time, eliminating all budget sector debt.

Mr Williams: What about the windfall revenue?

The SPEAKER: Order!

The Hon. K.O. FOLEY: The truth of the matter is that the reason that I made a statement to the house some 25 minutes ago is the fact that those ratios are blowing out through circumstances beyond our control, that is, a significant shedding of value of the Australian and international stock markets and a lowering of what is called the discount rate or the government bond rate that values future earnings and, because it is a lower rate, the liability grows. I have no control over that. We have no control over those two factors, and they push out these ratios. Then when you throw into the mix hundreds of millions of dollars of losses of revenue, your operating account suffers and the ratio blows out again.

The very reason that I have outlined to the house today that drastic and urgent surgery and action has to be taken on our state budgetary position is the very point that the leader alluded to. Historically, this state, South Australia, has always had a higher ratio than other mainland states which has reflected our state's relatively poorer position economically than the rest of the nation for decades and decades.

We are changing that. Our economy has never been stronger. Our economy has never been more diversified. There has never been a point when more people have been in employment than there are now. We will ensure that future generations of South Australians enjoy their lives in a more robust, diversified and wealthier economy than we inherited but, importantly, on the way through to that point, strong budget management will have to be delivered by governments and we are doing that and we will continue to do it.

STATE BUDGET

Mr HAMILTON-SMITH (Waite—Leader of the Opposition) (14:42): I have a supplementary question to the Treasurer. Has the reduction in the state's financial assets, explained in his statement and put at a cash loss of $2.1 billion from Funds SA and an increase in unfunded super liabilities to $8.6 billion, further pushed the state's financial liabilities to revenue ratio towards or above the 80 per cent trigger at which Standard and Poor's has indicated the state's AAA rating will be reviewed?

The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations) (14:43): He was not listening to my answer. I just said yes. That is the problem with the Leader of the Opposition. He cannot grasp basic financial information. Like my colleague the Leader of the House well notes, back on the Economic and Finance Committee when he had that attack on the Auditor-General—

The Hon. P.F. Conlon: No, it was one of the water catchment boards.

The Hon. K.O. FOLEY: That's right, one of the water catchment boards, when he was looking at a balance sheet and read the assets as a liability or the liability as an asset and we told him he had to turn the page around. And he had just finished his MBA, I might add, the MBA he got whilst—

Members interjecting:

The Hon. K.O. FOLEY: Look, that does not surprise me. I have actually just said yes to that question, that the sudden rapid downturn in stock markets, the dropping of the discount rate, the crashing of revenue has blown those ratios up and into red light territory as far as the rating—

Ms Chapman interjecting:

The Hon. K.O. FOLEY: In excess of 80; well in excess of 80. That is why I have just said what I said half an hour ago and that is why I have said that we will deliver a financial statement in the next few weeks that will bring those ratios back down and maintain and sustain our AAA credit rating.

Ms Chapman: You pray!

The Hon. K.O. FOLEY: I pray. You know, sometimes I wish you would take a leaf out of Malcolm Turnbull's book. Even Malcolm Turnbull has actually realised that we are currently in a set of circumstances no other government probably since the Depression, if ever, has had to face worldwide. In the United States, in Europe, in Russia, not to mention Iceland—

Mr Koutsantonis: Which just got bought by Russia.

The Hon. K.O. FOLEY: Yes, bought by Russia when the old ATM machines stopped throwing out cash. These are extraordinary times. We have seen shareholder wealth evaporate overnight.

Ms Chapman interjecting:

The SPEAKER: Order! The deputy leader will come to order.

The Hon. K.O. FOLEY: She just screamed out what I am going to do.

Ms Chapman: It will be December before you tell us.

The SPEAKER: Order!

The Hon. K.O. FOLEY: I might tell you sooner than that if I can. It takes a careful, considered and prudent approach to work through which projects should be postponed, which projects should be cancelled and which programs should be cut. That is not an exercise that one should do overnight. It is not one that one has to do overnight; it is what we have to do in a considered, appropriate time frame. I have demonstrated year after year, as has this government, that we will do it right. All I ask from the opposition is that in these extraordinary times—

Ms Chapman: We accept that.

The Hon. K.O. FOLEY: You accept that. It is a time that an opposition should do what the opposition in Canberra is doing: actually suspend cheap political opportunities and trickery and attempt to assist the public. What we do not want to do is overstate anxieties or do anything to make families or businesses feel any more insecure. It would be a good time for all of us to show cool and calm heads and support what the government is doing in the national and state interest, above party politics—the right thing to do.

FUNDS SA

Mr HAMILTON-SMITH (Waite—Leader of the Opposition) (14:46): My question is again to the Treasurer. Is he certain that the information he provided today about losses made by funds under investment on behalf of taxpayers since 30 June 2007 to 30 September 2008 are accurate and complete? In particular, what losses have occurred within the Motor Accident Commission, the WorkCover Corporation, or SAFA's insurance arm activities?

Part A, Audit Overview, of the Auditor-General's Report, tabled today, refers on page 2 to a deterioration in the Motor Accident Commission's statutory solvency level and raises concerns about further negative investment performance that may put at risk statutory solvency

requirements. The report also refers to negative market returns and reduced SAFA insurance investment assets.

According to page 50 of the 2006-07 Funds SA annual report, the government had $13.1 billion under investment at the end of June 2007. Since then, equity markets have declined by 34 per cent. The listed investment categories would suggest and indicate estimates of Funds SA losses more in the area of in excess of $3 billion since June 2007, bringing the balance of funds down from $13.1 billion to as low as $9.7 billion.

The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations) (14:48): This is embarrassing for the Leader of the Opposition. He does not understand figures. First, the figures I presented to the parliament today were given on advice, and they have been checked. So, we will double-check the veracity of those.

Before I answer the question in total, can I explain the embarrassing faux pas the leader just made. It is important that we focus on this. He said that, at 30 June 2007, funds under management were $13.1 billion. He then said that it had lost 30 per cent, so it should be more like $9.7 billion. Do you know what he forgot to include? The amount of money people are putting into their superannuation funds—the inflow of dollars.

There are 70,000 public servants putting 9 per cent of their salary, by statute, into the superannuation fund. You actually get money in as well, and you get growth on that money. That is why the fund is much higher than what you were trying to do with your back-of-envelope mathematics, saying that it should be $9.7 billion. You forgot that we get hundreds of millions of dollars, billions of dollars of inflow of capital, into these programs through the sheer fact that people are paying in 9 per cent of their salary. So, that is a little lesson for you.

In relation to the Motor Accident Commission, when we came to office we did inherit a Motor Accident Commission that was less than sufficiently solvent in my opinion. We took some hard decisions that saw an increase in premiums and some political pain for government, but we rebalanced that entity and what we have seen are solvency ratios as high as 160 per cent. The reason we have such a significant prudential cover is that if things go horribly wrong we are in a very strong position. The Motor Accident Commission has been in a very strong, healthy position and been able to withstand a significant drop in value in its share markets and investments. I am happy to report back to the house tomorrow the relative position of all the funds mentioned. They were not included in my ministerial statement because they are non-budget impacting entities; they do not hit the general government sector.

Mr Hamilton-Smith interjecting:

The Hon. K.O. FOLEY: Well, you do not understand how government finances are. They do not hit the government budget sector.

Members interjecting:

The Hon. K.O. FOLEY: It does not matter whether they lose their money. Members should look at their own share portfolio. Has much has it decreased?

Mr Hamilton-Smith interjecting:

The Hon. K.O. FOLEY: What I am saying is that members should look at their own share portfolio. I think at last look it would be down 15 per cent. That is what happens in a bear market when there is a run on stock markets and a collapse in financial and banking confidence. That is beyond the control of a government. No financial institution—be it an insurance corporation, WorkCover Corporation, or whatever—is immune from those effects.

I come back to my earlier point. I am more than happy to be criticised and questioned over the performance of the government, but on this issue we are grappling with a set of circumstances that this state has never faced. I simply ask the opposition to take a leaf out of Turnbull's book and show a bit of maturity and statesmanship in order to try to work with the government through a difficult period so we give a united voice to the public of South Australia, not one of partisan politics.

FUNDS SA

Mr HAMILTON-SMITH (Waite—Leader of the Opposition) (14:52): I have a supplementary question. Will the Treasurer give the figures to the house in regard to the losses

incurred by WorkCover, the Motor Accident Commission and by SAFA's insurance investments, which he underwrites and for which the taxpayer is responsible ultimately? What are the figures?

The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations) (14:53): I have just said that I will provide them tomorrow. I have said that I do not have them with me because they are not part of the general government sector, the budget sector.

Members interjecting:

The SPEAKER: Order!

The Hon. K.O. FOLEY: Would you like me to get the performance of the parliamentary superannuation fund, as well?

Members interjecting:

The Hon. K.O. FOLEY: Okay. The Auditor-General says that is okay so you do not need that one. You do not need the parliamentary superannuation, but you want everyone else's. Come on guys, get real. I am more than happy to provide that. It is not part of the general government sector. It is not a call on the budget sector, but I am more than happy to provide those numbers tomorrow.

WORKCOVER CORPORATION

Dr McFETRIDGE (Morphett) (14:53): My question is to the Minister for Industrial Relations.

Members interjecting:

The SPEAKER: Order!

Dr McFETRIDGE: Has the Russell Investment Group—an investment consultant for WorkCover—shut down transaction and management operations for WorkCover investment funds? If so, what is the financial consequence? Russell Investment Group is an investment consultant contracted to undertake day-to-day investment decisions for WorkCover. On Saturday 11 October it was reported that Russell SuperSolution (known as Russell Investments) was forced to shut down all transactions during the week due to the global financial crisis and that it has frozen accounts and suspended prices and transactions without notice due to market volatility.

The Hon. P. CAICA (Colton—Minister for Industrial Relations, Minister for Employment, Training and Further Education, Minister for Science and Information Economy, Minister for Youth, Minister for Volunteers) (14:54): I will take the question on notice and get back with the information for the honourable member and the house.

SUPERANNUATION, PUBLIC SECTOR

Ms CHAPMAN (Bragg—Deputy Leader of the Opposition) (14:54): My question is to the Treasurer. Does the government intend to stand by its plans, put in place before Labor came into office, to fully fund public sector superannuation by 2034?

Members interjecting:

Ms CHAPMAN: No; he has not. When will we see the unfunded liability start to decline? In the 2005-06, 2006-07 and 2008-09 budgets, the Treasurer postponed the date at which the unfunded superannuation liability will start to decline from 2011 to 2012 to 2014, with further delays likely to give the latest unfunded superannuation blow-outs.

The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations) (14:55): Two things: first, the deputy leader is plain wrong and, secondly, she has asked me a question which I answered 45 minutes ago. Let me repeat what I said. There has not been a delay in fully funding our state's liabilities. What has occurred is that, because the unfunded liability has increased in recent years due to market conditions, the curve has risen, but the end point remains the same—and I said it. That is why it would be decent to the parliament if you actually paid attention when I am giving a statement. On page 2 of my statement I say—and I repeat what I said 40 minutes ago:

> The unfunded liability is our most significant liability, given our low debt levels, but, as members may be aware, the credit rating agencies include the unfunded superannuation liability when determining their rating.
>
> The government maintains its commitment to fully funding our superannuation—

Ms Chapman: My question is: when are you going to do it?

The Hon. K.O. FOLEY: Just listen; you didn't let me finish the sentence.

Ms Chapman: You didn't put it in your statement and you know it.

The Hon. K.O. FOLEY: Didn't I? Okay. Can everyone listen for one sec—this is good. I continue:

The government maintains its commitment to fully funding our superannuation liabilities by—

wait for it—

2034—

I said it; I said it in here—

the target set down by the previous Liberal government.

I said it; we stick to it. You made a fool of yourself because you are a goose. You idiot.

The SPEAKER: Order!

Members interjecting:

The SPEAKER: Order!

SOUTH AUSTRALIAN FILM CORPORATION

Ms CHAPMAN (Bragg—Deputy Leader of the Opposition) (14:57): Will the government abandon the relocation of the South Australian Film Corporation, a $45 million project currently underway at the Glenside Hospital site, and construction of the film and sound hut, given the financial pressures now placed on the state by the world financial crisis?

The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations) (14:58): It also happens to be in her electorate and she does not like the idea of what we are doing there. She wants to use her position as deputy leader on the front bench to ask a question about her own electorate. Talk about self-interest. Goldie is leaving the room, he cannot believe the question asked before. No wonder the leader has not relinquished the Treasury portfolio to his deputy, who just led with her chin then.

Mr Goldsworthy: I'm not leaving at all, I'm talking to Jack.

The Hon. K.O. FOLEY: Were you? Thanks for rolling your eyes when Vickie got that one wrong before, Mark. I have already said that we are in the process of reviewing our priorities, and when that work is done, we will let the house know.

FIRST HOME OWNER GRANT

Mr PISONI (Unley) (14:59): My question is to the Treasurer. To date, how many South Australians have received the government's first home buyers grant that was announced as part of this year's budget? On 23 September, the Real Estate Institute stated that first home ownership has declined by 30 per cent in the past five years and that fewer than half of Adelaide's suburbs have the medium sales price eligible for the government's first home owners grant.

The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations) (14:59): Where has this opposition been today? Where have they been? The Prime Minister has just announced the doubling of the first home owners grant from $7,000 to $14,000, and if you are building a new home, he is going to treble it to $21,000. Put in our $3,000 and you have nearly $25,000. Where have you been? The opposition is neither up to date on where we are in terms of the economy, nor is it listening to the information the government is giving.

Members interjecting:

Mr PISONI: I rise on a point of order.

The SPEAKER: Order! There is a point of order by the member for Unley.

Mr PISONI: The question was quite specific. It was about the state government's first home owners grant, not the federal government's first home owners grant. I would like the figures on the state government's first home owners grant please, Treasurer.

The SPEAKER: The Treasurer.

The Hon. K.O. FOLEY: All I can say is this: in the hour before question time, check the news and see what is happening in the world.

Members interjecting:

The SPEAKER: Order! The member for Light.

Members interjecting:

The SPEAKER: The member for MacKillop and the Minister for Transport will be quiet. The member for Light.

ELECTIVE SURGERY

Mr PICCOLO (Light) (15:00): My question is for the Minister for Health. Can the minister advise the house what has been the effect of the recent state and federal strategies aimed at reducing the number of overdue patients on elective surgery waiting lists?

The Hon. J.D. HILL (Kaurna—Minister for Health, Minister for the Southern Suburbs, Minister Assisting the Premier in the Arts) (15:01): The cooperation between the state and the federal government has been tremendous when it comes to health, and this particular program is a very good example of what you can achieve when the federal and state governments work together. We have been working with the commonwealth, through its elective surgery waiting list reduction plan, to perform extra surgery in our hospitals. The aim is to ensure, as much as possible, that patients do not have to wait longer than the clinically recommended time for surgery. The commonwealth has provided our state with $13.6 million in this calendar year to perform 2,262 extra procedures. This funding is being used for operating theatres and equipment as well.

The state government has already committed an extra $55 million, of course, over four years (from 2006-07), to fund more elective surgery at a state level and a record number of 39,970 elective surgical procedures were undertaken in the 2007-08 year in our major metropolitan hospitals. That is 2,479 procedures (or 6.6 per cent) more than the previous year. It is also 4,384 procedures (or 12.3 per cent) more than the number undertaken by the former government in the calendar year 2002.

Today I also announce that in the nine months from January to September this year, metropolitan hospitals have performed an extra 1,949 procedures, compared with the same period last year (an increase of 6.9 per cent). And through the elective surgery campaign there has been a 51.3 per cent reduction in the number of overdue patients between September 2007 and September this year, most notably at the Women's and Children's Hospital. The number of overdue surgical patients was cut from 144 in September last year to six in September this year (a drop of 96 per cent). The Repat Hospital cut its number of overdue surgical patients by more than three-quarters, from 436 in September last year to 105 this year (a 76 per cent drop). There was also a 67 per cent drop at the Flinders Medical Centre, a 32 per cent drop at the Royal Adelaide Hospital and a 25 per cent drop at the Queen Elizabeth Hospital as well.

At the start of this elective surgery blitz, we signalled that we may engage the private sector to undertake some procedures and we have had strong success so far without needing to do that. However, there are some specific waiting lists that we can reduce more quickly. That is why it is now our intention to work with the private sector on a small scale to deliver about another 200 procedures in some specialties, such as urology, general surgery and plastics. Such an approach has been successful in other states and we think it will be a useful trial in South Australia.

Looking forward, a further $8.1 million has been committed by the commonwealth for stage 2 of the elective surgery reduction plan. South Australia will receive about $3.1 million in 2008-09 and $5 million in 2009-10. These funds will be aimed at assisting hospitals to increase elective surgery capacity. They will fund capital and minor works, including theatre fit-outs, the extension of 23-hour wards, and equipment replacements. I take this opportunity to thank very sincerely the staff, the doctors and nurses and other staff in the hospitals, who have been a key part of reaching the results achieved in the last financial year. Some of the staff obviously have had to do extra sessions, and it has been pleasing that, despite all of the other things that have been happening in the health system over the last year, they have had these very good outcomes.

TRAMS

Dr McFETRIDGE (Morphett) (15:05): My question is to the Minister for Transport. Which trams have been hired to help alleviate the 'tram cram', and when will they arrive? The opposition

has been advised that the government is intending to hire 20 year old trams from Budapest, a claim that the government has not denied.

The Hon. P.F. CONLON (Elder—Minister for Transport, Minister for Infrastructure, Minister for Energy) (15:05): You have to be very careful with the member for Morphett because he often gets things wrong. He is one of the senior drips of Mr Drip! We are in a process of examining some options for trams at the moment in negotiation with some people—

Mr Williams: In Budapest?

The Hon. P.F. CONLON: I do not think so. I think we are looking at some other options. Can I say that you must always be very careful with the member for Morphett and the information he provides. I noted that, just two weeks ago in his Address in Reply, he told the house there was a solar generator in the APY lands which was rated at 300 megawatts but which was dispatching only 200 megawatts.

The SPEAKER: Order! There is a point of order.

Ms CHAPMAN: My point of order is that the question was about the purchase of trams, nothing to do with generators in the APY lands or previous speeches—absolutely nothing to do with it.

The SPEAKER: I uphold the point of order. The Minister for Transport.

The Hon. P.F. CONLON: I make the analogy, sir, that you must be very careful about some of the information provided, because, can I say, if there is a 300-megawatt generator in the APY lands someone must have a big, secret aluminium smelter.

The SPEAKER: Order!

Ms CHAPMAN: Mr Speaker, you made a very clear ruling.

The SPEAKER: Order! The deputy leader will take her seat. The Minister for Transport must answer the question.

The Hon. P.F. CONLON: I simply make the point that the member for Morphett is often a little careless about facts. I would ask him simply—

Dr McFetridge: It was a solar farm we were talking about, anyway, Pat.

The Hon. P.F. CONLON: It was a solar farm, that is right; and can I assure you, since you have given me the interjection, that 300 megs is enough to run a giant aluminium smelter, not a handful of homes. It would be a solar farm that you could see from the moon! I mean, you have got to be a little more careful. There is a difference between a megawatt and a kilowatt—a very substantial difference. Can I say, please, to the member for Morphett, let us wait and see. We are going through a process. I am sure of two things: first, that we will get a very satisfactory outcome as far as we are concerned; and, secondly, no matter what it is, it will be wrong, according to the member for Morphett.

It will probably cause Legionnaires disease. That was one of his previous claims. We will poison people with carbon. They are too thin, our trams. The trams we bought are too thin. I am advised that 2.4 metres—which is what at least 80 per cent of the world's trams are—is apparently too thin for Adelaide. Can I say, wait for the end of the process. I am very confident that we will get a good outcome, but, please do not make up stories in the meantime.

Mr Williams interjecting:

The Hon. P.F. CONLON: Sorry? Adelaide is different from the rest of the world, is that your—

Mr Williams: We have a big, wide corridor.

The Hon. P.F. CONLON: We have a big, wide corridor.

An honourable member interjecting:

The Hon. P.F. CONLON: He's good. The member for failed independence—what is his seat?

The Hon. M.J. Atkinson: MacKillop.

The Hon. P.F. CONLON: The member for MacKillop—who is very happy to be a failure and we are very happy to keep him happy; we will keep him happy for a very long time—has said, basically, that we should not have bought the trams. If we had not bought those, of course, we would still be running the H class. Do not forget that it was us who bought new rolling stock. It was a previous Labor government that bought new rolling stock. The last new rolling stock before Trish White bought these trams were bought by the previous Labor government. It is only Labor that renews infrastructure. If they had their way they would still be riding in the H-class trams. They have absolutely no credibility. Labor is rebuilding the infrastructure of this state in trying circumstances.

Members interjecting:

The Hon. P.F. CONLON: I do not know whether people know this, but there were originally two cities, Buda and Pest, on each side of the river. I will check, but I am pretty sure that we are not getting 20 year old trams from Budapest. Just wait and we will see.

PARLIAMENTARY CATERING ACCOUNTS

Mr HANNA (Mitchell) (15:10): Sir, my question is to you, as an officer of the Joint Parliamentary Service Committee. Why has the JPSC refused disclosure to the Auditor-General in relation to his requests about the dining and refreshment services of Parliament House? The JPSC runs the administrative machinery of Parliament House. It is secretive. Members of parliament cannot even get minutes of the committee.

Members interjecting:

The SPEAKER: Order! There have been ongoing requests for many years from the Auditor-General for access to the catering fund. When any customer of the catering services buys something the payment goes into that fund. The Joint Parliamentary Service Committee met with the Auditor-General, at my request, and the Auditor-General reiterated that request and gave his reasons. There was a vote taken by the committee and the vote of the committee was against giving access to those accounts.

The arguments for not giving access to those accounts were that that account does not consist of any public funds. It is funded by customers of the catering services: when they buy something, it is the money that they pay. There is no public money. None of the budget that is provided to the joint services goes into that account. So, the committee resolved to continue its policy of not providing the Auditor-General with that information.

I would point out that it is an audited account. It is audited by a private auditor. I do not have the details of that auditor, the name of that auditor, but it is an audited account, it is just not audited by the Auditor-General.

SCHOOL CURRICULUM

Mr PISONI (Unley) (15:13): My question is for the Minister for Education. Will the minister be changing her previous position and support the compulsory history component being proposed for students from kindergarten to year 10 by the Rudd government's National Curriculum Board? History has been identified by the National Curriculum Board as a core subject for one of four subjects to have national courses developed.

