



HOUSE OF ASSEMBLY
TUESDAY 20TH JUNE 2017
INDUSTRY ADVOCATE BILL

Second Reading

Adjourned debate on second reading.

(Continued from 31 May 2017.)

Mr FEDERICK: Thank you, Madam Independent Deputy Speaker. I rise to support the Industry Advocate Bill 2017. The bill establishes the role of the Industry Advocate as a statutory position and strengthens its powers to hold contractors to the commitments they make to utilise South Australian workers and materials. It seeks to capitalise on increasing community and industry stakeholder support for a 'buy South Australian' type policy, and this noise from the industry and community has come over recent years.

As we heard in earlier contributions, people are shocked when they visit some of our roadworks projects and see all the interstate plates on roadwork machinery. This bill essentially locks in the current advocate—and that is Ian Nightingale—for a five-year term and gives the advocate greater powers to require information, and that can be a penalty of up to \$20,000. It also recommends action by the minister for noncompliance with commitments under a tender.

Quite a few stakeholders have been consulted on this bill, such as Business SA, the Australian Industry Group, the Civil Contractors Federation, the Australian Steel Institute, the Australian Subcontractors Association and Consult Australia. Broadly, they have all been supportive, although some have raised questions about details in the bill. There was concern raised by some about the role of the Industry Advocate. They questioned the need for it to be a statutory position. Concerns have also raised about the possibility of increased costs to taxpayers from the increase in red tape and government intrusion into the private sector. However, there has not been outright opposition put to us about this piece of legislation.

The bill enshrines the role of the Industry Advocate by statute, currently held by Ian Nightingale, who has been in that position since 2013. This followed the government's introduction of its Industry Participation Policy in July 2012, which aimed to deliver economic benefit to South Australia via procurement. As has been stated on this side of the house, there are clearly some deficiencies in the drafting of the bill, but we are concerned about the proposal to make the Industry Advocate an exempt agency for the purposes of the Freedom of Information Act 1991. Certainly, the deputy leader, the member for Bragg, will be putting an amendment in regard to clause 17 of the bill, which, except in limited areas, seeks that the Industry Advocate be an exempt agency.

The bill purports to be drafted on the Small Business Commissioner model, which, as I indicated, has a fine of up to \$20,000 for a person who is a party to a contract who refuses a request to provide documents or information to the Industry Advocate. I note that the Small Business Commissioner is not an exempt agency for the purposes of the Freedom of Information Act. Currently, the list of exempt agencies includes royal commissions, ICACs, SAPOL, the Auditor-General, the Parole Board, the Crown Solicitor, the department of public prosecutions and the like. Over the last 15 years, we have seen the creation of a number of commissioners, providing status and, presumably, security of employment for these positions, but they have not even made the Commissioner for Kangaroo Island and exempt agency.

In regard to some of the legal advice we have received about the bill and the procurement process at present, the two documents and the tender process include the formal tender, which is treated as commercial-in-confidence, and, secondly, the local industry participation and job creation document. The Industry Advocate confirmed that the latter becomes an attachment to any contract in due course, but clause 13 could be amended to specifically protect against documents identified as commercial-in-confidence.

Certainly, we understand that the government have declined to accept a recommendation by the Law Society to define 'information' in the bill. They point out that it would be, at the very least, to compel someone who might be in dispute to request information relevant to it. I also note that there is no provision for a review of the Industry Advocate's notice, and this should be included, with an appeal available to SACAT, for example.

We believe that provision for the Industry Advocate to be an exempt agency is certainly not justified. There are protections already in the Freedom of Information Act—for instance, in regard to whether personal information, commercial-in-confidence, cabinet documents (and we have had some discussions about cabinet documents in here recently), and documents, including communications between members of the Industry Advocate office and/or to the minister, should be available.

We on this side of the house have always maintained a strong commitment to transparency and accountability of government. As has been indicated recently, the government has certainly been brought to the table kicking and screaming in respect of the Office for Public Integrity and ICAC and still refuse to progress the whistleblowers act reform, including the right to go public after three months, and freedom of information reform has certainly stalled. We note that the Police Complaints Ombudsman reform took two years and that shield laws have consistently been opposed. We have seen all this go on under this government.