Controversial history professor, and former communist, Stuart Macintyre, will be one of the four educators drafting the board's direction of history courses. When a similar approach to national curriculum and history was proposed under the federal Liberal government with respected historian Geoffrey Blainey to front the drafting committee, the minister told *The Advertiser* on 27 June 2007 that a national history curriculum could neglect South Australian history. The minister had previously asserted in *The Australian* on 3 February 2007 that a national curriculum would not benefit students one iota.

The Hon. J.D. LOMAX-SMITH (Adelaide—Minister for Education, Minister for Mental Health and Substance Abuse, Minister for Tourism, Minister for the City of Adelaide) (15:14): I think that anybody who is rational would not want politicians to be writing school curriculum, or wanting politicians to decide which parts of history should be taught in schools. However, the debate about upgrading and improving curriculum is a valid one to have. I think the debate that has occurred about the balance between Australian and world history is also a very significant one.

I think that what has happened over the past 50 years is that there has been a very strong recognition that Australian history was under-represented. Now the debate has moved to whether

or not world history has been undervalued. I do not think this is a debate for politicians to be involved in; we should really have expert views about how the curriculum is developed.

Having said that, South Australia has always had history at the core of its teaching. We have said that it is significant and that we should ensure that local history resides within that curriculum. I believe it would be unthinkable for us, as South Australians, to have a curriculum that was put together without due understanding of local issues. For instance, South Australia has some very significant and unique elements that need to be part of a new history curriculum, and I would never support a centrally directed program that did not take into account the values that South Australians want. However I would not, of course, think myself capable enough, skilled enough or qualified to dictate how the curriculum was to be developed. That is properly done by teachers and historians—and I think all rational people would believe that to be the case.

In the balance between overseas and Australian history, it is without question, and there is a strong view, that we have missed a lot of world history because of our recent focus on Australian history. However, I would not like to see all history be about the East Coast, I would not like to see all Australian history reside on the eastern side of the Blue Mountains, and, whenever there is any question about the curriculum, it has to be based on local content.

What is important is that the previous government's view on curriculum was predominantly directed towards a senior certificate. At the moment this government has invested a lot of work into personalising the curriculum, having flexibility, introducing trade schools, and introducing the capacity to have school-based apprenticeships. The year 12 SSABSA system is, therefore, one that has credibility and integrity, and it will not be lost.

OPIE, MAJOR L.M.

The Hon. M.J. ATKINSON (Croydon—Attorney-General, Minister for Justice, Minister for Multicultural Affairs, Minister for Veterans' Affairs) (15:17): I seek leave to make a ministerial statement.

Leave granted.

The Hon. M.J. ATKINSON: I rise to bring to the notice of the house the passing of one of this state's most famous military sons. On Monday 22 September we lost Major Leonard Murray Opie, DCM RFD ED.

With the artificial heroics of modern entertainment and the sometimes loose interpretation of the word 'hero' in the sporting arena, it can come as a real surprise to realise that we have lived in the same community as a person who is a genuine war hero. Len Opie was that, but he was more. He was the epitome of the Australian infantryman, that special breed of solider who is called upon to seek out the enemy, to close with him and to kill or capture him. To many who met Len in his later years he was a quiet, unassuming, even humble man. He was nevertheless one of the state's greatest war heroes, and we are diminished by his passing.

Len was buried on 2 October. He was farewelled by 200 of his family and friends, including Mr Keith Payne VC, the last surviving Victoria Cross winner of the Vietnam War. Keith Payne served with Len in the Australian Army Training Team. Speaking on behalf of Len's mates, Mr Payne said that the Australian military family had lost one of its finest warriors. Moreover South Australia—nay, Australia—had lost one of its finest sons.

Mrs Redmond: Pity you just can't speak about it instead of reading it.

The Hon. M.J. ATKINSON: I am sorry that the member for Heysen mars the occasion by an inane interjection. Len Opie was a soldier above soldiers, a true 'man of Sparta'. Len's career spanned some 30 years. I would remind the member for Heysen that, if one gives a ministerial statement and distributes the text, one is then obliged to read the text as distributed, otherwise the member for Heysen would claim that I was misleading the house.

Interestingly, and a point of great pride for Len, was that all his service was rendered as a member of the Citizen Military Force (CMF) as it was known. Len was proud that his entire career, as distinguished as it was, was rendered as a South Australian citizen soldier. He enlisted at age 18 in 1942 and saw service in World War II in Papua New Guinea. After a short period out of uniform, he re-enlisted for service in Korea. He served with 3 RAR and was awarded the Distinguished Conduct Medal. Recently, Len recounted the incident that led to that award. He said:

I was having a cup of cocoa in the morning when the platoon commander said, 'Come on! We're having a go at this hill.' The platoon commander added, 'I want you to nudge along, but I don't want you to get into any trouble.'

Len laughed at the order, realising that the task ahead was a difficult one. He then led his section up the heavily-fortified Hill 614 and using grenades, an Owen machine gun, a .303 rifle and captured Chinese weapons, he eliminated the enemy posts one by one. Such was his mettle.

Len went on to fight with 3 RAR in the Battle of Kapyong, the defining battle of the Korean conflict. With Korea and subsequent service in Japan over, Len was discharged, but it was not long before he re-enlisted in the CMF and, in 1965, he commenced full-time duty with the Australian Regular Army. Australia's commitment to the Vietnam War was just beginning and Len was to serve three years and five months in that theatre. He served with the Australian Army Training Team, our nation's most decorated military unit.

I have not checked, but I think Len probably spent more time on active service in Vietnam than any other member of the Australian Army. I note that in the recent history of the Australian Army Training Team in Vietnam, Len Opie's tasks were described as varying from Province Reconnaissance Unit operations to training and operations in Vung Tau. As the authors themselves said, 'Len Opie's exploits deserve a book of their own.'

During the Vietnam War, the Australian government's policy was that no soldier could spend more than two consecutive tours of 12 months in Vietnam without a break outside the country. To a professional soldier such as Len, this presented a problem. His life was professional soldiering, and he wanted to live it at the sharp end. Begrudgingly, Len left Vietnam after two years but managed to have himself posted to the Kashmir-Pakistan border on what was at that time euphemistically called 'peacekeeping duties'.

Len served as a 'peacekeeper' for 12 months. He then returned to Australia briefly before being reposted to Vietnam where he rejoined the Training Team for another 12-month tour of duty. Len left Vietnam for the last time in April 1971, only a few months before Australia ceased combat operations in that war. Len was promoted to the rank of major in 1974 and was placed on the retired list on 23 December 1975.

Len's military career was remarkable. He fought in three wars, and he was decorated by three countries. Under our award system, he was awarded the Distinguished Conduct Medal which, at the time, was second only to the Victoria Cross in order of precedence. He received honours and awards from the United States of America, including the Presidential Unit Citation, the Meritorious Unit Commendation, the Bronze Star and the Air Medal. He received the Cross of Gallantry with Palm from the Army of the Republic of Vietnam and the Cross of Gallantry (Divisional Level) from the Republic of Vietnam.

In over 30 years' service, Len saw active front-line service, facing the enemy for a full 8½ years. I doubt that any Australian soldiers have equalled that level of service. Len was a true hero, a man of courage and tenacity in the mould of the original ANZACs. He was a warrior the like of which we may not see again.

In retirement, Len retained his interest in the military, being flown to Darwin only a few weeks ago to farewell the young men of 7 RAR before they departed for Afghanistan. They were privileged, and Len felt likewise. I understand that he even tried to convince them to take him with them! But for all this, Len was a gentle man; in his later years, fond of model railways, cups of milky tea, his voluntary work at the Army Museum and his little dog, Sally.

It is difficult to sum up a man such as Len Opie, but I was impressed with one sentence that seemed to say so much about him. When asked why he went to war, he said, 'It was the right thing to do'—the creed of an amazing man.

In conclusion, I wish to announce that the government has donated $5,000 in honour of Len Opie to the Army Museum at Keswick Barracks. The funds will be used to establish a Korean war exhibit as a tribute to Len. His friends tell me that he would have liked that.

On behalf of Len's Army mates, I conclude my statement by reciting, on behalf of Len, the ode of the Royal Australian Regiment that was recited at the conclusion of his military funeral service:

Rest ye, O warrior,

you'll battle no more,

no longer to live

the horrors of war.

Your duty was done

with honour and pride

Farewell, O brother,

until we march by your side.

Lest we forget.

Honourable members: Hear, hear!

PORT AUGUSTA PRISON

The Hon. M.J. ATKINSON (Croydon—Attorney-General, Minister for Justice, Minister for Multicultural Affairs, Minister for Veterans' Affairs) (15:27): I table a copy of a ministerial statement relating to an incident at Port Augusta Prison made earlier today in another place by my colleague the Minister for Correctional Services.

GRIEVANCE DEBATE

TRUCK-DRIVING SKILLS SIMULATOR

The Hon. G.M. GUNN (Stuart) (15:28): Mr Speaker, I say from the outset that I support and agree with the comments you made in reply to a question from the member for Mitchell. I suggest that it would be wise for him to take the trouble to acquaint himself with the facts in relation to the operation of the Joint Parliamentary Service Committee, when he may be better informed and make wiser counsel on the matter. I am happy to discuss it with him at a later date.

Today, I want to bring a matter to the attention of the Minister for Employment, Training and Further Education concerning the 793D truck-driving skills simulator at the Port Augusta TAFE campus. I am advised that the simulator is to be removed. The 793D simulator, which was secured last year by the state government's Resources and Engineering Skills Alliance and TAFE SA in partnership with Thiess Australia, trains people in skills to meet mining industry demands. I am advised that $1.1 million was contributed to this program, which was run in conjunction with the Exceptional Circumstances Drought Program to provide farmers with skills that would enable them to seek employment in the mining industry.

I believe that the simulator has been very successful and, with such success, it is difficult to understand why the state government has contributed funds when this simulator may have already been moved to Prominent Hill. A press release issued by the minister on 28 May this year states:

> Port Augusta TAFE's $1.1 million dump truck simulator is proving to be very popular with would-be mining industry recruits. Employment, Training and Further Education Minister…says almost 200 people have expressed interest in the 10-day training program…The training program includes site visits to Prominent Hill and Roxby Downs.

I make the point that this has been a successful program. It has been brought to my attention that it would be far better if it were to remain at the TAFE facility at Port Augusta where it can serve a wide range of people. I am concerned that this may limit access to these facilities. I understand that not only private money but also government resources have been put into it. It would appear to me that TAFE—as an organisation which provides training—is the appropriate place. I ask the minister to have this matter examined as a matter of priority in order to ensure that we get the best use of this facility so people are not prevented from accessing it and getting the benefits of the training. Unfortunately, the situation in certain parts of the state in the agriculture sector is not as good as it could be and there could be a further demand by people seeking training.

Secondly, I raised in the house in June the problems facing Wirrabara Timber Preservations, a company that deals in fence posts and treats other things, as well. It is a small company which was hit with a licence fee of some $26,000. Now this would have bankrupted the company. I raised the matter here and a promise was made to come back to the house. The company has now been in correspondence with the Minister for Environment and Conservation. The fee increased from $1,180 to $26,350. I understand it has been cut back to about $11,000—which is still beyond the capacity of the company to pay. It is an absolute nonsense. I think that the highly paid, insensitive bureaucrats who are making these representations would be getting paid probably twice or three times as much as the company is making in profits. If it is their idea to shut

down the company and put two or three people on the unemployment heap, well, they had better be accountable for that.

My other concern is that we are facing uncertain economic times. It is not the role of government to try to make life difficult for small companies by imposing unrealistic, unfair and outrageous charges on them. I call on the Minister for Environment and Conservation to bring these people—who could only be described as insensitive bureaucrats—to their senses in order to have a common-sense approach.

Time expired.

ONKAPARINGA CITY COUNCIL

Ms THOMPSON (Reynell) (15:33): I rise today to express my concern at the way in which the City of Onkaparinga has allowed a prominent site in Morphett Vale to deteriorate, and failed to take action against the owners to require them to restore the premises to a degree of safety and make it less unsightly to the community. I speak of the Sizzler site on the corner of Main South Road and Wheatsheaf Road. I note that this has been a problem since the middle of last year. The site is vacant and is the subject of litigation. Indeed, I am involved in the litigation, so I will not make any comment about that. I am commenting simply on the fact that the site is an eyesore—the technical term under the Local Government Act is 'unsightly'. It is also unsafe.

My reason for claiming that it is unsafe is that about two-thirds of the windows have been broken, jagged glass is protruding from most of the windows and glass is lying around the area. This is a very prominent site, which is past by numerous children on their way to and from school each day. It is located next to a mental health facility and a disability facility. It is located across the road from the City of Onkaparinga Memorial Gardens. Indeed, I know that the RSL is also concerned about the degradation of the site and the impact that that has on the importance and the solemnity of the war memorial gardens.

I wrote to the City of Onkaparinga in November and December 2007 about this issue. In her reply, the mayor, in part, says:

> We are aware of the graffiti and vandalism on the site and have contacted the owner/developer recently to discuss their management of the site. We have been advised that cleaning contractors have attended the site on a weekly basis until very recently, however, this service may be less frequent pending the Court matters. Staff have advised the owner/developer that we will take action if the site is allowed to deteriorate to the point where it is considered to be 'unsightly'.

I think the body language of the member for Finniss sitting on the opposite side of the chamber and who passes the site fairly regularly indicates that he would now consider it to be unsightly and certainly many of my constituents—

Mr Pengilly: Dreadful.

Ms THOMPSON: Many of my constituents see it as unsightly, dangerous and degrading to the community. I again wrote to the Mayor of the City of Onkaparinga on 8 September. I also wrote to the local police asking them to increase their patrols of the area because of the safety aspect. The local police superintendent replied in a letter dated 25 September. Superintendent Peter Anderson indicated that police from the South Coast Local Service Area had contacted the Onkaparinga council, the owner and developer of the site and had discussed the concerns raised. He says:

> The advice I have received is that the developer of the site is engaged in litigation relating to the use of the premises. It appears that until this litigation is resolved, the site will not be further developed. It is the responsibility of the owner to maintain the site and this has been raised with the Onkaparinga Council.

The council has had advice from the police as a reminder of its power, yet it has failed to act.

Councils do have powers under both the Local Government Act and the Graffiti Control Act. It has been pointed out to me by many constituents that the City of Marion uses its powers. From talking to the City of Marion Manager of Regulatory Services and the Coordinator of Community Health and Safety, the feedback I have is that the council had taken legal opinion about the powers in the Local Government Act when it was dealing with an owner who refused to clean up a site and the City of Marion, following legal opinion which confirmed that council had the power to step in and clean up the site and then charge the cost to the owner, did just that. Marion council finds that it rarely has to resort to this legal action.

OPIE, MAJOR L.M.

Mr PENGILLY (Finniss) (15:38): I will read some extracts from the funeral eulogy of Leonard Murray Opie, retired major, DCM, ED. Leonard Murray Opie was born in Snowtown South Australia on 23 December 1923. Len's first taste of the army began with school cadets at St Peters College in 1938. The military record for Private Opie states that he enlisted at Woodside South Australia on 6 January 1942 and went to New Guinea. In September 1943, Len's overseas service commenced on *TS Duntroon* to Port Moresby.

His service continued from Port Moresby to Nabzab to Markham and Ramu Valleys, Kaiapit, Palliarer's Hill and Dumpu. In 1945, by then promoted to corporal, Len travelled by troopship to Morotai, then Balikpapan. Len learnt Japanese guarding Japanese prisoners of war. Just how he became an interpreter at Macassa for the Japanese war trials is still a mystery, but Len was employed that way until the war trials finished in August 1945.

Len's first real peacetime work commenced with the Adelaide Steamship Company in Port Adelaide. Corporal Opie then re-enlisted and arrived in Korea on 28 September 1950 with the 3rd Battalion, the Royal Australian Regiment. During the night of 27 February 1951 (as the Attorney indicated), Len was part of an assault where his unselfish devotion to duty, initiative and a great courage resulted in his being awarded the distinguished conduct medal. Corporal Temporary Warrant Officer Opie returned to Australia on 19 October 1951. He then returned to Korea with 3 RAR in November 1952 and served there until 3 June 1953. Len served a total of 598 days in Korea. On 24 March 1954, at Government House, Adelaide, Her Majesty the Queen presented Len with his DCM. Len thought that that being presented by the Queen was a bit of all right.

He joined the CMF and, on 14 October 1958, Len was commissioned as a lieutenant in the 43/48 Battalion Royal South Australian Regiment. On 15 September 1964, Len was promoted to captain. The Vietnam War gave Captain Opie another chance to display his military skills and, in May 1966, Len was posted to the Australian Army Training Team, Vietnam. Initially Len served with the CSD (CIA), until September 1967, when he returned to Australia. Following discussion with the Infantry Directorate in December 1968 whilst still in Vietnam, Len was directed to take some time away from the war. Len was not happy about this but was able to reach a compromise when he returned, on 15 October 1968, to Australia.

Less than two weeks later, on 28 October 1968, he was posted to the United Nations Military Observer Group India and Pakistan where he served in Kashmir as a military observer. Following 12 months in Kashmir, Len returned to Australia, took some leave owing to him and was then posted to the Jungle Training Centre at Canungra as an instructor. This stint was short lived, with Len being posted back to Vietnam in April 1970 (again at his own request). Captain Opie's service in Vietnam concluded in late 1971. He had spent 41 months on active service in that country.

One of Len's quirks was his insistence in wearing the infantry corps hat badge. Len was fully entitled to wear the regimental 'Skippy' badge, but he claimed that the RAR units that he served in were Regular Army units and that he never served in the Regular Army (always AIF or CMF, most of the time on full-time duty). The dress of the day for daytime was jungle greens, with peak caps for officers and warrant officers. The night-time dress was polyesters with ribbon bar. Len had a very dry and highly tuned sense of humour.

Many of the other instructors during Len's time there used to keep a close eye on the students. It was obvious to the instructors that the students would look at this relatively ancient infantry officer, Len, who to their mind must have been in the army for 100 years or more and had never served in the Royal Australian Regiment. Crunch time came during the first night lecture when the students saw Len in his polys with three and a half rows of ribbons topped by a DCM. It stunned me when I saw it as well. Students' jaws would drop and from there on there was a distinct change of attitude towards this venerable soldier.

Captain Opie's CMF full-time duty service was terminated on his 50th birthday, on 23 December 1973. However, Len continued to served in the CMF. On 24 December 1973, he was posted to 10 RSAR. Then on 31 December 1974 Len was promoted to major. On 1 January 1975, he was posted to CSTU (4MD) as an instructor. On 23 December 1975, Major Len Opie was transferred to retired list (4MD).

The Attorney-General eloquently portrayed a great part of Len Opie's life. I join with the Attorney in that. I had the pleasure of knowing Len, having met him several times. He was an

amazing man who was quiet and unassuming, as indicated. He had 19 medals and was entitled to wear another three. More of a gentleman you could not find and he is a sad loss to Australia.

Time expired.

Ms BEDFORD (Florey) (15:43): I add to the earlier comments and pay tribute too to the life of Leonard Murray Opie, DCM RFD ED BS(US) AM(US) CG(VN). Len (as he was known to his family and friends) passed away on 22 September 2008 from leukaemia at the age of 84 after a life of service to his country. Born in Snowtown in 1923, he was educated at St Peter's College, became an army cadet in 1938 and served as a senior cadet in 1941. Len was special in many ways; one being that he always served as a volunteer and was never part of the Regular Army. Len was an unusual soldier and said of himself that he was never actually in the Army, but never out of it. This referred to his periods of time in uniform overseas. He did serve with the CMF Army Reserve, but his habit was that he would come into the Army full time when there was a war to fight or an enemy identified by various Australian governments.

He served with distinction in World War II, the Korean and Vietnam wars and was a UN observer in Kashmir. His active service began on 6 January 1941 when he enlisted at Woodside as a private and, after training, became a rifleman in the 2/14 AIF. He was deployed to Papua New Guinea between 1943 and 1944. Later he was an interpreter for the Australian War Crimes Investigation in 1946. It was not long before Len was again active, enlisting with KForce Adelaide on 8 August 1950 and moving through the 2nd RAR at Puckapunyal and then onto the 3 RAR to the Korean War.

Often called the 'forgotten war', Len served 598 days in that conflict, which encompassed great acts of enormous bravery and courage. In the words of another man I admire greatly, Moose Dunlop, Len was a true warrior—never afraid of death. His values were his mates and his unit. He was a quiet man of slight stature, however, his heart was enormous and his courage unbounded. He could not stand posers, nor did he tolerate fools, and hardly ever held his counsel when he believed the truth was not being aired. Len played a pivotal role in the capture of Hill 614 in 1951, and at Kapyong.

He was awarded the DCM, and many suggest that it could have and should have been upgraded to a VC. He was discharged in August 1953. He enlisted again in February 1954 in the CMF and was commissioned in 1958. He was promoted to captain in 1964. His Vietnam service commenced in May 1966 with the Army Training Team. There are many stories of this period, one being that Len was so efficient and such a good soldier that he was like a machine. He sharpened his trenching tool on only one side, and that was not for a shave. Len kept many diaries of his three major conflicts, which are now held by his long-time friend, WO2 Vic Pennington, who gave a wonderful eulogy at the funeral service.

There was one story in particular about Len racing to save a patrol of Regional Force South Vietnamese solders who were with Vic. This effort alone was without regard for his own life—when it came to his mates and responsibility to them there was no other course. Len received many honours and awards during this period. In December 1974 he was promoted to Major and began a period with the CMF Army Reserve receiving his ED and a National Medal with First Clasp in February 2001.

I first met Len not long after entering parliament in 1997. I always found him quite polite and a gentleman. Although many thought that Len had no time for women, he was obviously a well-rounded individual, influenced, no doubt, by his much-loved family: his sisters, Molly and Pat, now sadly both deceased; and Sal, Butchie, Jilly and their families.

Many hundreds attended the funeral at the Heysen Chapel—full to overflowing for a service held with military honours. Brigadier Laurie Lewis spoke, describing Len as a thoughtful man who always strove to do the right thing. VC recipient Keith Payne also attended and said that the Australian military fraternity had lost one of its greatest men; that Len was a solider above soldiers. The amount of training Len put into keeping other people alive and the example he set for the younger generation of soldiers was outstanding. In April this year he was the guest of honour at the Last Hurrah, an Adelaide gathering of Korean veterans. I understand that, shortly before his death, he was in Darwin speaking to the troops shortly before embarkation to Afghanistan.

My contribution today cannot do justice to this wonderful soldier, and I concur entirely with the remarks of the Attorney-General and the member for Finniss. Len will be missed and we will remember him.

UNEMPLOYMENT FIGURES

Mr VENNING (Schubert) (15:47): Today I rise to talk about the release of the recent unemployment figures for South Australia from the Australian Bureau of Statistics, which are extremely worrying. More than 47,700 South Australians are unemployed, with an extra 11,700 becoming jobless in September. In these economic times it is certainly a worry, particularly with the boom times we have been experiencing. The figures show that we have the worst unemployment rate in the country at 5.7 per cent and the highest rate for nearly four years.

The national jobless rate is 4.3 per cent. Perhaps more concerning is that our youth unemployment rate has reached 28.4 per cent which is hard to believe and which is almost double the national rate of 16.9 per cent. These figures show that the Rann government's priorities are coming at the expense of other areas. More government support is clearly needed to reduce the youth unemployment rate in this state. Problems in other employment sectors also need to be addressed. Primary industries are suffering at the moment as the drought continues. It is becoming increasingly difficult to grow quantity and quality produce.

This has a flow-on effect with less being produced, and fewer pickers, farm hands, packing workers, and the like, are required, which further compounds our unemployment situation. Manufacturing industries are also facing difficult times as they struggle to compete with interstate and overseas competitors in challenging economic times. The demise of the Mitsubishi plant in South Australia is just one prime example. These areas are where we have obviously lost ground. The state Rann Labor government needs to refocus its attention on these industries in order to reverse our unemployment statistics in the current economic climate—not to mention the drought. In a press release put out on 8 October, Premier Rann said:

> South Australia is expected to roll out more than $1.7 billion in extra mining production. All of this work will boost jobs, exports and economic growth for South Australia.

According to statistics out earlier this year, it is clear that the alleged mining boom has not resulted in the increased job opportunities for South Australians that the state government says it has. The statistics show that we lost nearly 37 per cent of the jobs in the mining industry in a bit over 12 months. That equates to between 12,000 and 13,000 jobs. For the state Rann Labor government to be talking about increased job opportunities as a result of the mining boom I believe is misleading and gives a false sense of the employment opportunities that are available to South Australians.

Mr Rann has said that he would measure his success as Premier on the basis of jobs. In that case, he has failed miserably. In the past seven years that the state Rann Labor government has been in power, this state has experienced the best economic years that it has ever seen. In a press release put out by the Premier in September, he said that a low unemployment rate underlies the strength of the state's economy. That being the case, what does the current jobless rate say about our present economic situation? Higher unemployment rates—

The Hon. M.J. Atkinson interjecting:

Mr VENNING: You did; you have been through a time of boom with mining and everything else and it is coming to an end fast.

The Hon. M.J. Atkinson: You hope.

Mr VENNING: No, I do not hope. I will not have that on the record without refuting it. You go out and see the hardship out there. Higher unemployment rates are not going to be an attraction to business to set up in South Australia, so the implications of having the highest unemployment rate in Australia could be devastating for the business sector. For the employment minister to say in an interview 'there are some positive aspects to it', with reference to the latest job figures, is delusional and misleading.

The current global economic crisis, along with the continuing drought, will continue to put pressure on jobs growth in this state. The US recession will reduce the demand for our resources and commodities, not only in the US but also in China and India. The state Rann Labor government needs to put more effort into assisting our youth find employment, aiding those who work in our agricultural industries and giving support to the manufacturing industry in order for the unemployment rate to drop and, in turn, increase the financial stability of our state.

This government has been paying lip service to jobs in country areas. Look at its ridiculous decision on the shared services reforms—a stripping of jobs right where they are needed, and

moving those jobs to the city—and the so-called cost savings are totally lost in government bureaucratic red tape, relocation and implementation costs. It is an absolute disgrace, and I note the motion on the *Notice Paper* of the house.

This sort of action hurts country people, especially in these difficult economic times, not to speak of the ongoing drought. It is a very serious time. As I said three weeks ago when we were here, if we come back to this house and it has not rained, we are in a serious situation. We are back, it has not rained and we are in a very serious economic situation.

Time expired.

VOLUNTARY EUTHANASIA

The Hon. S.W. KEY (Ashford) (15:53): I rise today to speak about the very important rally organised by the South Australian Voluntary Euthanasia Association that is to be held tomorrow out the front of Parliament House. It is also to commemorate the contribution and the passing of Shirley Nolan, who was one of the advocates for voluntary euthanasia and is someone who showed great courage in demonstrating the need for voluntary euthanasia legislation in this state.

Just this week, I have received a number of letters, and I will abbreviate the names to initials. RAG has written to me and states:

> I write concerning a need for change to euthanasia laws. When hanging onto life means unbearable suffering and there is no hope of recovery, it should be the right of the sufferer to be assisted in dying by the medical profession. It is possible to enact legislation for a doctor to assist a patient to die voluntarily and also include stringent safeguards against abuse of such legislation. Please reply.

Another letter that I received, with the initials MH, states:

> I wish to record in the strongest possible terms my support for legalising voluntary euthanasia. I am old now and very well, but after visiting friends, some with Alzheimer's, in nursing homes, living for years with no quality of life is not what I want. It is my life and I should have the right to say when I have had enough.

Then there is a PS:

> When the voluntary euthanasia bill is introduced to parliament I urge all politicians to support it.

The third letter I have received (and I imagine other members of the house have as well) is signed under the initials V.N. and A.R. It reads:

> We wish to record in the strongest possible terms our support for legalising voluntary euthanasia. Voluntary euthanasia is an act of caring; it is wrong to describe it as killing, as opponents of voluntary euthanasia do. It is not only the possibility of pain, though that is bad enough, if it cannot be relieved. What concerns us is lingering on, when all hope of a reasonable quality of life is gone.
>
> We should all have the choice of asking for help to die if we are terminally ill and suffering intolerably. A doctor should be allowed to help us without fear of breaking the law. Also we object to the present law prohibiting voluntary euthanasia because it imposes the beliefs of others upon us. Particularly as this proposed legislation is supported by 81 per cent of South Australians (Newspoll 2007).
>
> It is possible to enact legislation with stringent safeguards against abuse and it is your responsibility as a law-maker to do so. We know that doctors help many people die, and they do not always get their consent. This is because it cannot be discussed. It will be much better to have it regulated so that it can be brought into the open.
>
> We trust that you will bear in mind the points raised above and that when [legislation for the voluntary euthanasia bill is introduced into this house] you will support it.

I have also received another letter that, again, many members of this house would have also received (I say 'again' because, as members would be aware, this debate has gone on for many years and there have been a number of attempts to bring in progressive legislation with regard to voluntary euthanasia). This letter is from a medical practitioner (initials A.G.) who has quite often campaigned in the area of voluntary euthanasia based on his experience. I would like to read part of his letter to the house. It states:

> I am a medical practitioner working in the field of gynaecological malignancy. I am, therefore, very aware of the plight of the terminally ill. We do not have many successes in treatment but inevitably I see women who have undergone extensive surgery, chemotherapy and radiotherapy but who present again with recurrent or ongoing cancer. Palliative care is offered to them. These women have no hope of survival. They...develop a range of medical problems before succumbing to their disease.

It goes on to say:

> Many women bear the pain of these conditions—

Time expired.

CRIMINAL INVESTIGATION (COVERT OPERATIONS) BILL

The Hon. M.J. ATKINSON (Croydon—Attorney-General, Minister for Justice, Minister for Multicultural Affairs, Minister for Veterans' Affairs) (15:57): Obtained leave and introduced a bill for an act to authorise the use of undercover operations and assumed identities for the purposes of criminal investigation and the gathering of criminal intelligence within and outside the state; to establish a certification scheme for the protection of the identity of certain witnesses; to provide for cross-border recognition of undercover operations, assumed identities and the certification scheme; to repeal the Criminal Law (Undercover Operations) Act 1995; and for other purposes. Read a first time.

The Hon. M.J. ATKINSON (Croydon—Attorney-General, Minister for Justice, Minister for Multicultural Affairs, Minister for Veterans' Affairs) (16:00): I move:

That this bill be now read a second time.

As part of the attack on the activities of outlaw motorcycle gangs, the Premier has called for a national approach to the problems posed by bikies. Cooperative criminal investigation powers are a good example of the national approach. The bill will enable cooperative arrangements to be made with other Australian jurisdictions in the areas of criminal investigation dealt with.

This bill deals with three of those areas. Reform of the law dealing with electronic surveillance is a more difficult and controversial subject and will be addressed later. A task force known as the national Joint Working Group (JWG) established by the Standing Committee of Attorneys-General and the Australian Police Ministers Council published a discussion paper in February 2003 that discussed and presented draft legislation on four topics: controlled operations, assumed identities, electronic surveillance and witness anonymity and received 19 submissions.

This report arose from developments in the Council of Australian Governments meetings in the previous year. A final report was published in November 2003. The report of the JWG dealt with four areas of criminal investigation law. They were:

(a) assumed identities of informers and undercover operatives;

(b) the protection of the identity of some witnesses in court;

(c) undercover operations; and

(d) electronic surveillance.

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

Leave granted.

Assumed Identities

An assumed identity is a false identity used by a law enforcement authority for a limited period for the purpose of criminal investigation or the gathering of criminal intelligence. An assumed identity provides cover for an undercover operative engaging in a controlled operation to uncover criminal activity or to infiltrate organised criminal groups. It is important that the undercover operative be able to verify the false identity with such common identity documents as a driver's licence, birth certificate, passport and credit card. South Australia has no legislation that deals with this area of law. As the Wood Royal Commission into the NSW Police Service found in 1997, that lack means that the assumption of false identities for law enforcement purposes may be *ad hoc*, uncertain in legality and lacking in accountability. Therefore, the principal purpose of this legislation is to regularise the creation of false identities by government agencies and to legalise expressly the use of authorised false identity documents by officers of law enforcement agencies.

The lack of an explicit legislative regime means that law enforcement officers are exposed to the risk that they commit criminal offences in acquiring and using an assumed identity, such as the general offences of making and using false documents and specific offences aimed squarely at identity theft. In addition, the lack of a legislative base means that there may be inadequate provision for internal and external accountability mechanisms. The Wood Royal Commission into the NSW Police Service recommended that there be a legislative regime for assumed identities in NSW (see the *Law Enforcement and National Security (Assumed Identities) Act 1998* of NSW). The Commonwealth Government enacted legislation in 2001, now provided for in sections 15XA-15XW of Part 1AC of the *Crimes Act 1914*. Those provisions were to be supplemented by the provisions of the *Crimes Legislation Amendment (National Investigative Powers and Witness Protection) Bill 2006*. That Bill, however, lapsed with the last General Election. Victoria has enacted the model in the *Crimes (Assumed Identities) Act 2004*; the Queensland version is to be found in the *Police Powers and Responsibilities Act 2000*; and the Western Australian version in the *Royal Commission (Police) Act 2002*.

The cross border element of the proposed legislation is particularly significant. It is notorious that criminal behaviour, particularly serious and organised criminal behaviour, does not respect State borders—indeed, may seek

to profit from them. Jurisdictional differences and policing areas within Australia create opportunities for crime to flourish. Differing legislative requirements in each Australian jurisdiction about assumed identities create operational uncertainty and delay for law enforcement in cross border criminal investigations. It is proposed that the mutual recognition provisions in the Bill will provide for a scheme that will allow law enforcement authorities using a false identity validly obtained in South Australia under the South Australian Act to use that identity elsewhere in Australia. In addition, the mutual recognition provisions contemplate that law enforcement authorities using a false identity validly obtained in South Australia under the South Australian Act can lawfully acquire evidence of that false identity from an identity issuing authority in another jurisdiction.

The Bill deals with these general issues that comprise the structure of the legislative scheme:

- the procedure for applying for an assumed identity authority;
- the grounds for issuing an authority for an assumed identity;
- the contents of the authority;
- the period for which the authority remains in force;
- the agencies or bodies from which false identity documents can be obtained and whether the issuing of these documents is mandatory or voluntary;
- the scope of the protection from criminal liability and the provision of civil indemnity for people using the authorised false identities and the people who have issued them;
- sanctions for the misuse of false identities;
- cross border recognition of authorities;
- the participation of people who are not law enforcement officers; and
- record-keeping, auditing and reporting requirements.

Witness Protection

Occasionally it is necessary to allow a witness in court proceedings to give evidence without disclosing his or her true identity, to protect the personal safety of the witness or his or her family. Several Australian jurisdictions provide specific measures to protect the true identity of covert operatives who give evidence in court. These measures include, holding the part of the court proceedings relating to the person's identity in private; suppressing the publication of evidence relating to the person's identity; excusing the witness from disclosing identifying details; and enabling the person to use a false name or code name during court proceedings.

The law on protecting the identity of undercover police witnesses varies between jurisdictions. In some jurisdictions, legislation has been enacted, while other jurisdictions leave the issue to the common law. South Australia has no such legislation. It should. Further, in line with the aim of the cross border investigation package, it is desirable to put in place a consistent system in each Australian jurisdiction for cross border investigations. For example, if a South Australia police officer participates in a controlled operation that extends into the Northern Territory, the officer needs to be assured that his or her identity can, if necessary, be protected in any proceedings in the Northern Territory (conforming to proceedings in South Australia). Such consistent protection is necessary to facilitate and encourage cross border investigation and to protect the safety of covert operatives.

Concealing the true identity of undercover operatives in this situation can achieve two purposes that are in the public interest. The first is protecting the personal safety of the witness (or other persons connected to the witness, such as his or her family). The second is enhancing the efficacy of undercover operations. By protecting the true identity of the witness, he or she is preserved as a useful undercover officer, an important tool in fighting organised crime. Concealing an undercover operative's true identity may also be necessary to encourage police officers and non-police informers to participate in undercover operations, confident that, if necessary, their identity and safety will be protected.

But these factors do not always prevail. There is also a strong and contrary public interest in the right of an accused to be tried fairly. Measures that conceal the true identity of a witness may detract from the right of an accused to be tried fairly, to the extent that they may impinge on the defendant's ability to test the credibility of the witness properly, or at all, in a crucial matter. The kinds of issues that are important are: the witness's general honesty, expertise or standing; the witness's motive to lie; the consistency, or inconsistency, of the witness's evidence with previous statements made by the witness; and the witness's capacity for accurate observation and recollection.

The true identity of the witness will not always be required for credibility to be tested. Issues such as the witness's motive to lie or capacity for accurate recollection will not usually hinge on the actual name or address of the witness. But concealing the true identity of a witness's identity should only be available in exceptional circumstances and subject to strict criteria. A model legislative system for protection of witness identity for covert operatives has the advantage of providing transparency and certainty as to when identity will be concealed. It will also provide consistency for law enforcement agencies and operatives who operate in cross border investigations.

It is not true that a statutory regime to this effect will destroy an inalienable common law right for there is good authority that the identity of a witness can be concealed at common law. Although there is an early case denying the judicial authority to suppress the identity of a witness (*R v Stipendiary Magistrate at Southport ex parte Gibson* [1993] 2 QdR 687), the major effect of that decision was to lead the Parliament of Queensland to enact a statutory scheme that, in effect, overruled that decision. The leading authority now is the later decision in *Jarvie v*

The Magistrates' Court of Victoria [1995] 1 VR 84. That decision said that there was a judicial discretion to allow undercover operatives to give evidence without revealing their true identity. Leave to appeal to the High Court was refused. The judicial discretion was based on the doctrine of public interest immunity. That doctrine, sometimes known as the 'informer's immunity', has a long lineage. The most common use of the doctrine is to prevent disclosure of documents or to prevent cross-examination of an identified witness if either course would result in the identification of a police informer. There is no doubt that public interest immunity and the informer's privilege is accepted in South Australia (*R v Mason* (2000) 74 SASR 105; *R v McKelliff* (2004) 87 SASR 476; *Haydon v Magistrates Court and Rofe* (2001) 87 SASR 448; *R v Haydon (No 2)* [2005] SASC 16). In *Mason* and *McKelliff*, the Full Court quoted with approval from *Jarvie*. On the other hand, it did not specifically apply the informers' immunity to a witness giving evidence in court because that was not the situation before it in either case—nor in the *Haydon* decisions.

Legislation allowing the use of a witness in court under conditions of anonymity exists in the Commonwealth (*Crimes Act 1914*, section 15XT), New South Wales (*Law Enforcement and National Security (Assumed Identities) Act 1998),* Queensland (*Evidence (Witness Anonymity) Amendment Act 2000*), Western Australia (*Royal Commission (Police) Act 2002*, section 25), New Zealand (*Evidence Act 1908* sections 13A-13J). Tasmania has enacted the *Witness (Identity Protection) Act 2006* but it is not yet in force.

The Government proposes to put the ability to present a witness in court with a false identity on a firm statutory footing. The proposed scheme will differ from the position at common law. The reasons for putting forward the legislation are clarity, transparency and improvement.

In outline, the proposed scheme is that the chief officer of a law enforcement or intelligence agency is able to give a witness an identity protection certificate that enables a witness to give evidence under a pseudonym without disclosing his or her true identity, to protect the personal safety of the witness or his or her family. The chief officer may delegate the decision making authority to a Deputy Commissioner. The decision-maker must be satisfied that disclosing the person's true identity would endanger them, or somebody else, or would prejudice current or future investigation of a criminal offence. The decision-maker must complete a formal certificate containing the following information:

- the assumed name for the purposes of the proceeding;
- the period during which the operative was involved in the operation to which the proceeding relates;
- the name of the agency;
- the date of the certificate;
- the grounds for giving the certificate;
- whether the operative has been found guilty of an offence, and if so, particulars of each instance;
- whether charges are pending or outstanding, and if so, particulars of each instance;
- where the operative is a law enforcement officer, whether he has been found guilty, or been accused of, misconduct, or there are charges outstanding or pending and the particulars of each instance;
- whether a court has made adverse findings about the credibility of the operative, and the particulars of each instance;
- whether the operative has made a false representation where the truth was required, and particulars of each instance; and
- anything else known relevant to the credibility of the operative

The witness will appear in person to give evidence, be cross-examined and have his demeanour assessed by the court. However, the real name and address will be withheld from the court as well as the defence. Details relating to the credibility of the witness will appear on a certificate of protection issued by the decision-maker, and made available to the court and defence. This will mean that the defence is restricted in its ability to question the credibility of the witness, as only those details revealed on the certificate will be available.

The decision to protect the identity of a witness is final, and cannot be appealed against or otherwise challenged in any court. However, the court at which the protected witness appears will have the authority to give leave or make an order that may lead to the disclosure of the operative's true identity or address. An application for leave must be made in closed court. However, the court may only make such an order or give leave if it is satisfied that:

- there is evidence that, if accepted, would substantially call into question the operative's credibility;
- it would be impractical to properly test the credibility of the operative without allowing for possible disclosure of their identity or address; and
- it is in the interests of justice for the operative's credibility to be tested

If the order to disclose is made, the court must adjourn proceedings for sufficient time so that the prosecution can decide whether to proceed with the witness or not. If the prosecution decides not to call the witness, the order for disclosure must lapse. The provisions for granting leave do not require the court to 'balance' the competing public interests in a fair and open trial (which may require disclosure) against the protection of the identity of a witness. Rather, the competing interests are taken into account by being considered separately by the law

enforcement agency (which would consider the need for protection) and the court (which would consider the necessity for disclosure of identity to ensure a fair trial). The application of these provisions will mean a departure from the common law approach, where courts 'balance' these competing interests.

There are offences of disclosure of information dealing with a protected operative. Where a protection certificate is current, and a person engages in conduct that results in a real identity being revealed, a maximum penalty of two years' imprisonment is applicable. Where a person is also reckless about whether his conduct will endanger the health and safety of a person, or will prejudice the effective conduct of an investigation, the maximum penalty is 10 years imprisonment.

The Commissioner of Police is required to provide annual reports to the Minister, which must be tabled in Parliament, containing details of the issuing and use of witness protection certificates.

Undercover or Controlled Operations

The substantive South Australian provisions were enacted in 1995 and have worked well. They are more than adequate by themselves for intrastate operations. I do not intend to open up the substantive provisions of the current law. There has been no objection to the way the current law works from the judiciary, the prosecution, the police or the defence bar. Things are best left alone in such circumstances.

The JWG recommended a model Bill covering the whole of the substantive law on what it called controlled operations for interstate operations. The general purpose of the model was to be that there would be one system for intrastate investigations and another for interstate investigations. It is not conducive to good and efficient criminal investigation for there to be parallel systems regulating undercover operations. It is possible that any one given investigation will require two sets of authorities and two sets of procedures. This can lead only to confusion. It is therefore proposed to enact cross-border provisions within the substantive provisions that South Australia has now. Once the cross border provision is enacted, South Australia can apply for the corresponding recognition of its process in other enacting jurisdictions.

I commend the Bill to Members.

Explanation of Clauses

Part 1—Preliminary

1—Short title

2—Commencement

These clauses are formal.

3—Interpretation

The parameters of this measure are established in the Long Title. The Long Title provides that this measure is enacted to authorise the use of undercover operations and assumed identities for the purposes of criminal investigation and the gathering of criminal intelligence within and outside of South Australia; to establish a certification scheme for the protection of the identity of certain witnesses; to provide for multi jurisdictional recognition of undercover operations, assumed identities and the certification scheme; and for other purposes. Clause 3 contains definitions of words and phrases used in the measure, including definitions of an *approved undercover operation*, an *assumed identity*, *assumed name* and *witness identity protection certificate*.

Part 2—Undercover operations

4—Approval of undercover operations

This clause provides that a police officer of or above the rank of Superintendent may, if satisfied as to various criteria, approve undercover operations for the purpose of gathering evidence of serious criminal behaviour. Such approval must be in writing and must specify (among other matters) who is authorised to participate in the operations, the nature of the operations and the period for which the approval is given. A copy of the instrument of approval must be provided to the Attorney-General.

5—Legal immunity of persons taking part in approved undercover operations

This clause (which operates both prospectively and retrospectively) provides that, despite any other law, an authorised participant in approved undercover operations incurs no criminal liability by taking part in undercover operations in accordance with the terms of the approval.

Part 3—Assumed identities

Division 1—Authority to acquire or use assumed identity

6—Application for authority

This clause makes provision for the making of an application by a law enforcement officer to the chief officer of the law enforcement agency for an authority to—

- acquire an assumed identity; and/or
- use an assumed identity.

Such an application must be in writing and must contain certain information, including the name of the person authorised to acquire or use an assumed identity and the reasons for the need of the assumed identity.

7—Determination of applications

This clause provides that the chief officer may grant an authority applied for under clause 6 subject to such conditions as the chief officer thinks fit if the chief officer is satisfied as to the criteria set out in the clause. If the authority is granted in respect of a person who is not a law enforcement officer (that is, an *authorised civilian*), the chief officer must also appoint a law enforcement officer to supervise the acquisition and/or use of the assumed identity by the authorised civilian.