I would now like to talk about the different support of different people who represent this great state at a federal level and the use of local industry. Yesterday, the member for Grey, Rowan Ramsey, put a motion that, should the Adani coalmine go ahead, the order for \$74 million worth of steel from Arrium in Whyalla should be used for the rail line to take the coal from the mine to the coast. I certainly acknowledge that the member for Barker, Tony Pasin, supported it, but then we note that Rebekha Sharkie, the member for Mayo from the Nick Xenophon Team, did not support it. She said that the project is only 2 per cent of Arrium's debt. How outrageous! We have a federal member of parliament representing this state not supporting—

Ms Chapman: It's incredible.

Mr PEDERICK: —yes, it is incredible, as the member for Bragg said—local work for South Australians in Whyalla, in the member for Giles' area. It is completely, absolutely outrageous, and people need to be aware of these things because we have a state election coming up, and when it comes up people need to take note of how people reflect on supporting local industry in this state.

In regard to the Nick Xenophon Team, they are not supporting local industry in this state in relation to the potential use of \$74 million of steel produced at Whyalla for the Adani project. It is outrageous. It is outrageous to have that position, to just knock that amount of work out of this state on some green ideology, because of the Xenophon team's 50 per cent renewable electricity target. It is crazy stuff where ideology again rules the waves.

We have seen it here in this state with the clean energy target of this state Labor government of 50 per cent renewable energy, and we saw what happened: we saw Black Wednesday on 28 September last year, we saw blackouts earlier this year and we will see more blackouts this summer, unless they bring a Turkish ship along that is usually moored off places like Iraq supplying emergency power to Third World countries. We are probably going to see a ship off the coast that can generate hundreds of megawatts of energy using either fuel oil or diesel. We might see 200 huge 40-foot containers, diesel generators. So where is everyone's climate change policy now? We just melt down a bit more diesel to get us through summer, and that is what will happen.

It is interesting to note that with all this opposition to coal, the Finkel report acknowledges that 58 per cent of our energy in Australia at the moment comes from coal sources, and in 2030 we will

still be needing a generation capacity of 56 per cent of coal to keep our power supply going in this country. People really need to have a look at what people are saying around jobs. They need to talk about the targets. On this side of the house, we support the federal government's energy target of 23.5 per cent; that is a far more realistic target in regard to energy generation in this state and this country.

I just want to reflect on Peter Humphries. From what I am told, he was anointed and just had to go through the preselection process for the Xenophon team to be the lead candidate in the other place, the Legislative Council. Yet on the same day that the member for Mayo was on the radio, he was on the radio condemning their climate change policy, so guess what happened to Peter Humphries? That was the end of his state political career. From what I understand, he got a text that afternoon from Nick Xenophon and it was all over—all over just like that. He should have held his fire and at least got through the preselection process, and then they would still have done him over, I guess.

People need to look at the ideology of different political parties in this state. They need to have a darned good look at what people are actually saying. I note, though, that the Labor Party in South Australia—even with their mad, ideological response to green energy and fast-tracking it and imposing darkness on this state with their 50 per cent clean energy target—from what I understand actually support Arrium steel going into the Adani coalmine project, if it goes ahead. Good on them for that, because none of this should be standing in the way of those jobs at Whyalla and the jobs that flow on from those jobs at Whyalla—the freight of that steel, the handling and everything else that goes along with that production. People need to have a good look and reflect on anyone who discounts any job opportunities in this great state of ours; they need to have a darned good look.

We support this bill in regard to the Industry Advocate. It does seem amazing that we need to legislate that governments have to have a certain percentage of procurement from South Australian contractors. You would think it would be just common sense, but I guess common sense does not come into play and we have to legislate to make sure that ministers do the right thing as far as procurement goes with major projects in this state. We certainly support it; we will be looking at some amendments in the committee stage of the debate but, in the main, we support the bill. I commend its speedy passage through here and the other place.