8—Form of authority

This clause sets out the requirements for the form of the authority.

9—Period of authority

This clause provides that an authority granted to a law enforcement officer (an *authorised officer*) remains in force until cancelled, while an authority for an authorised civilian remains in force until the end of the period specified in the authority (which may not exceed 3 months) unless cancelled sooner.

10—Variation or cancellation of authority

This clause provides that the chief officer who grants an authority may vary or cancel the authority at any time and must cancel the authority if satisfied that any of the grounds for the granting of the authority no longer exist.

11—Yearly review of authority

Each authority granted by a chief officer of a law enforcement agency must, at least once a year, be reviewed by the chief officer (or his or her delegate) to determine whether the grounds for the granting of the authority still exist.

12—Making entries in register of births, deaths and marriages

The Supreme Court may, on application by the relevant chief officer, order the Registrar of Births, Deaths and Marriages to make an entry in the Register under the *Births, Deaths and Marriages Registration Act 1996* in relation to the acquisition of an assumed identity under an authority or corresponding authority.

Such an application must be heard in closed court.

13—Cancellation of authority affecting entry in register of births, deaths and marriages

If a chief officer cancels an authority for an assumed identity for which there is an entry in the Births, Deaths and Marriages Register, the chief officer must apply to the Supreme Court for an order cancelling the entry and the Registrar of Births, Deaths and Marriages must give effect to any such order of the Court.

Division 2—Evidence of assumed identity

14—Request for evidence of assumed identity

The chief officer of a law enforcement agency who grants an authority under proposed Division 1 may also request the chief officer of an issuing agency to produce evidence of an assumed identity and provide the relevant authorised person with that evidence.

15—Cancellation of evidence of assumed identity

The chief officer of an issuing agency must cancel evidence of an assumed identity if directed to do so by the chief officer of the law enforcement agency who requested the production of the evidence.

16—Legal immunity of officers of issuing agencies

This clause provides that the officer of an issuing agency who does something that, apart from this proposed clause, would constitute an offence, is not criminally responsible for the action if the action is done to comply with a request under this Division.

17—Indemnity for issuing agencies and officers

This clause provides that the relevant law enforcement agency must indemnify an issuing agency or agency officer for any liability incurred by the agency or officer if the liability is incurred because of something done by the agency or officer in complying with a request or direction in the course of duty and the agency or officer have met any prescribed requirements.

Division 3—Effect of authority

18—Assumed identity may be acquired and used

Assumed authorities may be acquired and used by an authorised person in accordance with the authority and—

- in the case of an authorised officer—in the course of his or her duty;
- in the case of an authorised civilian—in accordance with any direction by the person's supervisor under the authority.

19—Legal immunity of authorised persons acting under authority

This clause provides for immunity under the law for an authorised person acting properly under an assumed identity in accordance with the authority and if doing the act would not be an offence if the assumed identity were the person's real identity.

20—Indemnity for authorised persons

Where the chief officer of a law enforcement agency grants an authority, the law enforcement agency must indemnify the authorised person under the authority for any liability incurred by the person if—

- the act is done in the course of acquiring or using an assumed identity in accordance with the authority; and
- the act is done—
  - in the case of an authorised officer—in the course of his or her duty; or
  - in the case of an authorised civilian—in accordance with any direction by his or her supervisor under the authority; and
- the requirements (if any) prescribed by the regulations have been met.

21—Particular qualifications

Proposed clauses 19 and 20 do not apply to anything done by an authorised person if a particular qualification is required to do something and the authorised person does not have that qualification (even if the person purports to have the qualification under the assumed identity).

22—Effect of being unaware of variation or cancellation of authority

This proposed Division continues to apply to an authorised person whose authority has been varied or cancelled for so long as the person is unaware of the variation or cancellation and is not reckless about the variation or cancellation.

Division 4—Mutual recognition

23—Requests to participating jurisdiction for evidence of assumed identity

If an authority authorises a request under this clause, the chief officer of a law enforcement agency granting the authority may request the chief officer of an issuing agency of a participating jurisdiction stated in the authority—

- to produce evidence of the assumed identity in accordance with the authority; and
- to give evidence of the assumed identity to the authorised person named in the authority.

24—Requests from participating jurisdiction for evidence of assumed identity

This clause authorises the chief officer of an issuing agency in SA to produce and give evidence of an assumed identity in SA under a request under a corresponding law.

Division 5—Compliance and monitoring

25—Misuse of assumed identity

This clause makes it an offence for an authorised person to acquire evidence of an assumed identity not in accordance with the authority or to misuse an assumed identity. The penalty for such an offence is imprisonment for 2 years.

26—Disclosing information about assumed identity

This clause provides that it is an offence for a person to intentionally, knowingly or recklessly disclose information that reveals that an assumed identity acquired or used by a person is not the person's real identity in circumstances where the disclosure is not made in connection with the administration or execution of this measure or a corresponding law, for the purpose of legal proceedings or in accordance with a requirement imposed by law. The penalty for such an offence is imprisonment for 2 years.

The penalty for a wrongful disclosure is imprisonment for 10 years in circumstances in which the person—

- intends to endanger the health or safety of any person or prejudice the effective conduct of an investigation or intelligence-gathering in relation to criminal activity; or
- knows that, or is reckless as to whether, the disclosure of the information—
  - endangers or will endanger the health or safety of any person; or
  - prejudices or will prejudice the effective conduct of an investigation or intelligence gathering in relation to criminal activity.

27—Record keeping

This clause requires the chief officer of a law enforcement agency to keep appropriate records containing the information set out in the provision about the operation of this proposed Part.

28—Audit of records

This clause requires that the records referred to above kept in relation to an authority be audited at least once every 6 months while the authority is in force and at least once in the 6 months following the cancellation or expiry of an authority.

Division 6—Delegation

29—Delegation

This clause makes provision for the chief officer to delegate his or her functions under proposed Part 3.

Part 4—Witness identity protection

Division 1—Interpretation

30—Interpretation

This clause assists in the interpretation of this proposed Part.

Division 2—Witness identity protection certificates for local operatives

31—Chief officer may give witness identity protection certificate to local operative

This clause provides that the chief officer of a law enforcement agency may give a witness identity protection certificate in respect of a local operative of the agency in relation to proceedings if—

- the operative is or may be required to give evidence in the proceedings; and
- the chief officer is satisfied on reasonable grounds that the disclosure in the proceedings of the operative's identity or where the local operative lives is likely—
    - to endanger the safety of the operative or someone else; or
    - to prejudice any investigation.

The chief officer must be satisfied as to certain information (to be verified by statutory declaration) before giving any such certificate.

32—Protection of decision to give witness identity protection certificate

A decision to give a witness identity protection certificate is final and cannot be appealed against, reviewed, called into question, quashed or invalidated in any court.

However, that does not prevent a decision to give a witness identity protection certificate from being called into question in the course of any proceedings of a disciplinary nature against the person who made the decision.

33—Form of witness identity protection certificate

This clause sets out the requirements for a witness identity protection certificate.

34—Cancellation of witness identity protection certificate

This clause provides that a witness identity protection certificate must be cancelled if the chief officer of a law enforcement agency considers that it is no longer necessary or appropriate to be in place.

35—Permission to give information disclosing operative's identity etc

If the chief officer of a law enforcement agency gives a witness identity protection certificate in respect of a local operative of the agency in relation to proceedings, the chief officer may, if he or she considers it necessary or appropriate for information that discloses, or may lead to the disclosure of, the local operative's identity or where the local operative lives to be given (otherwise than in the proceedings), give written permission to a person to give the information.

Division 3—Use of witness identity protection certificate in proceedings

36—Application and interpretation of Division

This clause provides that this proposed Division applies to proceedings in SA in which an operative is, or may be, required to give evidence obtained as an operative.

For the purposes of this Division, a *witness identity protection certificate* is—

- a witness identity protection certificate given in respect of a local operative; or
- an interstate witness identity protection certificate,

as the case requires.

37—Filing and effect of filing of witness identity protection certificate in court

A witness identity protection certificate for an operative in relation to proceedings in SA must be filed in the court before the operative gives evidence in the proceedings and a copy must be given to each party to the proceedings before the operative is to give evidence.

If these procedures are followed, the operative in respect of whom the certificate has been filed may give evidence under the assumed name or court name stated in the certificate and his or her identity or residence cannot be revealed in the proceedings.

The presiding officer in proceedings in a court in which a witness identity protection certificate is filed may require the operative—

- to disclose his or her true identity to the presiding officer; and
- to provide the presiding officer with photographic evidence of that identity.

38—Orders to protect operative's identity etc

The court in which a witness identity protection certificate is filed may give such orders as it considers necessary or desirable to protect the identity of the operative and prevent disclosure of where the operative lives. The penalty for contravening any such order is imprisonment for 2 years.

39—Directions to jury

If an operative in respect of whom a witness identity protection certificate is filed in a court in relation to proceedings gives evidence in the proceedings, the court must (unless it considers it inappropriate) direct the jury not to give the operative's evidence any more or less weight, or draw any adverse inferences against the defendant or another party to the proceedings because the certificate has been filed or the court has made an order. This clause is subject to proposed clause 40.

40—Application for disclosure of operative's identity etc in proceedings

Under this clause, a party to proceedings may apply to the court for permission to ask a question of a witness or for a witness to make a statement that may lead to the disclosure of an operative's identity or where the operative lives if (and only if) the court is satisfied as to each of the following:

- there is evidence that, if accepted, would substantially call into question the operative's credibility;
- it would be impractical to test properly the credibility of the operative without allowing the risk of disclosure of, or disclosing, the operative's identity or where the operative lives;
- it is in the interests of justice for the operative's credibility to be able to be tested.

Unless the court considers that the interests of justice require otherwise, the court must be closed when an application under this clause is made or when any question is asked, evidence given, information provided or statement made.

The court must make an order suppressing the publication of anything said when an application under this clause is made and when any question is asked, evidence given, information provided or statement made. The penalty for breaching such an order is imprisonment for 2 years.

41—Offences

A person commits an offence (the penalty for which is imprisonment for 2 years) if—

- a witness identity protection certificate in respect of an operative has been given; and
- the person knows that, or is reckless as to whether, the certificate has been given; and
- he person intentionally, knowingly or recklessly does something (the *disclosure action*) that discloses, or is likely to lead to the disclosure of, the operative's identity or where the operative lives; and
- the person knows that, or is reckless as to whether, the certificate had not been cancelled (whether under this measure or a corresponding law) before the person does the disclosure action; and
- the person knows that, or is reckless as to whether the disclosure action is not permitted under this measure or authorised under a corresponding law.

If a person commits any such offence in circumstances in which the person—

- intends to endanger the health or safety of any person or prejudice the effective conduct of an investigation; or
- knows that, or is reckless as to whether, the disclosure action endangers or will endanger the health or safety of any person or prejudices or will prejudice the effective conduct of an investigation,

the person will be liable to imprisonment for 10 years.

Division 4—Delegation

42—Delegation

This clause makes provision for the chief officer to delegate any of his or her functions under this proposed Part.

Part 5—Application of Act to approvals, authorities or certificates under corresponding laws

43—Application of Act to approvals under corresponding laws

This clause applies specified provisions of this measure to anything done in SA in relation to a corresponding approval granted under a corresponding law as if it were an approval granted under proposed Part 2 of this measure.

44—Application of Act to authorities under corresponding laws

This clause applies specified provisions of this measure to anything done in SA in relation to a corresponding authority granted under a corresponding law as if it were an authority granted under proposed Part 3 of this measure.

45—Application of Act to witness identity protection certificates under corresponding laws

This clause applies specified provisions of this measure to anything done in SA in relation to a corresponding witness identity protection certificate granted under a corresponding law as if it were a witness identity protection certificate granted under Part 4 of this measure.

Part 6—Miscellaneous

46—*State Records Act 1997* and *Freedom of Information Act 1991* not to apply

This clause provides that neither the *State Records Act 1997* nor the *Freedom of Information Act 1991* apply to information obtained under this Act.

47—Annual report

This clause makes provision for an annual report to be submitted to the Minister that includes information relating to Part 2, Part 3 and Part 4 of the measure, for the exclusion of certain information to be excluded from the report and for the tabling of the report in Parliament.

48—Regulations

This clause provides that the Governor may make such regulations as are necessary or expedient for the purposes of this measure.

Schedule 1—Repeal and transitional provisions

The Schedule makes provision for the repeal of the *Criminal Law (Undercover Operations) Act 1995* and for transitional arrangements consequent on the repeal of that Act and the enactment of this measure.

Debate adjourned on motion of Mr Williams.

NATURAL RESOURCES COMMITTEE

The Hon. M.J. ATKINSON (Croydon—Attorney-General, Minister for Justice, Minister for Multicultural Affairs, Minister for Veterans' Affairs) (16:02): I move:

That the committee have leave to sit during the sitting of the house for the remainder of this session.

Motion carried.

WATER (COMMONWEALTH POWERS) BILL

Adjourned debate on second reading (resumed on motion).

(Continued from page 334.)

Mr O'BRIEN (Napier) (16:03): The issue of management of the rivers and tributaries within the Murray-Darling Basin and allocation of the waters therein predates Federation. Historic records indicate that this issue was the most contentious and divisive of all matters considered in the lead-up to Federation, and the one that eluded final resolution. Prior to the first sitting of the 1897-98 Constitutional Convention, which was held in Adelaide, Sir Richard Chaffey Baker, President of this parliament's Legislative Council, issued the following statement to South Australia's newspapers as to why South Australia should support Federation, and I quote:

The question concerning the water of the River Murray which arose between New South Wales and South Australia some time ago has never been settled and is bound to arise again in more aggravated form as more and more water is used for irrigation on the headwaters of the River Murray and its tributaries. In the absence of Federation, there is no authority to settle this or any similar question and both it and the ever recurring dispute between South Australia and Victoria are examples of questions which give rise to friction and dispute and sometimes ultimately end in animosity.

There are a number of interesting aspects to this statement by Sir Richard Baker. First, he acknowledges that the issue of disputation between New South Wales and South Australia, which was the sufficiency of water for navigation by South Australian vessels, would worsen as more water was extracted from the Murray River.

South Australia's concern has now shifted from water for paddle-steamers to the economic survival of the Riverland and the health of the Lower Lakes, but the cause of aggravation remains,

namely, diversion of water in the headquarters for irrigation. The second interesting aspect of Sir Richard Baker's media statement is his reference to 'the ever recurring dispute between Victoria and South Australia.' The recent dust-up involving Victorian Premier John Brumby has the same root cause as the ongoing disputes referred to by Sir Richard.

The third aspect of this media statement lies not in its content but its context. It was made during the Federation Drought which extended from the mid-1880s to 1902. The same externalities were at play in the pre-Federation debate as the ones that surround this legislation, namely, drought. Finally, Federation did not achieve the objective of providing an authority to settle issues such as overallocation whereas, interestingly, this legislation will.

The final constitutional outcome for the River Murray is embodied in section 100 of the Australian Constitution. As I mentioned, the River Murray issue was raised in the lead-up to the Adelaide session of the Constitutional Convention and debated during that session. When the convention moved to Melbourne, that issue took centre stage and took more time than any other issue. It was publicly debated for a week, moved to private conference, then brought back to the public arena for another week of debate in February 1898.

According to historian John La Nauze, the fierceness of the interchanges were incomprehensible to the Tasmanians and Western Australians, the process being more an endurance test than an exercise in clarification. What was at issue was the desire of upstream colonies to preserve their independence and protect their right to use the River Murray for irrigation while South Australia wanted to prevent them from diverting so much water that it would dry up the channel and threaten navigation. Section 100 of the Commonwealth Constitution appears to meet both sets of demands. It reads:

> The Commonwealth shall not, by any law or regulation of trade and commerce, abridge the right of a State or of the residents therein to the reasonable use of the waters of rivers for conservation or irrigation.

South Australia's position in respect of navigation had been protected by section 98, which deals with trade, commerce, navigation and shipping—a point driven home by Edmund Barton. Section 100 gave New South Wales and Victoria the water, but only on a reasonable use, such that South Australian vessels could still navigate the rivers of the Murray-Darling Basin. Interestingly, the word 'reasonable' was inserted at the suggestion of South Australian Sir John Downer during the Sydney session of the Constitutional Convention.

Without entering into a detailed history of the institutional arrangements that have governed management of the Murray-Darling Basin since Federation, I will make a brief reference to what may have sabotaged early attempts to ensure section 100 'reasonable' use of the waters and, hence, could have avoided the ultimate overallocation that bedevils us today.

In 1915, the River Murray Agreement, which sets out water-sharing arrangements between the states, was endorsed by the parliaments of South Australia, Victoria, New South Wales and the commonwealth. A River Murray Commission, made up of a commissioner from each government, was also established for the purpose of overseeing the water-sharing arrangements and an ambitious engineering works program. The works program resulted in a lock system on the river.

The agreement and commission were intended to be part of a more comprehensive institutional structure that revolved around the interstate commission, a body designed by the framers of the constitution to be a key part of the federal system for making decisions on the more difficult issues confronting the new federation. None could be more confronting than the management of the Murray-Darling Basin.

In the same year as the passage of the agreement, and the establishment of the Murray commission, the High Court stripped the interstate commission of most of its powers, which brings us to the bill before us. It refers to the commonwealth powers it does not possess under section 100 of the Commonwealth Constitution. Essentially, the referral of state powers by South Australia and the other basin states will enable the commonwealth to amend the Water Act 2007 to:

- first, abolish the Murray-Darling Basin Commission and transfer its function to the Murray-Darling Basin Authority;
- secondly, provide for a comprehensive basin plan, which will now have a priority focus on management of water for critical human needs, as well as integrated management of the basin water resources, including addressing water quality, salinity management and environmental watering. The reforms mean that the authority will now be able to plan

strategically for periods of low water availability to ensure enough water is put aside to support the delivery of water for critical human needs throughout the system; and

- thirdly, extend the application of water market rules and water charge rules, and the associated regulatory role for the Australian Consumer and Competition Council (ACCC), to all entities and transactions within the basin to facilitate more efficient water trading across the basin and provide for any state to opt in to apply rules outside the basin.

In terms of benefits for South Australia (I will spend some time on this aspect), these reforms will, for the first time, ensure that South Australia has access to the upstream storages of its choice, including the Hume and Dartmouth dams, to store water to meet its critical human needs and for private carryover. This will allow the state to carry over and store around 300 gigalitres water for critical human need (which is about 18 months supply) and deliver this water in times of low flows, reducing the risk of a major failure in the supply of potable water to South Australia.

Without these reforms, South Australia has no ongoing access to storage, bar the expensive exercise of replicating this storage within the borders of the state by building dams or enlarging existing dams. In many ways, this outcome of using Hume and Dartmouth, based on a cooperative national approach as opposed to the narrow, parochial and insular one adopted in 1960 in the attempt to build the large Chowilla dam within the borders of South Australia, has achieved the security of water supply that the narrow, parochial and insular Chowilla strategy could not.

This bill is the consequence of the agreement on Murray-Darling reform signed on 3 July at COAG by the Labor governments of the Murray-Darling Basin and the new commonwealth Labor government. The agreement on Murray-Darling Basin reform commits all signatory governments, namely, those of Queensland, New South Wales, Victoria, South Australia and the commonwealth, to 'a new culture and practice of Basin wide management and planning'.

This new culture and practice in aid of basin-wide management will emanate from a new basin plan, which will be drafted by the new independent Murray-Darling Basin Authority. The body will replace the Murray-Darling Basin Commission. The basin plan will provide sustainable diversions limits on water use in the Murray-Darling Basin system to ensure its health and to safeguard the communities that rely on the basin for their livelihood.

Specifically, the basin plan will aim to increase environmental flows and promote the health of Ramsar and other wetland sites throughout the Murray-Darling Basin. It is important to note that South Australia will benefit enormously from the national approach to management of the basin by the independent authority in the Murray-Darling Basin Agreement, having allocated $610 million directly for the use of South Australia.

In order to improve the efficiency of irrigation infrastructure along our stretch of the river, $110 million is allocated to assist private irrigators in that endeavour which, it is hoped, will save around 50 gigalitres of water.

Some $80 million is to be used for the purchase of water from willing sellers for environmental flows, and $200 million is allocated to tackle the serious problems facing the Lower Lakes and Coorong. In addition to the $610 million, it is expected that South Australia's Riverland region will be a major beneficiary of the recently announced $57.1 million by the Rudd government to provide effective exit packages to small block irrigators who no longer wish to irrigate but want to stay in their home. These exit packages are worth $150,000, with an additional $10,000 for removing vines and trees from small blocks and another $10,000 being made available for retraining purposes. This is a significant boost to assist non-viable small block irrigators with a future beyond irrigation, all the while contributing to the restructure of the irrigation industry, with an emphasis on transforming it to a more water efficient one, and for irrigators who are viable the Rann government has provided an assistance package, additional to that of the Murray-Darling Basin plan.

This package has made $67 million available to underwrite water allocations to Riverland irrigators, with the aim of maintaining their perennial plantings. This measure is a much needed boost to Riverland irrigators, given the current low allocation of 11 per cent. With perennial plantings supported through drought, it will enable the multibillion dollar industries of the region to recover when water allocations are raised—hopefully, in the future. This $67 million package clearly demonstrates the South Australian government's commitment to the long-term future of the Riverland and associated industries in the region, which are an important component of South Australia's economic and cultural fabric.

Although there is no quick fix for the plight of the Murray-Darling Basin system, the agreement on Murray-Darling Basin reform, which establishes an independent expert-based Murray-Darling Basin Authority and charges it with the task of formulating the Murray-Darling Basin plan, is the most effective process to ensure that the system is managed in the most efficient way possible. As I said, the agreement delivers to South Australia $610 million to encourage more efficient irrigation practices and water buybacks for environmental flows.

This bill is the enabler for the intergovernmental agreement on Murray-Darling Basin reform which was signed on 3 July. The referral of the powers it brings about finally resolves those outstanding issues that struggled for resolution in the years leading up to federation and the 1915 disembowelling of the interstate commission by the High Court of Australia. I strongly support the bill.

Mr VENNING (Schubert) (16:18): I do not think a more important matter has come before this house for many years. It is an important issue. I am just amazed that it is now a year since we first discussed this matter. It has taken so long to introduce this bill. It is a serious matter, and I fully support what the shadow minister said this morning: too little, too late. So much has been said about this issue. We heard what Premier Rann said about the initiatives put forward by former prime minister John Howard. He said that we need a fully independent commission. We thought, 'Okay, that is a good idea. We will go along with that.' What have we got? What has happened? It is a terrible situation.

We heard words such as 'historic', 'essential', 'groundbreaking' and 'biggest advancement for South Australia in decades'. As the shadow minister said this morning, the greater the spin, the less the reality. The drought continues—which is terrible news. The past three or four weeks suggest we will have a year worse than the previous three years. A month ago we did not think that was possible. It is not good. It is very serious, indeed.

The reality is that there is water in this system. There is a lot of water upstream, enough to solve a lot of our problems—not all of them but some of them. It upsets me that some irrigators in other states still have 100 per cent of their allocation. How can that be? How can that be when we are all Australians? One could understand it if it were Israel and the River Jordan in view of what has been happening in that region. I suppose it is exactly the same. Queensland has harvested more water this year than ever before during this drought. What is going on here? What water does the environment deserve? The answer is apparently none.

The Liberals will underpin water for permanent plantings in order to keep people on their irrigation blocks. The minister is here in the house. Her own constituency is being hurt the hardest. The minister asked me by interjection this morning why we did not do something about this when we were in government. When we were in government the minister had the greatest opportunity to leverage a position. Admittedly, the problem was not as serious then, but it was discussed. When we were in government—and members opposite would now understand because they are in government—we spent millions of dollars upgrading the irrigation schemes up there.

The Hon. K.A. Maywald interjecting:

Mr VENNING: No, it was not. The minister never raised it in any way. It was 6½ years ago and we have had six dry years, including four years of drought. What have we achieved? The Premier trumpeted loud and clear his call for achieving an independent governing body. How independent is it? Irrespective of which political party is in government, whether Labor or Liberal, each leader has the same problem. My leader has been to meetings of Liberal leaders across Australia and he has encountered the same problem. They will not turn on their state. Politics does not allow that. My leader has come home and said, 'I'm sorry, I got the same result as other leaders when they have gone interstate. Every state bats for itself.' Politics ensures that they do that. You can imagine what would happen if they did not.

We needed to have this so-called independent body that was going to happen, but what have we got? We have a situation that is totally unworkable and in which the Victorians are certainly having far too much say. Every state bats for its own and, heavens above, we would all do the same thing. We need a totally independent board—something akin to the Reserve Bank board which is totally independent and distant from the situation—to make the tough decisions for the whole catchment, irrespective of state boundaries.

In 2007, the federal government, under the leadership of prime minister John Howard, proposed a national water initiative whereby the commonwealth would take over state powers regarding managing the waters of the Murray-Darling Basin system. This plan aimed to address

issues of over allocation, old and inefficient water infrastructure, water delivery systems and vowed to assist with recognition of the environment. South Australians fair very well in relation to our efficient use of water and low waste levels, much better than other states. As the minister would know, in her own electorate we do have a most efficient water system in place. In fact, I do not think there are any open water channels left—and thanks to the previous government for that.

The national water initiative included a $10 billion package, the John Howard initiative, including $3 billion to buy back water licences in an attempt to address the problems of our over allocation, with the remaining $7 billion being used to upgrade and increase the efficiency of our water infrastructure, with the water savings made from such works to be directed into the environmental flows. The national water initiative was an Australian blueprint for water reform and we all supported it at a time when it was so desperately needed. Unfortunately, the events of November 2007 prevented its implementation. If the federal Howard government's plan had been adopted then, there is no doubt in my mind, South Australia would be in a much better state than we are currently regarding dealing with the drought and the subsequent water crisis.

The decision was made with every good will and political realism in the world, and we turned it down—an opportunity lost. I wonder whether we can ever revisit it. Now, nearly a year later, the state Rann Labor government, with this minister who represents this area, has put forward this bill which seeks to accomplish what the Howard government tried so hard to achieve; that is, the Murray-Darling Basin be dealt with as a whole system by an independent authority. It is far too little and far too late, and it sets up a toothless tiger.

This bill seeks to transfer the powers and functions of the Murray-Darling Basin Commission to the Murray-Darling Basin Authority. The authority is set up under the commonwealth Water Act 2007 to ensure that critical human needs form a part of the Murray-Darling Basin plan and to regulate water charges and water market rules under the act, with the ACCC determining and approving water charges and market rules. The problem with this bill today is not its content. We support this bill; we do: there is no equivocation about that. The problem is that it has taken far too long to implement it and it does not solve the problem of individual state parochialisms.

The existing and continuing drought conditions are having a wide ranging, negative, devastating and significant effect on lives and livelihoods across South Australia, particularly the Riverland. This is why we need an independent national water plan to be in place as quickly as possible. That is why we support this, and I understand this will pass today. I am absolutely disgusted that it has taken this long for the government to bring a bill such as this before the house. The reality is that it is not the only all powerful, historic, independent governing body trumpeted out.

The Lower Lakes are dying. The Rann state Labor government should have been jumping up and down trying to stop this ecological disaster, yet what have we heard from them until this point? Nothing but more rhetoric. The irrigators stretching along the length of the Murray in South Australia from the Lower Lakes to the Riverland are walking off their land: 10 per cent of permanent plantings were lost last year and I have heard predictions that up to another 30 per cent will be forced to push their trees into a heap, set fire to them and walk off the land because of the lack of water this year.

The number of dairies, particularly in the Lower Murray and Mallee areas which are in my electorate, have been significantly reduced. I know when I visited some farms at the end of last year, I was informed that the number of dairy farms in South Australia had reduced from around 120 farms to 40, and that figure has probably almost certainly decreased since then. Small business, tourism operators, boat repairers, houseboats and businesses have all been impacted significantly. All this when other states still have irrigators using 100 per cent of their original allocation, even flood irrigating wheat, would you believe. How insulting—flood irrigating wheat, not permanent plantings but wheat.

The ferry infrastructure has notably been affected, as I moved in the house today. The upstream ferry at Mannum is still out of service. Whilst I understand that work is being done to the Swan Reach ferry so that it may carry loads over 12 tonnes, all the other ferries still have weight restrictions imposed. There are people who currently do not have access to water: 54 homes in Mannum had their water supply taken away from them when a backwater they were drawing on dried up. I have had phone calls in my office within the last 10 minutes about this issue and we are speaking to the minister about it right now. They have no access to SA Water, and to extend their pumps to the river is estimated to cost in excess of $30,000. These people are not irrigators, they simply want water to live. I believe that some are managing to do so with rainwater, others are

paying to have water trucked in and a couple have forked out the big bucks to have their pumps extended the 800 or so metres to the river.

I am not saying that the national water initiative proposed by the Howard government would have prevented all this, but at least it would have had a considerable impact and it would have been totally completed by now. Prime minister John Howard got it right and put in the $10 billion to get it to work and buy back the water, and Labor killed it because of the federal election. The Victorian Premier, Mr Brumby, deliberately delayed the processes. If it was not serious, it would be a joke. It is extremely serious—and look at the aftermath of this.

This bill goes some of the way. It is better than doing nothing, but only just. Why did the Premier not visit the Victorian Premier? Why did Rann not visit Brumby? It was held up by only one premier. Why didn't he visit him? He did not even publicly go to speak to him. Because they did not want him to, that is why. They did not want him to. It was all a bit of a game prior to the federal election and they put the price of winning the election ahead of all the people who depend on the river for their livelihood.

Yes, Labor got what it wanted. It was the federal election, but what about the South Australian people who depend on the river for their livelihood? Yes, we were conned by a political solution to solve a political problem. Yes, it was too easy. Anything to get John Brumby's signature would have sufficed. It looked as if we got close a few times, but we did not. Could it mean less water in the river and not more? Melbourne got more water out of this deal. Isn't that ridiculous? Of course, it is only there for emergency use, but (as I think the shadow minister said this morning) I bet it becomes permanent. They will get on the pipeline and it will become a lifeline to them. Even the Victorian Auditor-General questions the deal that was written. Basically, in a nutshell, the rank and file person out there cannot understand how we in this house can play politics on an issue such as this. This issue should have been resolved two or three years ago. We do have to—

The Hon. K.A. Maywald interjecting:

Mr VENNING: Yes, this river should have been under one independent governance years ago.

The Hon. K.A. Maywald interjecting:

Mr VENNING: Do you think what we have is going to work, minister? Do you think it is going to work?

The Hon. K.A. Maywald: Yes; it will work a lot better than what we have now.

Mr VENNING: Yes, I will agree with that. I will not disagree with that. It will work better than what we have now. What we have now is hopeless, terrible. Yes, it had better work better than what we have now, otherwise we would not be supporting this bill.

The Hon. R.B. Such: The prime minister should have done it two years ago.

Mr VENNING: Of course he should have. Absolutely.

The Hon. K.A. Maywald interjecting:

Mr VENNING: Here we are, all saying who should have done it.

The Hon. K.A. Maywald interjecting:

Mr VENNING: Irrespective of that, madam, the then prime minister of this country laid aside $10 billion to help toward the problem and what did we do? We could not even work out a system so that we could put out our hand for the money. We have mucked around with this. All I can say is that it is a disgrace, and really no wonder politicians are held in such poor esteem, when we cannot manage a thing such as this. Blind Freddy and everyone knows, everybody in this house knows, that any of us who attends a national forum and is asked to vote on a water issue will vote South Australia every time, otherwise we will not stay in this place.

We need to have a totally independent, powerful body to do this for us with the powers of, say, the Reserve Bank Board—totally distant from all this. Until that is in place (and nothing else will do), it will not work. So much for Premier Rann's rhetoric when he stands up and says, 'I'm not going to support Howard deal because it is not independent.' Eventually they all came on board and said, 'We will support this deal.' Good on you, Mr Rann, 10 points to you, but what do we have? We have a very sad situation in which the Victorians can wag the bull. New South Wales, Victoria and Queensland will all receive higher priority than us and we really have not advanced the

situation at all. Indeed it is a very sad day. All I can say to all those people out there (and that is a large percentage of South Australians who are affected by the water problem), is that my heart goes out to them.

To be positive—and it is hard to in a situation such as this—at least we ought to be sending a message to every household in South Australia that we cannot go on being reliant on the Murray. We have to wean ourselves off this river and there are many things that we can do about it. I can recall minister Brindal writing a paper that was called Waterproofing Adelaide back when we were in government. I think it was 1994-95, or it might have even been a little later. When you read that now you say why didn't we implement some of this? Why didn't we do some of this? It might have even been in 2000, I am not sure. It talked about aquifers, it talked about mining the water and it talked about stormwater.

We have looked at it, we know all about it, we have all written reports ad nauseam and what have we done about it? Nothing. We are now four years into a drought. I say that it is no wonder that people out there think that politicians are a lot of gooses because we really have shown that when a prime minister gets up and makes a tough decision and says, 'I've got $10 billion to say we'll fix this and we'll put in a group that is going to control all you blokes, we're going to put in an umpire,' and we cannot even agree on that. It is hopeless. To the minister—yes, this is better than what have. It is not much better. At least we are supporting this, but if you can only somehow rejig this so that we do have a fully independent body, with teeth, with power—

Mr Williams: She gave up. They gave up.

Mr VENNING: I will take it all back. No, you have not. You have given us a toothless tiger. They have the power of veto. They can back out of any of this. There should not be any power of veto. You are telling me that—

The Hon. K.A. Maywald: Have you read it?

Mr VENNING: I have not read it, no. I have read the bill. I have not read the other legislation. Heavens above, it is about 2½ inches thick. We support the government. I congratulated my shadow minister for making a brilliant speech this morning. I urge members to read it because it was full of very good information and I say that it is a pretty sad day that we have taken this long to do something which should have been done years ago and it should be going a lot further. I support the bill.

The Hon. R.B. SUCH (Fisher) (16:35): The Water (Commonwealth Powers) Bill is a step forward. I agree with the member for Schubert that we should be moving to something more akin to the Reserve Bank model, but, nevertheless, this is a step forward. I lobbied the Premier on this point because originally I thought that we were going towards a Reserve Bank type model, but what is reflected in this bill and elsewhere is something short of that.

The point I make is that naturally people want to blame others for what has happened. I would encourage members to support the Foresight Committee Bill that I have before the house, because if in this parliament we were looking at issues well in advance—and obviously we cannot predict drought and the climate change aspects totally (it would be foolish to claim that), and it is not just water, it is ageing, and financial issues—we would be much better prepared. We would have taken some steps to minimise the impact of what we are now confronted with in relation to the water situation.

Clearly, we have had overallocation in regard to the Murray-Darling system. What we need is a body now that can try to get a handle on the situation and deal with some of the key issues. We have not only Mr Brumby hanging onto his 4 per cent cap (with a possibility of his lifting the cap on the sale of water beyond 4 per cent to 6 per cent at the end of next year) but also other irrigation entities hanging onto restrictive practices in terms of water trading. So, that needs to be dealt with. I notice that we still have the Save the Murray levy. Obviously, we have not saved the Murray but we are still paying the levy despite the fact that the commonwealth is coming on board with a lot of money; and, given the financial crisis which confronts this and other nations, we hope that it will still be able to do that.

I am pleased that the minister has indicated that information relating to who holds water licences will be available through a Torrens title-type system in the future. I am not sure how soon that will be, but that is a big advance on where we are at the moment where a lot of the information relating to who holds water extraction entitlements is very difficult to discover. That information should be public knowledge. In dealing with the river, clearly, there are a whole lot of

stakeholders—the irrigators. I have great compassion for the irrigators—particularly in the Riverland—who in many ways have led the nation in terms of efficiency in their irrigation practices using closed-irrigation systems and electronics to help in determining moisture content, and so on. They are the people who are probably suffering more than any group of irrigators along the Murray-Darling system.

They have led the nation in terms of efficiency, and now they are suffering the consequences of inadequate water availability. We see, for example, that the Victorian government will naturally act in the interests of its irrigators. Mr Brumby made that clear before COAG and he went back bragging after COAG that he had not given an inch on the issue of trading away Victoria's rights. We can see it in terms of the so-called 'food bowl' policy and practice and the related generous assistance being provided to irrigators in Victoria—even things such as the Dethbridge Wheel which is paid for by the state government and which cost, I think, about $15,000 each.

This bill will help deal with some of those issues. I would be interested in the minister's response, but my reading of it is that states can withdraw or terminate their initial reference of powers, which means that it does undermine this whole proposition. I would be interested to hear the minister's response to that.

On other issues related to this, I agree with the member for Schubert that, as much as possible, Adelaide needs to wean itself off the Murray. It is much easier to say that than to do it. People say, 'Why don't we have systems similar to the Salisbury stormwater capture and aquifer recharge elsewhere in the metropolitan area?' The answer is simple: it is partly because there has not been a will to do it but it is also because, for example, the aquifer structures are different in other parts of the metropolitan area.

It is not that simple to capture stormwater and put it into the aquifer. If you do it you must do it properly otherwise you run the risk of contaminating the water already there. Things are happening. We see, for example, the desalination plant, and I think there is a question mark over that. It is really a form of insurance. I have some concerns about the possible environmental impact of that, and I hope that can be addressed without in any way harming the gulf, the fisheries and so on that lie therein. The use of treated greywater from Glenelg coming back into the Parklands I think can be a very worthwhile project—the GAP scheme.

Members must realise that a program such as that is, in effect, turning a part of Adelaide from what you might call a natural environmental landscape into a European one, in that parts of the Parklands will be perpetually green which was not the case historically and which is not the case normally and ecologically. Close attention will need to be paid to things such as salinity, treated greywater and nutrient levels otherwise there could be ongoing problems down the track. It does offer the opportunity to create a river red gum forest in the Parklands which, given the fate of many of them along the Murray, would be a beautiful irony in terms of the reuse of water.

This bill, I think, is the only measure the government can take other than going the full hog and agreeing to a system that is like the Reserve Bank model. However, this is a welcome step forward. It is not perfect, but I do not think that the government can do anything other than pursue something like this given that the other states and the commonwealth will probably not agree to anything that goes beyond this. The reality is that this is probably as good as it gets in terms of the current political reality. On that basis, I support it, but I would hope that we can monitor this arrangement to make sure that it delivers, and in the short term encourage the state government and local government to wean us off the Murray in Adelaide as quickly as possible.

The Hon. L. STEVENS (Little Para) (16:43): I rise to support the two bills, and my comments relate to both bills that are on the agenda this afternoon. At the start, I would like to offer my congratulations to the Minister for Water Security for her efforts in relation to handling an incredibly complex problem. Also, I would like to acknowledge the fact that we have been able to get to this position in Australia, as well as the fact that, at present, all governments around the country are endeavouring to get this legislation through their parliaments to enable things to start on 1 November this year. I have been fortunate to be part of the Natural Resources Committee of this parliament. As part of that committee, we have a special reference to look at the issues relating to the River Murray. We have had the opportunity, as part of our role, to look more closely at some of these issues than, perhaps, other members have had the opportunity to do. In particular, we have had the opportunity to visit most sections of the Murray-Darling River Basin and speak with a range of stakeholders in a range of locations across the basin.

In listening to the issues of farmers, water managers, regulators, etc., I note that we have farmers and horticulturalists across the states doing their best to make a living in the most efficient way possible. Some are doing it better than others—there are many who are using extremely up-to-date methods of agriculture and technology—but across the basin there are people who are struggling in the circumstances of the drought that we are experiencing, and people are also uncertain about climate change and what this will mean for the future.

The overarching impression, that I and, I believe, other members of the committee have left all of our discussions with, is what an incredible morass needs to be untangled in order to move forward. In the face of historic overallocation of water (allocations and overallocations of water that occurred during good years) now, of course, we are faced with a one in 100-year drought and the unknown effects of climate change which are likely to exacerbate this situation.

We have outmoded arrangements between commonwealth and state. We have the states doing their own thing, with farmers working within state boundaries, and farmers in one state working to a different set of rules than farmers from other states. We have the river struggling right down its whole path, from Queensland right through to our Lower Lakes. We have seen examples of severe degradation (environmental degradation) of the river system, right along.

Essentially, we have had years and years of inaction. People have congratulated John Howard on his initiative of a $10 billion water plan. I think we should remember that John Howard did this in the dying days of his administration. It would have been terrific if he could have started eight years or more earlier, and it would have been better if, before him, we started to realise that what was happening in the Murray-Darling Basin could not continue and that eventually we would come to the critical situation in which we now find ourselves.

The bill is before us as a result of the agreement that was made on 3 July of this year and signed by the federal government and the basin states. It brings forward a package of reforms to meet future needs of the basin and to enhance its social, environmental and economic value. Central to the reform package is the referral of powers—that is what these bills are about—by the basin states to the commonwealth to allow it to amend the Water Act 2007. There is the creation of a new authority—the Murray-Darling Basin Authority—the provision for a comprehensive basin plan with priority focus on management of water for critical human needs, which has not been done before, as well as integrated management of basin water resources, including water quality, salinity management and environmental watering.

It means that the new authority can at last plan strategically for periods of low water availability in relation to critical human water needs throughout the system. It provides mechanisms to enable more efficient water trading and water charging. As the minister said in her second reading speech, for the first time South Australia has access to upstream storages of its choice, including the Hume and Dartmouth dams, to be able to store water to meet its critical water needs and private carryovers. The reforms also establish a three-tiered system for sharing water in the River Murray system under normal to low water availability and extreme drought conditions.

It certainly is not the final answer. It is one part of many different things that need to happen in a coordinated and strategic way to reverse the critical situation that we find ourselves in. As I said before, I congratulate the minister, the governments of all states involved and the federal government in relation to this. Of course, we had hoped that we could get even further than we have, but there is a huge difference between what we have in front of us now and what we did have. We should not underestimate how difficult it is in a complex interrelated situation with many different competing needs to actually get consensus and a new platform of agreements to move forward on.

The unfortunate thing, of course, is that the passing of this legislation will not miraculously change things. In reality, many people's lives and businesses have been decimated and severely affected by the situation as it now exists. Other people have talked about the buyouts and compensation measures, and that, of course, will need to be monitored and adjusted as time goes by. I firmly believe that we definitely have to pass the legislation as quickly as possible to enable the new authority to be established and to enable at least the strategic management of the system to be improved for the future.

Mr PEDERICK (Hammond) (16:53): I rise today to support my water security shadow minister, the member for MacKillop, in acknowledging that we do support this bill in so far as what is in it, but we do not support what is not in this bill. I believe we are a long way yet from proper reform in the Murray-Darling Basin. I certainly look at how the basin is managed, and it is nowhere

near managed as a whole. It is managed only from Menindee Lakes south, and there are hundreds of kilometres of basin heading north into Queensland, up to Tambo and across to Toowoomba and in northern New South Wales that are not contained in the Murray-Darling Basin, as we see it now, under any sort of management.

I think in the future we will have to take into consideration management of the basin in the north. Whether it is man-made climate change, as people think it is, or whether it is just a cyclical drought system, we have had a lot of rain in the north. Queensland irrigators actually captured over 1,000 gigalitres of water in southern Queensland in their storages. They have enough storages in southern Queensland and New South Wales to capture 3,000 gigalitres of water, so why would you need 3,000 gigalitres of storage? It is ridiculous. I do acknowledge that we have had six years of drought, but we get no water from that northern system any more—and the way it is presently managed I doubt that we ever will.

Menindee Lakes are set to operate and trip over the trigger for shared basin control at 640 gigalitres. The two lakes we are using at the moment—Lake Pamamaroo and Lake Wetherell—have a maximum surcharge capacity of 615 gigalitres, so unless there is one gigantic storm we will not see any of that water shared between New South Wales, Victoria and South Australia. All that water will stay under New South Wales' control, and that is where the situation is heavily flawed.

Broken Hill has to store 285 gigalitres in two years in the Menindee Lakes to secure their water for those two years to get an entitlement of 20 gigalitres. There has to be reform there; there has to be a pipeline system (I believe they could have connected into the ana branch pipeline). There are people who point the finger at us here in this southern state regarding evaporation but you would think, from some of the comments made in the eastern states papers and the like, that water does not evaporate in the east.

Floodplain graziers in New South Wales acknowledge that they get only two-fifths of the water they used to get. This is not an argument about just Cubbie Station, even though it is a major irrigator. I think it has struggled, along with a whole host of irrigators up there. I heard there were at least 22 major irrigators between Bourke and St George who have put in major storages over the years—in fact, between 1995 and 2002, storages in that region tripled. So where is the legislative control? I even had a constituent of mine in Murray Bridge acknowledge that a friend of his on a property up there (they happen to be looking after it because the bank owns it at the moment, although these people are still running it) said, 15 years ago, that the river up there was in strife, that they were handing out water like lollies and that it was doomed. Sure enough, look where we now are as far as the tributaries, the Upper Darling and other rivers that run into the northern waters of the Darling are concerned. It does not add up.

Menindee Lakes need some major re-engineering so that we do not have hundreds of gigalitres of dead water and so that it can be made more user-friendly. I think some work could also be done on Lake Victoria which has, I think, some 80 gigalitres of dead water that you cannot get out at times.

It is interesting to note that before the Natural Resources Committee went up north I also went on a tour up there, and I did see large expanses of water. I was aware that we needed water down this end to save our Lower Lakes from collapse, and I know there are conflicting points of view regarding whether any of that water could be transferred to the southern areas and the Lower Murray. However, I will just say this: if we lose 80 per cent from the northern areas of the Darling we lose 696 gigalitres to convey our 201 gigalitres of critical human needs now (if we bring it from Dartmouth—from the southern section, anyway). So we do not need to crucify northern irrigation per se, but it needs to be controlled. The water has been allocated at a ridiculous amount, and you cannot blame people for taking advantage of water that has been made available to them. If there is to be true national reform, we have to bring in the whole basin, and I think the northern basin will be pivotal in any recovery down at the bottom end.

I noted with interested the announcements made the other day. On 20 September, the federal government's exit plan was announced. If there is some money around and people want to exit the industry, well and good, but I do not believe there are any criteria available for that yet. However, I do note that, three weeks after a state announcement a few days later, some paper work and criteria are finally available for irrigators who want to stay in the industry and get water underwritten by the state government. However, it has really upset Riverland growers, who have been waiting for the criteria. Drought officers have been inundated with hundreds of calls from

people trying to get in touch with people who supposedly know what is going on, and they have not had any information until this week. So, that has added to the distress of growers.

I note the unfairness of the underwriting package and that it does not suit horticulturists or vegetable growers. What is the difference, apart from the fact that they do not have permanent plantings? I acknowledge that permanent plantings do need a serious amount of water.

I want to reflect on water allocations at the moment. South Australia is currently on 11 per cent of high security water around a 600 gigalitre irrigation licence; New South Wales high security is on 80 per cent, a total of 198 gigalitres; New South Wales Murrumbidgee high security is on 95 per cent, at 283 gigalitres; and they also have 102 gigalitres of general security water, at 5 per cent; and New South Wales Lower Darling high security is on 100 per cent, which relates to 12 gigalitres of water. General security has been handed out at 20 per cent for 6 gigalitres, and the temporary trade rules have been relaxed. Victoria Murray high reliability water shares are on 13 per cent at 151.4 gigalitres; and Victorian Goulburn high reliability water shares are on 9 per cent, a 89.5 gigalitre share.

What I am saying is that, if we were heading anywhere near a national plan, we would have some alignment of allocations across the basin, but the problem is that tributaries are not taken into account. Some are taken into account in the new tier 2 process but, in the first instance, there are no end of tributary flows. The Darling, the Goulburn and the Murrumbidgee are taken out of the system, so you have to wonder what is going on. If we cannot get water, there should at least be some way of formalising allocations so that we can get Riverlanders and people further south in my electorate on at least 30 per cent water. That would mean that even our horticulture people could make some real decisions about whether they are going to make any money, and it would keep our permanent plantings alive. However, it is just not happening.

It was not until we had a poll on 20 September that we saw any action by the government on this matter. For over 20 months, this side of the house has called for urgent water measures for people living along the river, but, no, Mike Rann would not act. We have called for a desalination plant to be built in Adelaide to ease our reliance on the river but, no; again Mike Rann did not act. He was concerned that it would rain.

Another issue that really concerns me is that Mike Rann, the Premier of this state, has no interest in the seats of Chaffey or Hammond. I think he has a marginal interest in the seat of Finniss. I do not think he has any interest in the seats of MacKillop or Schubert, because there are no votes there. As I said, he might get a couple in Finniss, but I think our man is home free, especially given the way that water is being managed in this state.

We have seen $145,000 worth of TV ads trotted out on what we are doing. That is remarkable, isn't it? A centrepiece of last year's budget was the so-called enlargement of the Mount Bold reservoir, an $850 million project. It has virtually disappeared off the radar in this year's budget, and I think that is a good thing, because the Mount Bold expansion would just take most of its water from the River Murray. Why would you even go ahead with it? I believe the government is looking at over 130 sites in the hills anyway to find storage capability.

As far as desalination is concerned, we have a desal plant that I believe will take the longest time in the world to build and the government should just get on with the job. We are talking about a government which, while spinning these stories on how much it has done for this state, has failed to secure water not only for irrigators and people who need stock and domestic water but also for the gardens of Adelaide. Previous Liberal governments have worked on getting up to 20 per cent of the wastewater out to Virginia, and we as the opposition (at this stage) have put up policies for harvesting up to 89 gigalitres of stormwater to help ease Adelaide's reliance on the river.

In 2006, as the member for MacKillop mentioned earlier, when the Premier came back from his meeting in November with the Prime Minister and other premiers he said, 'We will build a weir at Wellington,' but little did he know then how much trouble that would cause him. A so-called $20 million project, I believe, has blown out to at least $200 million and beyond. I think if the government is ever crazy enough to go ahead with this, it has consigned our state to major desalination work not just for the Keith pipeline but also for water for Adelaide. That is where city people need to be concerned because, if the water for Adelaide is contaminated and needs major desalination for our main offtakes, you would have to wonder what is going on.

If we had any sense of national urgency in this plan, when at least John Howard's government brought a national plan together in 2007 and put up the Water Act, we would not have

seen the state Labor government here led by Mike Rann let Bracks in the first instance and then Brumby get away with holding us to ransom, and his water minister—an alleged National Party member—is compliant. She is involved. In fact, I wonder whether the Premier is amused that his Labor minister is now sitting on the fence because she can count.

She is shoring up her spot if she has the seat sitting on the fence at the next election. The minister talks about spin. I think that she has spun around so much that she does not even know who she represents. She obviously has not represented her electorate, because the only way she got any action was when a bad poll came out for the Premier. That was the only time he took any notice. He could not care less about Chaffey; he only cares because it hit him in the polls, and finally the trouble down at the Lower Lakes hit him in the polls, because they take no notice. The minister sits over there but, as mentioned in the local papers, the National Party has put it out that it is there, not aligned with anyone. I wonder what the Premier thinks about that. His so-called Labor water security minister, which is an oxymoron anyway, has not brought any extra water to this state and neither will this bill because this minister is being compliant in letting Victoria sign up for its billion dollars—

The Hon. K.A. Maywald interjecting:

Mr PEDERICK: Yes; that is fine. We have a minister over there who wants to can the coalition government. She is riding the greasy fence so hard that she cannot even defend her so-called National colleagues because she does not know where she is. She was in Western Australia pleading with the Nationals—

Mr Goldsworthy interjecting:

The SPEAKER: Order!

Mr PEDERICK: —to go with Labor but she could not get them over the line because she knew she would be absolutely crucified at the polls. At the end of the day, I stand here to represent the people of Hammond and the people up and down the river, and we want to talk about politics. This minister is being compliant by putting out two papers. She is part of the federal announcement for the exit package and the state package and, between her and the agriculture minister, no criteria were available for people until this week.

The Hon. R.J. McEwen: Why didn't you come and ask?

Mr PEDERICK: We did ask. I have asked your office and I can track down the emails. People want to talk about politics—that was all about politics and nothing about getting water for this state. Private irrigators at Langhorne Creek have gone ahead and put their own pipeline in so that they can survive. Under pressure, a pipeline is going into Meningie and the surrounding area.

I must admit that Chris Marles from SA Water is doing a pretty reasonable job down there working with people to get them hooked up. It disappoints me that these people have gone since November 2006 and they have no surety. One of the issues now is that, when the pipelines go down to Langhorne Creek and Currency Creek, there could be thousands of people who do not even have stock and domestic water. The minister admitted this in answer to a question the other day. She puts her hands on her hips because that is how much she cares. I commend the bill but, as I have said, there is so much spin—

Mr Williams: Too little too late.

Mr PEDERICK: Yes, too little too late. The so-called Minister for Water Security is part of a government that spends $19 million a year to employ 157 spin doctors. She was elected in 1997 on straight-line racing, but she never got that through. She has not got a drop of water for this state and it is an absolute disgrace.

Time expired.

The Hon. G.M. GUNN (Stuart) (17:14): I rise to support the bill. When I came into this parliament in 1970, a controversy and great debate was taking place on water in the state: whether we should have a dam at Chowilla or Dartmouth. Fortunately, the right decision was made. To his long-term credit, Steele Hall, even though it may have cost him government, put the interests of the people of this state first and we can probably thank Henry Bolte who vetoed Chowilla and told then premier Dunstan what the facts of life were politically, and the right decisions were made. This parliament has the opportunity to make the right decision to protect the future of the people of this state and probably south-east Australia.

I am one of those who has been fortunate enough in recent times to go to Queensland, Victoria and New South Wales to look at some of the water issues. I do not profess to be an expert, but it was enlightening and educational, and many things need to be taken into consideration. As someone with a large electorate that is reliant on the River Murray for a lot of its water, my understanding is that Murray water can now be piped nearly as far as Penong, which is a long way from the River Murray.

The challenge facing this parliament is to get it right and make sure that both the short and long-term interests of the people of this state are protected. John Howard had wise counsel when he put this on as an issue to ensure that it attracted the attention of state and federal governments. It was unfortunate that he was stymied in his effort to achieve a result.

We are now in a situation where it is clear that there needs to be one authority to run the river. We all know that that will be difficult, and one of the reasons it will be difficult is base politics, particularly in New South Wales. If we are really straight up and down, only a federal Labor government can fix this because it does not have the seats at stake in New South Wales and other areas that will be affected by the tough decisions.

I realise that the commonwealth government's attention has been diverted in recent days, but poor hardworking people are suffering (and some are in my electorate), and my heart goes out to them about what is happening to their plantings. I spoke to one of them on the phone the other day; he was cutting down some of his trees, and that is heart-rending. In my constituency, the packing shed has been closed, and that has had an effect because there are not a lot of jobs in Cadell.

What this parliament has to do is make sure that we put in place long-term strategies that will ensure that we get a fair share of the allocation—not more than our share, but a fair share—because our people in the Riverland have had an expectation that they will always have enough water to sustain themselves, their crops and their families. It would be an absolute disaster for this state and this nation if the majority of those plantings were allowed to die and not continue.

We have a very strong responsibility to do the right thing. I am not one who really likes handing powers to the commonwealth, I can tell you. I believe in the Federation, I believe in the commonwealth system and I believe in state rights. In most cases, the best people to make decisions are those closest to where the decision will take effect and, for little day-to-day things, that is local government. State governments are best placed to provide services.

However, where you have a situation like the one we have created with the River Murray, it is clear that state issues have overridden the common good of the system. In my view, allocations have been made unwisely and, of course, the challenge is to get them back. The buyback scheme and other supports that have been put in place are certainly steps in the right direction.

Those who want to leave the industry should be allowed to do so with dignity, and those who want to live on in their homes and on their blocks should be able to do so if they meet certain criteria. I hope that the councils relax their current stringent arrangements, although I know the difficulties surrounding Cadell and other places. There appears to me to be no point in shifting these people out of these areas as that will cause social dislocation. If they are given a package and they can live in their homes, that appears to me to be a good thing. Common sense should apply because many of them want to live there as they have lived there for generations.

Even though this bill is in no way perfect, I hope that it is at the first step along a road that will ensure that the people in the Riverland and the lakes have a future and that they get a fair cut of the cake. I am a great supporter of desalination. I was involved at Coober Pedy when desalination was put in there. That town lives on desalinated water—and lives very well and probably has the purest water in South Australia. The council has done an outstanding job in running it and, therefore, the construction of a desalination plant to supply Adelaide and one for the Spencer Gulf and Eyre Peninsula should have started yesterday. We must proceed with all haste because we have to reduce our dependence on the Murray. Every litre we can save is in our interests and, if it is going to help the hard-pressed communities in the Riverland, there will be a cost as there always is, but it is a cost we have to bear; and if it means that some other facilities have to be slowed down or gone without, so be it. At the end of the day I support these two bills and sincerely hope that the spirit of cooperation is improved.

The Victorian government has been less than honourable in the way it has carried on. It has been very belligerent, self-centred and appears so far to have got the best cut of the cake. If you believe in fairness and in being reasonable, they have adopted a narrow, selfish viewpoint.

Notwithstanding that, this is a first step in what will be in my view a long and difficult road, but that should not prevent us from doing what is right, because in my view we have no alternative but to fix the problem. If we do not address it, the next generation will hold us in complete contempt because of our incompetence. It will be an act of gross incompetence not to resolve this problem and ensure that our Riverland, the food bowl of Australia, is protected and that we have adequate supplies; otherwise we will not see green lawns in Adelaide again, or only in winter. I support the bill and hope that it achieves the objective indicated by the minister.

Mr HANNA (Mitchell) (17:18): I speak in support of the Water (Commonwealth Powers) Bill 2008. The Minister for Water Security has introduced this bill into parliament, along with the Murray-Darling Basin Bill 2008, to which I will refer briefly in passing. However, my remarks essentially are centred on the referral of the powers to the commonwealth. Then there is the question of what the commonwealth will do with those powers. I mention a technical point, first, that this transfer of powers occurs under sections 51 and 37 of our federal constitution, and it cannot happen without a voluntary transfer of powers from a state, and in this case several states are getting together to give the commonwealth power in general terms over the River Murray.

The meeting of the Council of Australian Governments on 3 July 2008 was historic in reaching the agreement among the relevant states to refer these powers to the commonwealth. I was very critical of something that I believe was overlooked at that meeting, namely, to limit or abolish the cap on trade of water out of jurisdictions within the Murray-Darling Basin. That is something I will come back to later as it will be what the commonwealth needs to do, among other things. It is better late than never to have this referral of powers to the commonwealth. It is a fair question to ask why it has not been done before.

When we go back historically to the legacy of having six colonies that formed the Commonwealth of Australia, each colony acted entirely as a different country before Federation; but, apart from that history of entirely separate jurisdictions legislatively and constitutionally, we also had the plentiful rain in past years, throughout most of the nineteenth and twentieth centuries. It is hard for us to imagine today that paddle-steamers were one of the most important forms of transport for the carriage of goods in the south eastern part of Australia, going back to the 19th century. These days it is extremely limited where you can get houseboats to run, let alone big paddle-steamers.

The result of the separate jurisdictions arising from the different colonies, plus the relatively plentiful water in the system and the formerly relatively low extractions from the river, meant that the decision makers at the time in Sydney, Melbourne and Adelaide believed that there was more than enough water and probably always would be, so we have the vexed issue of over allocation of the water in the river. I believe that if every irrigator and every user of the river took their full allocation of the river we would probably empty the river several times over. The point we have reached has been brought on by six years of drought. One could say that the dry years have extended even longer than that—back to the mid-1990s—but the past six years at least have led to the crisis we now have.

I refer to a report by the Senate Standing Committee on Rural and Regional Affairs and Transport. In the past few weeks it has a published a report on water management in the Coorong and Lower Lakes. The Senate committee report provides a useful history of our current problems. It refers to the Murray-Darling Basin Commission when discussing the factors which have contributed to the severity of the current drought. It recognises that there has been an overallocation of the water resources. It refers to the high temperatures we have been experiencing recently. In three of the past five years, the basin has had the hottest temperatures on record of approximately 100 years of records. I attribute this to climate change, and I suggest that it is more likely than not that these sorts of conditions will be with us into the future.

Thirdly, it refers to changed rainfall patterns. The rain which the basin used to get no longer falls where it used to fall. We seem to have a persisting alteration of our climate in eastern Australia. Again, I make the point that this will not revert back to some longed-for 20th century normality. Fourthly, we have just had the lowest inflow year on record; that is, the water running into the River Murray system has been about 60 per cent below the previous record minimum. The River Murray is not getting in, by rainfall or run-off or inflow from other river systems, what it used to get.

Finally, we have had two consecutive very dry years. That might not seem extreme in itself, but the past two years are extraordinary because never before in the historical record have there been such two dry years consecutively. Previously when we have had extremely dry years (and the

Senate report refers to three occasions during the 20th century), they have not been followed by another extremely dry year. On the contrary, in accordance with what had been the natural pattern for the river, those dry years in the 20th century were followed by very wet years. Those days, I am afraid, are gone.

These dry years, then, have brought us to a crisis—a crisis for irrigators and a potential threat for human communities along the river and those relying on it, like Adelaide itself. To explain it another way, one of the reasons we have not had such an arrangement before is the self-interest of people in the various jurisdictions. I refer to decision makers in Sydney and Melbourne looking after their respective constituents, particularly irrigators and dairy farmers adjacent to the River Murray. In recent times we have seen prime examples of this, with Premier Brumby of Victoria being able to twist the arm of the commonwealth to extract an extra $1 billion, it would appear, in return for concessions in relation to the very agreement to which this bill relates.

We also see, at the moment, proposals in Victoria for a pipeline to Melbourne from the Goulburn Valley extracting 75 gigalitres and, again, it seems that Victoria is blithely carrying on as it wishes without regard for people across the border. This is just part of the folly of our Australian system, that in a sense that is all Premier Brumby should be doing: looking after Victorians, but if we are going to live together as Australians we need to have a greater sense of community across the border. One of the members of this parliament told me that a member of the New South Wales parliament had told them that, if it was not for Adelaide, they would have the river stop at the border and they could use all of that water for irrigators and farmers in New South Wales and Victoria. That may be apocryphal, and certainly is only hearsay, but it is an indication of an attitude that I believe does exist.

At least we have come to the point where these various states have agreed to refer these powers to the commonwealth. There is a real question about whether the factors I have mentioned will be altered substantially by referral of these powers. I think one of the reasons it has not been done before is that there is at least an argument that referral of the powers to the commonwealth will not make a difference. The reason is that the very same political forces at work in each of the respective states are also at work in the federal parliament. For example, we have 11 House of Representatives members in South Australia. New South Wales has about 50 members and Victoria has somewhere in between.

The point is that, in Canberra, South Australia is treated as a relatively insignificant entity and concern compared to the eastern seaboard concerns. It would be nice to think that the Senate operates as a states' rights house and that all of our senators are pulling 100 per cent for a better deal for South Australia, but we know that in the Labor and Liberal parties that is always coloured by their allegiance to their political party, if not a particular faction within a party. I am very glad that we have Senator Nick Xenophon and Sarah Hanson-Young, who appear to be well and truly batting for South Australia when it comes to these water issues.

When this legislation goes through, as it will, the critical question will then become: what will the commonwealth do with the powers it receives under this legislation? Once again, the recent Senate standing committee report is highly instructive in this regard. The Senate committee report discussed what happens next. What happens next is a so-called interim plan, and it is suggested that the interim plan for solving the River Murray issues, or at least taking steps towards that, will take two years to put together.

I am quite shocked at that figure. I understand that to map out every water resource, indeed to measure every water resource throughout the Murray-Darling Basin, is a highly complex task. It is a matter of setting the right policy. It is a matter of getting people out on the ground to ensure that water meters are put in place where they should be. It is a matter of gathering the best science about hydrology, rainfall and climate. I understand it is a very complex task, but my point is that there are people in the Riverland and the Lower Lakes, and the environment itself of the Lower Lakes and the Coorong, who cannot afford to wait two years. So, if there is to be an interim plan to work towards solving the River Murray issues, then we need an interim, interim plan (a short, short-term plan) to solve these issues which are critical now.

I am concerned that the federal government has actually given up on the Lower Lakes, and not that I want to be cynical, but if that is the case, it may be that, instead of Premier Rann wearing the opprobrium for building a weir on the river at the top of the Lower Lakes, it will be a federal government which will do that, irrespective of the state election coming up in 17 months' time. Nonetheless, if the weir proceeds, it will certainly stir up much sentiment against the government of Premier Rann.

The solution to the basin's problems, insofar as they are humanly possible to fix, start from the legal arrangements for extraction of water from the river. It seems to me fairly obvious that, first, you would want to know how much water is in the river before you decide to allocate it. If you are running a restaurant or any kind of catering business, you need to know how much you have before you can share it out among people. It is just that obvious, yet for a while there seemed to be resistance to having a proper audit of waters stored in the various lakes and so on in the river upstream from South Australia.

The first thing to do is to work out how much water we have in the river and how much is available in the various water storages. I would have thought the second thing that we need to do is then to work out a baseline for environmental purposes so that, whatever anyone else receives, environmental purposes and human drinking purposes and the other human requirements of water that we have would be looked at first, and that really has to be the baseline for extraction. Once that is drawn, then you look at what is available for sharing out to those who produce our food crops, cattle and so on. It seems to me that the free market should have much more play when it comes to allocation of water in the River Murray.

It seems a long way to get to from here, but it seems sensible to me to have a series of shares or water contracts that people could buy as they need it across the whole river from that water which is available after human and environmental needs are taken care of. It would be important in a relatively free water market for the Murray-Darling Basin to have rules stopping speculation. For example, it would be necessary to have a requirement to use such water purchased within a period so that people could not just hold on to water allocations and sell them when the going gets tough for farmers, etc. So that, I think, is a starting point.

In the short term it is absolutely essential to move forward on the buy-back of water. The South Australian government has money to do it and the federal government has money for us to do it. I think it is reprehensible that the 4 per cent cap on water trading out of any particular jurisdiction remains in place. I realise that the COAG meeting in July said that the cap would be increased a few per cent but I cannot see the justification for having any such cap at all. I sincerely believe that it is in contravention of the federal constitution. Section 92 of the constitution says that there should be no restraint on interstate trade. I am surprised that somebody who wants water from an upstream willing seller of water has not taken a case to the High Court to insist that the trade be able to go through, if it is blocked purely because of that 4 per cent cap.

In terms of the Senate committee report, to which I have referred, I particularly commend members to the minority report of Senator Xenophon and Senator Hanson-Young. They have suggested a number of things which need to be done virtually immediately. For example, they say that the commonwealth government should acquire 60 gigalitres of fresh water by next spring to maintain the water level of the Lower Lakes above the critical acidification point. They say there should be a commonwealth-funded task force to oversee and coordinate the continuing acquisition of water and the coordination of environmental management for the Coorong.

They believe that flooding the Lower Lakes with saltwater should be ruled out. They say that pumping 50 gigalitres of hypersaline water from the southern lagoon in the Coorong, to improve environmental conditions, should be undertaken immediately. They say that the commonwealth should investigate the conditions around the non-return of some 113 gigalitres of environmental water loaned from the Murrumbidgee, and to expedite its return. I do not have time remaining to explain that point.

These senators also say that, in the medium term, 350 gigalitres needs to be found through management of the Murray-Darling Basin to provide for the health of the Coorong and the Lower Lakes. Above all, we need to remove impediments to water trading, as I have suggested.

Time expired.

[Sitting extended beyond 18:00 on motion of Hon. K.A. Maywald]

Mr PENGILLY (Finniss) (17:42): In the year 2008 it is pretty hard to come to grips with the extent of the debacle surrounding the Murray River and the Murray-Darling Basin. One of my first memories (apart from making sandcastles and a few other things) is the flooding of the Murray River around 50 years ago. It is hard to look now at the debacle we have around us.

I also recall (I think around the early sixties) the Chowilla Dam proposal which was the subject of great political intrigue at the time and which, as a teenager, I followed with interest. It was probably a bit of a political awakening for me. Here we are now in 2008, with me sitting in this place, and it's water, water, water. In fact, in Australia the subject of water is never going to go away and we need to realise that.

I indicate my support for this bill, quite clearly. As has been said by a number of speakers, it is, quite clearly, too little too late. We only have to go back to former prime minister Howard's $10 billion water plan last year, which was scuttled by Mr Brumby, with a good deal of political opportunism at the time, to wonder when people are really going to get serious about the dramatic impact that this river's lack of water is having on the Australian community—and I will come to my sector of the community in a minute.

We have good seasons, we have ordinary seasons, we have average seasons and we have dry seasons. It should come as no surprise to anyone in this place, because we have been stricken with drought in this country for six years, and even Blind Freddy could see what was going to happen. A whole economy has been built down the length of the river around irrigation and the use of water and we have been steadily running that supply down. We now have communities in dire straits, we have huge amounts of irrigation business in terrible trouble, we have families going to the wall and there is no end to it in sight.

I have heard the minister and the Premier quite regularly saying, 'Well, we need rain.' Yes, of course we need rain, but the other side of the situation is that we need to do something a whole lot smarter than we are doing at the moment. If you have a Commodore car and you put 73 litres of fuel in it you can drive for approximately 700 kilometres. We have a river with a certain amount of water running into it, with a certain amount held in it and we have run the tank on it well and truly dry. No-one more than I would like to see some direct and strong action taken by the federal government. Unfortunately, with Rudd the dud, I do not think we are ever going to see anything happen. The man is an absolute twit who is more interested in process than making anything happen. This is what is wrong with the nation. We are not going forward in any way, shape or form.

In regard to this debacle, we have had senate inquiries and I tell you that, in that small portion of the Lower Lakes that is in my electorate, my constituents have had a gutful of senate inquiries, they have had a gutful of visiting politicians (of all persuasions), and they have had a gutful of Mayo by-election people running around who are all going to save the world from all different parties, coming on, making at lot of noise and then disappearing down the drain when the by-election is over. But those of us who are stuck along the river—and the minister is one of those in her electorate (not stuck, but placed I should say)—know that this is not going away and know how people are suffering. They know that people are suffering in a chronic way and yet we had the debacle on the weekend where the Governor-General came to South Australia and went to Goolwa.

I happened to be in Goolwa on Saturday afternoon. I do not know what the arrangements were. I was not asked to attend and nor was the federal member for Mayo. That is fine, it was an unofficial visit and I am quite comfortable with that, but then a number of businessmen from Goolwa approached me saying that they had not been given the opportunity to speak to the Governor-General. They were not invited. I do not know who arranged it, but people were selectively invited to go and meet the Governor-General. People such as Randall Cooper, Keith Parkes and the Chapman family from the Hindmarsh Island marina, who employ many people and are the biggest ratepayers down there, were not asked to attend. I do not know who invited them, but t is something that has only created more angst down there.

That is one of the big issues for me, that these communities are starting to tear each other's throats out—not starting, they are well on the way, I would suggest—and I think that that is a very sad indictment on where we find ourselves regarding the whole state of the river and the Lower Lakes. People in my area, who have been friends for 30 and 40 years, all now hardly speak to one another. I know that the local authority, the council down there, is on the nose for a great number of members of the community, and I find that unfortunate. I think that the council has struggled to come to grips with the situation. Probably through no fault of its own, it has been floundering. The community has been floundering, the business people are floundering, the farmers and irrigators are floundering and the dairy farmers are floundering. It just goes on and on.

Purely and simply, we have an overallocation from the river. The river cannot continue to sustain what has been happening, whether it is for human use or anything else. I am hopeful that in due course Adelaide is totally weaned off the River Murray. I do not believe that in 20 years' time—

or whatever the given period is—any water whatsoever should be needed from the River Murray to supply Adelaide. We should get right out of it. Reservoir storage can be increased and we have desalination, which was proposed last year our side of the house and which has been picked up by the Rann government. That is still a fair way off, but now we have this bill brought before the house in an effort to try to establish some sort of centralised control and firm direction for the River Murray. Is it going to work?

I fear that anything put together by man can only be destroyed by man. So, whether this comes to fruition and whether it is the answer to our question, I do not know. It is also a fair way off until centralised control takes over. It is almost as if we need to bring in a heap of New Zealanders to run the Murray so that Australians do not have any part in any way, shape or form, so there is no conflict of interest. If we are going to put bureaucrats or politicians in charge, they will get leaned on.

A few minutes ago, the member for Mitchell talked about the number of members of the House of Representatives coming out of New South Wales and Victoria. We are pathetically inadequate with our 11. We will get rolled every time. As Premier Rann sits around the COAG table and as he heads up the Australian Labor Party federally for a few more months, it is about time he got off his derrière and did something, because everyone is sick of it. Everybody has had an absolute gutful. I despair about where we will end up.

There is some talk that this drought will not break for another four or five years. That may well be the case. This spring has undoubtedly proven what a diabolical mess we are in. Even the higher rainfall areas of the state are struggling; they are falling over. It is the middle of October and my own area of the Fleurieu and Kangaroo Island is going off so rapidly it beggars belief. We have total crop failures on the West Coast; the bottom of the Yorke Peninsula has had it—it has gone, crops have died down there—and the Mallee is a disaster.

Mr Venning: The Mid North is not much better.

Mr PENGILLY: I do not know what the Mid North is like; I have not been up there for a while, but I will take your word for it. We are not going to get away from this drought. We only have to go back over the millennia in Australia to see that we have always had drought, and we always will, but we have not sucked so much water out of the system that there is nothing left to use now; we have not had this enormous agricultural and irrigation business built the length and breadth of the Murray; and we have not had selfish greed by other states. If Mr Brumby thought a bit further ahead than last year's Victorian election and the election that faced the former federal government, we might be a bit further down the track from where we are now.

The amount of water that we waste in this country, in South Australia and in the metropolitan area is of great concern. All people seem to think they have to do is turn on the tap and water will come out ad infinitum. It is like getting milk out of cartons. For the life of me, I do not know why we do not propose that every new house is constructed with 10,000 litres of water storage. We live in the driest state in the driest country in the world, and we are not even forcing people to put in rainwater tanks of any substance.

I have 250,000 litres of rainwater on my property. That gets us through. That is what we use. We water the garden with the water that comes out of the washing machine. We save the water and reuse it. In South Australia, we have this winner-takes-all attitude; we just keep on using water, we do not need to save it. The government brings in water restrictions, which obviously it has to do, but there is no long-term planning for making people save and use water that falls out of the sky.

As I have said before in this place, when we had three young children, we got through the whole summer on 10,000 gallons. We watered the garden, we did the washing, we bathed the kids and ourselves, and we got through on 10,000 gallons. That has all disappeared. The minister may care to think about it when she is in cabinet.

We need to bring back these conservation measures. Out in the bush they are still used, but in the largest population centre in the state, the City of Adelaide, the metropolitan area, where we have well over one million people with a few thousand outside the metropolitan area, we do not save the water. It is a 20-inch rainfall in Adelaide. Most houses, sheds and buildings can catch enormous amounts of water, but we do not save it. It should be compulsory, mandatory, to have rainwater tanks to take the pressure off the Murray. It is something I feel strongly about. I support the bill, but I return to those people who live in my electorate, those communities of the Lower Lakes and the people of Goolwa, and I say that they are in absolute despair.

They are seeing their livelihoods and their whole environment change because of what is going on and man's inaction. They want to put up suggestions. A suggestion has been put up for a barrier at Laffin's Point which, I understand, the government has been looking at. I am not sure of the status of that at the moment; I have spoken about it in the last couple of weeks. That proposal has been put up by some local people, but whether or not that gets off the ground, I do not know. Members on this side of the house are adamantly opposed to both flooding the lakes with sea water and the weir. We want those lakes kept fresh. We want that environmental flow sent down the river so that we can get some water into the lakes to maintain the environmental potential of the lakes and the industries around it.

I issue a plea to the other side of the house and to the Rann government: for heaven's sake, get something happening; for heaven's sake, get onto Rudd the dud, give him a kick up the backside and get him moving on this. We are absolutely right behind that. I conclude my remarks and leave this bill to go through the house as it should in quick succession to get on with the job.

Dr McFETRIDGE (Morphett) (17:57): We are supporting this bill on this side for a number of reasons. Let us look at the long history of the mismanagement of water and water resources in South Australia, which, unfortunately, has been due to no particular political ideology on both sides of politics. Opportunities have been lost, but now there is this huge opportunity to move forward and finally get a real solution for the River Murray, the Murray-Darling Basin and, hopefully, for South Australia—and not just the irrigators but also the people in Adelaide and industry; those who rely on the River Murray, as well as those who are able to use water from other sources but who in hard times rely on the River Murray.

A gigalitre of water is a figure that is thrown out there a fair bit, but the best way for people to envisage a gigalitre of water is to go across to Adelaide Oval and imagine it filled 50 metres deep. That is the height of a 12-storey building. If you filled that with water it would be a gigalitre of water, and that is a lot of water. South Australia's whole entitlement is 1,850 gigalitres. Adelaide's consumption is 200 gigalitres. So, 200 Adelaide ovals, 12 storeys high: that is what Adelaide uses each year. About 80 gigalitres of that comes from the river. In normal years that is about 80 gigalitres but in drought years it is up to 160 gigalitres. We are in a fairly fragile position here in Adelaide.

Our water reliance on the River Murray does fluctuate, and in years like the one we are having now we could be in real strife if something is not done to permanently solve the issues around water and particularly the River Murray. The history of the management of the River Murray does go back a long way. My first real awareness of what was going on in the River Murray was when we bought a farm at Wellington. We bought 650 acres south of the town. It was a dry block. It had two licences on it before we bought it. Both those licences were sold off up the river.

I am not sure how big those licences were, but they were quite significant licences. There was 160-odd acres of flood licence (which I did not think you could move, but obviously you could), and there was about 400 acres of highland licence, which was sold off up the river. We managed this as a dry block. I believe that is something that has been wrong with the management of the river. You should not be taking more and more water out of the river higher and higher up, and leaving the lakes and the Coorong, particularly, to suffer. I went down to the lakes last Wednesday. I went to Murray Bridge, crossed the punt at Jervois where there is the 12-tonne load limit, and came back across at Wellington, and the level certainly has dropped significantly there.

I spoke to a truckie at a meeting on Thursday night. He comes from Langhorne Creek. He does not use either of those ferries now for livestock transport around to the other side; he goes via the Swanport Bridge at Murray Bridge. There is a real issue with the river. When you go down to Milang, Clayton and then Goolwa you can really see that the Lower Lakes are suffering. So, if for no other reason than that once pristine area down at the Lower Lakes, we do need to get this right and get it right as soon as we possibly can.

The current government has had a series of Thinkers in Residence in this state. In 2004 we had Professor Peter Cullen, and in his report to the government he pointed out in the preface:

> Many South Australians often feel hostage to the upstream states who take so much of the water of the Murray to support irrigation. Since Federation, South Australia has sought to influence how other states use the waters of the Murray, and it is critical to the future of the state that these efforts continue.

That is what this bill is all about. It is about getting the whole of the Murray-Darling Basin managed in one combined effort. The recommendations that Professor Cullen made in his report were that the government should be establishing a high level review team to determine how to align South

Australia's water entitlements with those being developed in other states. There are about 10 or 11 recommendations, and each time it is all about getting an integrated response to coping with our water difficulties, and particularly with the River Murray.

In the foreword to Professor Peter Cullen's report in September 2004, Mike Rann, Premier of South Australia, stated:

> The water situation in South Australia has become critical.

This is in September 2004, four years ago—it has become critical, but now we get the legislation. So, what was he doing in 2007 with the premiers interstate? He was not doing what he should have been doing then. He should have made them realise that the water situation in South Australia was critical. He continued:

> I do believe, however, that South Australians are coming to realise that we now need to act with some urgency.

That was four years ago: it is critical and it is urgent, but we still had to wait four years.

The efforts by various governments over the years are probably epitomised by the Mr Drip campaign, and there was some publicity about that in the weekend press. In 1967 we had the driest year on record until then—I would be interested to see how we compare now—and the then Labor government (the Dunstan government) decided against restrictions and opted instead for a mass media campaign urging voluntary restraint, and it had a fantastic result. Now we have people dobbing in their neighbours—people are too scared to water.

I was speaking on the weekend to a fellow who was weeding his almost (already) dead lawn. He had missed the Saturday option to water (his house is number 44). He could not water on the Sunday, so he had to wait until the following week. Had he tried to water on Sunday, and to do so wisely, he could have been dobbed in. Way back in 1967 there was trust, but not now. It is now dob in your neighbours, which is not the way to go.

We should go back to trusting South Australians to do the right thing. As was shown back in 1967 with the Mr Drip campaign, they did save many thousands of litres of water. They also put in place a number of water saving measures, such as changing tap washers and fixing showers. All the sorts of things that we talk about now were done back then. Unfortunately, once it rained it was all forgotten and things continued as before.

The next publicity campaign by a Labor government was in the 1970s—I have the 45 record, and I have the cover of it here. It was a similar situation: voluntarily encouraging people to take it easy. The 45 record was titled *Water. Take it easy this summer*, and the jingle was all about saving water, as follows:

> There'd be no gold fish or splash or splish, we couldn't have a bath, no bath not half, there'd be nothing to pour, it would simply be a bore. We'll take it easy this summer.

It was pretty corny by today's terms but it worked. People were then switching on to the message and turning off their taps and reducing their water usage. It was a great thing to see that we could trust South Australians then. We can trust them today, but unfortunately this government does not accept the fact that we can trust them. When it comes to saving water, whether it is from the Murray or from our reservoirs, we can trust South Australians, as we should.

The next effort to try to fix water problems in South Australia was again made by a Labor government. In 1989 we had a report by Susan Lenehan entitled '21 options for the 21st century'. In her foreword, Susan Lenehan, the then minister for water resources, stated:

> A responsible government must prepare for unforeseen circumstances. What if the River Murray, the backbone of our water supply, was no longer available? What if there was an inordinate increase in demand? What about the greenhouse effect?

This is 1989. We still did not take any notice then, and the issues have continued to roll on. This legislation is very important. We hear all the time, 'You can't make it rain.' Even in the Susan Lenehan report, on page 11, there is a piece on cloud-seeding. The then government was looking at an estimated cost of $300,000 per annum to go along the path of cloud-seeding. The expected rainfall was about 8 gigalitres, depending on seasonal conditions. I do not know what is happening with cloud-seeding or rain-making technology, but it was interesting to see that it was raised then. However, all we hear now is, 'You can't make it rain', and that is the excuse for the woes that confront us.

Back in 1989 the desal plant was mentioned, but it was not a desal plant on the coast: it was a desal plant on the River Murray. In fact, there were two desal plants being put up for auction then. One was at Mannum and one was Murray Bridge. The estimated cost then was $400 million, and they were going to get 190 gigalitres of water a year from the River Murray that would have to be desalinated. Why was it being desalinated? Because there was a massive inflow of salt into the River Murray from the Murray-Darling Basin.

The salt interception schemes that the Liberal government (I think it may have been either the Kerin or Olsen Liberal government) put in place have reduced that dramatically. The River Murray is certainly nowhere near as salty as it might have been had those schemes not been put in place. We were also looking at a desal plant on the coast. It does not remove the fact, though, that the whole issue with the River Murray is the water and water quality and what we are doing with that water.

The Waterproofing Adelaide paper that the Rann Labor government put out in January 2004 was yet another attempt, but it was just a lot of talk and not a lot of action, unfortunately. Page 17 of the report states:

> The South Australian water users have had reliable access to the River Murray since the adoption of the 1914 River Murray Waters Agreement...

But that was certainly not always the case, and to say that was not quite right, because we have certainly had droughts. We had times when the River Murray really was overused and certainly was not as reliable a source for people, particularly in Adelaide, that it might have been.

In 2002 the Liberal government's water resources policy offered an integrated water strategy. This brought together the CSIRO, the government and other agencies to advise on strategies and long-term plans for integrated water resource management in Adelaide and the regions. There are a number of recommendations but, once again, unfortunately the Rann Labor government was put in power. We have seen, unfortunately, lots of talk but not a lot of action since then.

Liberal policies in 2002 laid the foundation for what we saw earlier this year from the Liberal opposition, and that was 'Waterproofing South Australia: a framework for action'. There are a number of recommendations. Recommendation 12.1 about the River Murray states:

> We will support the federal government's $10 billion rescue package and new governance arrangements for the River Murray whilst ensuring environmental flows and adequate representation for South Australia.

This has been going on for years and years. Certainly, we on this side are looking forward to something constructive, getting together with the federal government and the other states, and making sure that the River Murray will be able to be a lifeline as a water supply for Adelaide, for the irrigators, for the many communities along the length of the river and down at the lakes, and for the big industries that use it for not only just irrigation and agriculture but also for recreation and sport. The 'experience industries', as I call them, really do rely on the river. Unfortunately, the houseboat industry is really suffering because of the false perception that there is no water in the Murray. In fact, there are reasonable levels of water in the Murray, but it is just not flowing at the moment.

So there are a number of issues that we need to get on top of with regard to the river. It is not just about supplying water to drink: it is also about making sure industries are taken care of and, more importantly for us and for our grandchildren and for our children's children's children, that environmental concerns are taken care of. When you look at the Coorong, at the Lower Lakes, when you travel up the river itself, you can see that there is a huge opportunity there for us to at last get this right. We need to make sure that the powers that are to be transferred to a central authority are such that they can actually do what we want them to do—what all Australians and all South Australians want them to do.

We need to make sure that the many years of the Mr Drip campaign, of Waterproofing South Australia, of the 1989 campaign, the 2004 Peter Cullen report, are not just more reports that will sit on the shelf; we need to make sure those reports are noted, are acted upon, and that the future of the Murray and of all those who have anything to do with it—who use it, who drink it, who boat on it, who look at it—is looked after. As I said, and just as importantly, we also need to make sure that the environment itself is looked after. The environment is far too precious to waste, and this opportunity is also far too precious to waste.

The Hon. I.F. EVANS (Davenport) (18:12): I am happy to contribute to the debate on the bills before the house in relation to the River Murray. I will not delay the house for long but I want to

express a view about where we are with the Murray, how we got there, and where we might need to go.

I come to this debate as one of possibly only three people in this chamber who have actually sat on the Murray-Darling Basin Ministerial Council (there may be four of us, as I look around the chamber). I have seen how that particular mechanism did or did not work (depending on your view), and I am not one who accepts the view put out by the federal government that this is a problem of the states.

I well remember attending a Murray-Darling Basin Ministerial Council meeting where we had to stop the meeting so that the three federal representatives—Warren Truss, Wilson Tuckey and Robert Hill—could leave the room and get their story right, because we had three federal ministers arguing three different positions at that ministerial council. So I do not for one minute accept the view put forward by federal colleagues that the administrative arrangements that have delivered some of the issues in relation to the Murray are a problem of the states alone. I think the federal administrations of both colours can wear their fair share of the criticism as well—and I take great joy in reminding them of that.

Ultimately, the issue regarding administration of the Murray is this: it is administered by politicians who, over 100 years, like all other groups of politicians, tend to administer things on the basis of votes and not on the basis of needs. The new structure that has to be put in place needs to be one where decisions are made on the basis of the needs of the river and not on the basis of the needs of the vote. So I support the concept of a Reserve Bank-style administration where the decisions on caps and water allocations are not made by elected politicians, otherwise it will ultimately come down to an electoral cycle somewhere where the cap will be decided on the basis of votes.

If you want a good example of that, read former National Party leader John Anderson's autobiography, in which he says that his greatest achievement was getting greater water allocations for the National Party seats throughout New South Wales. That is not necessarily a criticism of that party: it is an example of how the system is designed around votes and not around the needs of the river. I am of the view that, whatever system is put in place, it needs to be about the needs of the river and not the need for votes.

That is the problem we have, because a veto applies with the current arrangement and, indeed, the future arrangement, as I understand it. If you want to see a blatant example of the veto in use, you need to look no further than John Brumby. If ever there was an act of political bastardry on the Australian river system, it was by John Brumby when he was undermining the Howard deal. Regardless of what you think of the Howard deal, there was a great opportunity for the Murray-Darling Basin states to give up their veto, take the deal that was offered and, once and for all, put the decision-making capacity into that independent-style authority that everyone is talking about.

In my view, for crass political purposes, Brumby held out to undermine the Howard proposal, because of the then forthcoming federal election. He then essentially held the Rudd government to ransom in relation to funding of projects and money, using the power of veto, and that is the problem we are going to have with the future arrangements. My understanding of it is that, essentially, we are referring the administrative powers but not the powers necessarily in relation to allocation or caps. At the end of the day, all the arguments are going to be about allocation and caps.

I have been to rallies at Goolwa and the Lower Lakes, and, as the minister knows, I have recently spent time at Renmark, in her electorate, talking to some locals there. Ultimately, it comes down to, 'Well, how come so and so in New South Wales has 80 per cent allocation and we've got only 6 per cent?' or whatever the figure happens to be, and it changes from time to time. So, it is the issue of caps and allocations that, ultimately, will be the key issues, rather than necessarily the administrative issues, and the caps and allocations are going to be subject to veto.

I think the shadow minister mentioned in his speech that it was too little, too late. I wrote to Brendan Nelson when he was the federal leader of the Liberal Party, expressing my view that the federal government should call the state's bluff and, indeed, the federal opposition should call the states' bluff and it should introduce legislation (or, if Xenophon's legislation is suitable, support that) so that all the powers are transferred through to the federal government, as long as the protection of South Australia's critical water needs is there, and let the states take them to the High Court.

This state has a great track record of going to the High Court. I remember going to the High Court over radioactive waste dumps and a number of other things. The federal government could

move to take over all those powers through legislation, and there are plenty of constitutional lawyers around who say that the federal government has the power. I note that Mr Xenophon has introduced legislation that has not been ruled unconstitutional by the Clerk of the Senate.

So, I say to the federal opposition and the federal government: get your heads together, introduce legislation and call the states' bluff, because would the Rann government be prepared to go to the High Court contesting whether the federal government had the power to take over all of its powers, including the veto? My guess is that it would be untenable for the Rann government to go to the High Court because South Australians want the federal government to take it over holus-bolus. I accept the fact that that does not mean that Victoria, New South Wales and other states would not go to the High Court and test it.

We are going to have exactly the same problem with the Murray, under this new proposal, because the veto remains on the two key questions. So unless the federal government is prepared to get hairy-chested about it and take some tough decisions, then all we are really doing is referring up some administrative niceties, which may make the administration simpler and that might be a good thing. Unless someone can convince me that we are referring caps and allocations with protections for South Australia's critical water needs—

The Hon. K.A. Maywald interjecting:

The Hon. I.F. EVANS: Well, the minister says they might be. That is not necessarily my understanding—then I think there will be some issues ultimately with the Murray. The issue is not new to me in relation to water. As the minister knows, we went out when I was leader and announced a desal plant after John Hill and a number of others are on the public record saying that South Australia did not need a desal plant. I then gave a speech about the need to increase the storages in the Mount Lofty Ranges. I notice the government has picked up on that idea. In the same speech I mentioned that we should be connecting the various reservoirs through pipes, an idea which was put to me by an engineer, and I notice the government has picked up that particular exercise.

There is one area where I think the government is sadly lacking on water reform, and I am glad the minister is in the house, because it saves me writing a letter. I declare an interest, Mr Speaker; as you well know, my brother is a plumber. I can tell the minister to get her officers to give her the approval process for the use of recycled water in South Australia and compare it with the approval process in every other state. We are miles behind in the amount of time it takes to get approval to use recycled water on our domestic gardens or in our homes.

I know that, Mr Speaker, and I put it right up front to the house. My brother installs that sort of thing as part of his business. He does not have a lot of hair, but what is left has been torn out in frustration, and he knows that when he goes interstate the approval process is vastly quicker. For whatever reason SA Water is intransigent in its view of the approval process. I hope the minister might make a note of that, get herself fully briefed and bring South Australia into line with the other states.

My argument is very simple in relation to this matter. I agree with the shadow minister's excellent contribution in relation to the principle that it really is too little, too late, and I really would hope that the federal government would get a lot tougher on the recalcitrant states, because ultimately there will be another generation of politicians standing here in 10 or 20 years' time having exactly the same argument. I can remember when John Olsen as premier went out and said, 'The Murray is going to be the issue.' We put up a stand-alone minister for water. It was Mark Brindal.

I remember the front page: there were Rob Kerin, Mark Brindal and I as three ministers in Crows outfits muscled up going out to take on the Murray-Darling Basin Commission. The reality is (and it has been shown to all political parties of all colours of all levels) that getting the states to agree—whether it is all the state opposition leaders or all the state premiers—is not happening. If the federal government is not prepared to move, then we will have exactly the same problem in the long term.

I would urge my federal colleagues through Malcolm Turnbull or the local state Liberals and Rudd to get together just as they have done on the world financial crisis and come up with one joint plan. Let us face it: all Canberra has done under Rudd, Howard, Hawke and Keating, for the past 20 years is take powers away from the states. There has been an absolute stampede of powers that have gone from the states to the commonwealth. Why the federal government is so reluctant to take on this particular issue is beyond me, particularly when all the Murray-Darling

Basin states are of the one political colour. I cannot work out why that has not been enough of an opportunity for them to step in and act. I have said enough, but I understand that the Liberal Party is supporting the bill.

Mr GRIFFITHS (Goyder) (18:25): I apologise for my absence from the chamber for part of today. The review of the Auditor-General's Report has been consuming my thoughts and, therefore, I have a lot of numbers running through my mind but I will try to focus my comments now on water and the important bill which we are now considering. I commend the member for MacKillop for his contribution to the debate this morning. I tried sitting here for the one hour and 55 minutes that he spoke. It appears that after about an hour he was only just warming up and getting to the nitty-gritty of the bill, the seven clauses, the 304 pages of briefings he had been provided with and the additional texts of which the important federal consideration of this matter is part and parcel.

It is obvious to me that water is the key issue. So many times in the communities which I represent, when I have talked to people, no matter where they reside and no matter what their circumstances, they want to talk to me about water. People are responsible; they try to do the right thing. They understand that, for the economic future of our nation, we need to ensure that we have a water supply that can guarantee critical human needs. That is a phrase that is used very often but, importantly, it will provide for our lifestyle choices and the industrial needs of our state and all of the Murray-Darling Basin Commission areas of New South Wales, Queensland and Victoria.

We want to make sure that we have a great future. I have been provided with information and, in our party room, we have had some great discussions about this. It is obvious that the members for Hammond and MacKillop have very detailed knowledge about water issues in the state, and I rely on them heavily when it comes to information about what the issues really are.

I might be naive—and I admit that, especially when it comes to political matters—but I thought that people who have the great honour of being elected to parliament do so on the basis that, when they discuss an issue, they do so with the thought that they want to make sure that the absolute best decision is made, not the politically expedient decision which allows the party or the group that they represent to have an opportunity, but the best decision that will ensure that the state will actually improve as a result.

Making the best decision is not always the easiest one to make. It was proven to me in my past life that the right decision is often the hardest, but the right decision is the one that needs to be made. This nation really does face a crisis. For us to have the future that is our right, it is important that we get this legislation and the control and provision of water across the eastern and southern states right. At the moment, it is not.

I think history has shown that allocations have been far in excess of what the capacity of the system is to provide, so we need to make sure that we undertake very thorough audits that identify where water is being appropriately used, where it is being wasted and where the return on that water usage is not what it should be. As this terrible drought continues, I am sure that it will seriously affect agricultural production across the whole nation but, coupled with a lack of water, it will make us undertake the enormous review that is necessary to ensure that we get to make the right decisions now so that industries have a future. At the moment, they do not.

I have a limited perspective of how it is for people in the Riverland and the Lower Lakes. I rely heavily on what other people tell me. I made a trip to the Riverland for a weekend to visit some friends not that long ago and, even in my quick look around, it was obvious. You can see it on people's faces and what it does to them. For those who are struggling financially because of lack of water and the pressures upon them, it affects their whole psyche. I know that members on both sides of the chamber want to be sympathetic to that. We do not live in an exclusive world where we think we are above everybody. We have to represent the people who elect us and, to be able to do that, you have to understand the emotions that the people who elected us are going through, so we have to try to do the best we can.

As I mentioned at the start, water really is the most important issue. As I am going around and whenever I hear anybody who holds some form of responsible leadership role in the community, they talk to me about what the water situation will be. It is not just the most important issue; for ever more, it will be the most important issue.

Our nation really now faces a crisis. Over the past two weeks, the weather has reinforced the fact that, while there was a glimmer of hope that agricultural production in South Australia this year would be at a respectable level and give people a chance to pay off their debts, put some

money in the bank and invest in their businesses and farms, we have seen some terrible media reports of hope being taken away from them by the very cruel northerly winds and the higher than normal temperatures we have suffered. Unfortunately, the same thing happened last year, and it has just ripped the heart out of people.

This further reinforces that this is where we need to make sure we get this right. I know that, in his contribution, the member for MacKillop talked constantly about the fact that this bill does not go far enough, and I am sure others on this side did, too. It will provide an opportunity for legislation to be enacted, but it seems to me that, with the power of veto remaining for each of the individual states, it takes away the chance for the really important decisions to be made.

Important decisions need to be made for a lot of reasons, such as the environment, and the member for MacKillop highlighted that. I know that some people in the chamber were rather surprised when he talked about the environment, but he does believe in it, he truly does. We want to make sure that we make the best decisions to provide some surety for the irrigators. We want to make sure that we make the best decisions to provide surety for communities.

I think the member for MacKillop commented on the fact that something like 90 per cent of people in South Australia rely upon the River Murray for their reticulated water supply. We want to make sure that we take the right decisions for the future of industry. South Australia really needs a lot of water, and I know that it is supposed to be 1,850 gigalitres, which is equivalent to 7 per cent of the water within the system that flows across South Australia's border and into our state. However, we need to make sure that we get it right.

In my first contribution to this house some 2½ years ago, water was one of my focus points. The communities I serve do not have a direct frontage onto the river system, if I can put it that way. They rely upon the pipe network to provide them with water from the River Murray. These communities would like to see their water provision expanded to ensure that additional people move there and that industries in that area can grow. I know that I am compromised whenever I talk about this but, while I would like to see more water available, I know that it comes from a resource that is already overtaxed, and something needs to be done about that.

I am pleased that, as part of her role, the Minister for Water Security supported the establishment of a high-level group of people from Yorke Peninsula to work on solutions for an augmentation of the water supply on Yorke Peninsula. However, my frustration is and my initial feedback from early meetings of that group shows that the solutions they are looking at come from the traditional method of taking more water out of the Murray.

I know that this is a side issue in relation to the bill, but it supports some comments made by the member for Davenport about the fact that there are other options for us to provide water to the population of South Australia, but we do not encourage them. The member for Davenport referred to recycling water within a domestic situation, with water being captured and reused in gardens. I have had some personal experience, with people in the communities I serve who are equally frustrated by the difficulty of getting that approved. This reinforces the fact that we have to capture and treat in whatever way we can—aquifer storage and recovery, desalinisation or effluent treatment schemes—to ensure that we have as much water available as possible.

While my focus in this house relates more to the dollars of the state, I understand completely that the dollars depend upon how the community feel and how many transactions they generate and the economic situation, through business development and jobs being created. When you look at it, everything boils down to water. Water is the basis of our life. The human species is predominantly made up of water. The lifestyle we enjoy is based upon having a plentiful water supply. We have to make sure that we get it right but, with this legislation, in all the discussions we have had in our party room, it appears as though that is not being achieved.

While a transfer of responsibility is being given to some degree, I reinforce the fact (and this has probably been spoken about by everybody in the chamber) that veto rights will exist for individual states and that the nation-building decisions cannot be made, and that really frustrates me. From what I read of history, it appears that, 50 years ago, after the Second World War, this nation recognised that opportunities existed. It encouraged immigration, and it brought people here by the thousands. It looked at projects that would employ them and undertook the Snowy hydro-electric scheme, and it ensured that, through the vision of Sir Thomas Playford (a man who looks upon us every day), from 1938 to 1965, industries were created in this state. Sir Thomas Playford believed that water would always be available. The 1968 election in South Australia was fought on

water and its storage, but it has come back to haunt us, reinforcing that what we have taken to be a right will not always definitely be there, so we have to make sure that we do the right thing.

In the communities I serve, it is fair enough to say that people are scared. In the past nine months those who have had funds invested on the stock market or within superannuation schemes have seen significant drops. While they are scared of the lack of direct financial benefit, they are also scared about what the lack of water in South Australia will do to them. It is often assumed that people who live in the city do not truly understand it. Those who live in regional South Australia and see what a lack of water does to those around them have a great appreciation all the time.

People in the city are considered to be immune from that, but the past few years has demonstrated with the water restrictions in place that that is not the case. People are frustrated and want to ensure that they have a water supply that enables them to have live a lifestyle they can enjoy. They probably have not considered the liability on the damage that has occurred to homes as a result of cracking, with foundations drying out through the lack of water. Where water comes from is the big issue that faces our state and nation.

The transfer of powers with this veto right to remain is crazy. It is not the important nation-building resolution that we need or that will allow the hard decisions to be made. I have referred to it before, but we have to continue to talk about it because it is the hard decisions, which take away the political influence and concentrate on what the nation needs, that need to be made. It concerns me that, while we have politicians who look at electoral cycles as being the focus of their attention, we will not get that. We need to ensure that independence is involved and that the best opinions are obtained, to ensure that the right decisions are made. The right decisions are always difficult. It is hard to convince people who do not want to be overly informed about it as to the reasons for those decisions, but let us go for it and make it happen and get the best possible legislation to ensure that the nation has a future.

I have been told in the party room, by the people who have studied the bill in depth and the people whose lives have been consumed by this matter (because they are constantly talking to people affected by the lack of water in the system), that it is not good enough, and I have great faith in those people. We do not have time to waste on a poor decision being made. The droughts over the past six years—while support has been given in exceptional circumstances for people on the land and in business—have made the majority of Australians who take an interest in this great nation aware of the fact that the state and nation is in crisis. Their expectation in electing us to parliament is not that we have an easy life but that we make hard decisions.

The people I talk to who are not directly affected by it because they do not have river frontage are the ones who say to me all the time, 'Steven, when you have a chance to talk about this in the parliament, make sure you put the opinion that we want to ensure that the right decisions are made all the time. We know there will be some short-term pain from this, but we seriously believe that governments and parliaments, be they state, territory or federal, are there to make the really hard decisions.' They are fearful that in this case the right decision is not being made.

It is interesting that political games are being played. John Howard as Prime Minister announced in early 2007 the decision to put $10 billion on the table. It is an amazing amount. When I became aware of that I thought that that is the sort of amount that will do something and that if we put any less towards it we would not achieve much, but it frustrated the life out of me that political games appeared to be played. Victoria constantly held out, and I know the member for MacKillop focused in his contribution on the fact that the Premier, as leading the cause for South Australia, negotiated with New South Wales and Queensland and got out of them an agreement that the Prime Minister of the time could support.

In the case of Victoria, we constantly had an impasse that could not be breached. We had an impasse that meant that access to those dollars was denied. People sat back and waited and thought, 'What's happening now?' Some 18 months have passed by and the situation is no better. In fact, there was a COAG meeting in March this year and follow-up meetings in July this year, where, supposedly, the Premier was waving the piece of paper with the agreement—which means that all our solutions are here. It seems to me that it is a bit like Neville Chamberlain when he returned from Germany waving a piece of paper and saying, 'Peace in our time.' That is certainly not the case here. An agreement might be in place but, unless we make sure the agreement is right, how will we benefit from it?

It was an enormous surprise to me to hear that Victoria was continually holding out for 12 months on these very important negotiations—and premier Bracks and Premier Brumby have to

take prime responsibility for that—but when COAG met in March this year to talk about trying to get an agreement to pacify South Australians, and Australians in general, Victoria again held the hard line and, as a result, got an extra $1 billion for investment into its area.

I know that South Australia also has benefited through the recent announcement of $620 million in infrastructure that will provide an important water lifeline for the Lower Lakes communities. I recognise and respect that decision, and support the minister and the Premier in what they have managed to achieve there. Is that part of the eventual solution or is it contributing to the problem? People in the Lower Lakes are concerned about what the future will hold for them. People in the Riverland are very concerned about what the future will hold for them.

Members here talk about water that is extracted from the river system further upstream—where illegal diversions of water occur, where storage dams are used for high level water needs, where the crops grown as a result are not worth it but are still occurring. Irrigators from Queensland and New South Wales have come to South Australia to look at what we do here. I know that South Australia is an efficient water user when it comes to the irrigation industry. An enormous amount of money has been invested by the industry to ensure that it is an efficient industry, but these people are trying to live on irrigation allocations that do not allow them to ensure that their trees will stay alive. How is industry placed? An important part of it is trying to get the legislation right. I know that the Liberal Party has indicated its support for this legislation, but we still have very grave concerns which are not based on political needs but, rather, on the fact that it will not deliver what South Australia needs in the longer term.

In closing, I want to focus on the fact that members come in here with the best of intentions but they are compromised for some reason. They are frustrated because they cannot make the right decision. We on this side of the chamber might be accused of playing political games all the time. We think that the spin comes predominantly from the other side. It is an incessant version of it which tries to twist our story in order to ensure that people believe what they are hearing—but it is not the case. There are some 1.6 million South Australians in this state. All those adults who want to listen to the media, read the newspaper, listen to the radio and watch television are frustrated by what they have seen. They know the state is in crisis. They also know that the agreement which has been put in place will not deliver what is proposed. They want to ensure that members here try to improve it.

I know that the opposition would love to see vastly improved legislation, but we also know that if we were to object to this legislation we cannot win, either. How is the game played? How do we ensure that the right decisions are made. It is an enormous challenge for this state. The member for MacKillop—when he stood up for one hour 55 minutes to put his story passionately about his understanding of the bill and its importance to the state—did very well. I wish that I possessed one-tenth of the knowledge he has on this subject. I know that the minister when she tells us about all the actions that she, the department and the government have taken does so with the intention of trying to improve things, but it appears that somewhere in between the right decision does lay sometimes.

While I acknowledge the support of the Liberal Party for the bill, we would love to see a vastly improved version which would ensure that the full transfer of powers occurs to a group of people who would make the right nation-building decision to ensure the future of our state. We do not think that is necessarily the case here, but let us hope for the future of our nation that we get it right very soon because crisis time is here now.

Mr GOLDSWORTHY (Kavel) (18:45): What we have before the house is a piece of legislation that has quite significant ramifications for the future of this state. As other members, on this side of the house particularly, have pointed out, if this legislation does not get it right and is not the correct way forward, what will result is a compounding of the crisis that we are facing currently. We are facing a number of crises in this state at the moment. We are certainly facing a crisis in relation to our water resources and a whole range of issues around that, and we are also facing an extremely serious crisis in relation to our economic situation. We heard the Treasurer this afternoon in question time wax on about what the government is doing and not doing in terms of looking to put in place measures to create a buffer against the economic situation that the western world, Australia and this state are facing.

I turn my attention and remarks to the legislation that we are debating currently and, in providing some background information, I would like to offer the following comments to the house. It was the Howard government that moved to take an active role in the management of the River Murray as a result of the continuing drought in the last part of 2006. In early 2007 that federal

government proposed that the commonwealth take over the state powers to manage the waters of the Murray-Darling Basin, particularly to address the overallocation of water and outdated and inefficient infrastructure and delivery systems, both on-farm and off-farm, and recognise the needs of the environment.

I have just heard the member for Goyder speak about how efficient South Australian irrigators are in the way they manage water on their respective properties. I think it was a highlight of the previous Liberal state government that it gave support in terms of monetary contributions. I understand that some federal government money was also made available, but the state government provided some funds to upgrade the irrigation system in the Riverland region, which is one of the major irrigating regions of this state.

We all know that what was known as the open irrigation system was in existence, using open channels. I worked in the Riverland for almost three years and I was fully aware of some of the irrigation practices whereby the local farmers and viticulturalists would get a single blade plough behind their tractor and run a furrow down each row of vines and turn on the water. They called the chap who worked for the E&WS, as it was at the time—the water jockey—and he would come out and turn on the tap to the block and the water would run down each row of the vines and water the vines.

Mr Williams: Flood them.

Mr GOLDSWORTHY: Flood them, that is right. The member for MacKillop (the shadow minister) is quite right. They used a flooding technique to water their vines. They also had an overhead irrigation system for their citrus plantations. It was a legacy—one of the highlights, I think—of the previous Liberal government that it provided the incentive to convert that open system (a really inefficient system with leaky channels and the like) to a closed system. They also upgraded the pump station at Loxton North, if I am correct.

We have seen previous Liberal governments, both state and commonwealth, provide the incentive and the capital to ensure that our irrigation systems in this state are efficient compared with other states which still have the old, inefficient systems. I understand that this $10 billion package, which the federal government has provided, will assist in making the eastern states irrigation techniques more efficient.

In seeking the support for the position of a $10 billion package that was announced by the previous Howard government, some $3 billion was to be made available to compensate licence holders in an effort to address over allocation and the balance being used to upgrade the infrastructure, with a percentage of the water savings from such works to be directed towards environmental flows. Obviously, from the Howard plan, there was a win-win. I know that I am using old language, but there would have been a positive outcome in a number of areas from the package which the previous Howard government was planning to put in place. Obviously by improving the infrastructure, you make the irrigators more efficient, and therefore you would be saving water because it would not be leaking out of channels and draining away needlessly as it did through the old flood irrigation technique, and the savings created from that would be held in the river and be used for environmental flows.

We are all aware of the parlous state of the river system in relation to the environmental issues with the lack of flows and the like coming down that system. The Howard government passed and enacted the Water Act 2007, an act to make provision for the management of the water resources of the Murray-Darling Basin and to make provision for other matters of national interest in relation to water and water information and for related purposes. Notwithstanding the passage of this act and the establishment of the Murray-Darling Basin Authority to be responsible to the commonwealth minister, the act had little real power as this power remained with the relevant states.

The political disruption of this plan in the lead-up to the federal election on 24 November 2007 has been well documented. I know the member for Davenport spoke in his contribution about how Premier Brumby really held the whole nation to ransom in not agreeing to being part of that agreement and, in doing so, really made it a political issue at the last federal election. That has all been well talked about, debated and so on since the election of the federal Labor Party to government. Initially, the new Labor government showed little desire to tackle the issue until it was basically embarrassed to place the matter on the COAG agenda of 26 March. That COAG meeting was held in Adelaide.

A hastily cobbled together memorandum of understanding was agreed to at that meeting, with an intergovernmental agreement being signed off at the subsequent 3 July COAG meeting. We remember the Premier standing up on the mountain top and heralding that this was a world first, an historic agreement. That was world-shattering news back in March, when that agreement was hastily cobbled together, but when the intergovernmental agreement was signed off in July that was another historic agreement. How many historic agreements do we have? It seems that the Premier is pretty keen on promoting these historic agreements.

We are also aware of the level and the amount of spin that comes from this government, particularly with the current series of advertisements in the newspapers and on television, with the Premier promoting the government in relation to what it is supposedly doing to secure the water needs of the state.

However, that agreement obliged the basin states to refer some powers to the commonwealth, to broaden the effect of the commonwealth Water Act 2007—some powers. It has not gone anywhere near as far as we, on this side of the house, believe it should. Specifically referring to the legislation that we are here debating, the bill refers certain powers of the commonwealth via a mechanism known as tabled text, whereby the text of proposed amendments to the commonwealth Water Act, and amended Murray-Darling Basin agreement, which will be appended to the commonwealth act, and three schedules to that act are tabled in the state parliament.

It is my understanding that this tabled text is a new invention of the government, if I am correct. It is not a part of the bill so we cannot question and probe the government on different issues arising out of this tabled text. I know it has been discussed that we may well be able to do that but it is not a formal part of this legislation. I know there are members who will speak after me who will raise significant concerns about the manner in which the government is dealing with this bill and the particular matter of tabled text.

The bill explicitly refers those matters contained within the tabled text to the commonwealth jurisdiction. I understand that we are dealing with a very serious issue. It is one of the most important pieces of legislation that the parliament has dealt with concerning the future of our state. As said earlier, if we get it wrong, we are going to suffer the consequences—some pretty significant consequences—if it is not right. I think the government should take note of that and should have perhaps looked at a different mechanism to have the legislation and this tabled text business dealt with. We will see how that transpires over the next couple of sitting days when we complete the debate on this matter. We are running to 7pm so, in view of that, I seek leave to continue my remarks.

Leave granted; debate adjourned.

At 19:00 the house adjourned until Tuesday 15 October 2008 at 11:00.