

## HOUSE OF ASSEMBLY

Tuesday 20 June 1995

### ESTIMATES COMMITTEE A

**Chairman:**

The Hon. H. Allison

**Members:**

Mr M.J. Atkinson  
The Hon. Frank Blevins  
Mr S. Condous  
Mrs J. Hall  
Mrs E.M. Penfold  
The Hon. M.D. Rann

*The Committee met at 11 a.m.*

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Legislative Council, \$2 736 000  
House of Assembly, \$5 132 000  
Joint Parliamentary Services, \$8 272 000

**Witness:**

The Hon. Dean Brown, Premier and Minister for Multicultural and Ethnic Affairs.

**Advisers:**

Mr G.D. Mitchell, Clerk of the House of Assembly.  
Mr K.R. Simms, Leader, *Hansard*.  
Mr A.M. Schulze, Accounting Officer to the Legislature.  
Mr H.F. Coxon, Parliamentary Librarian.  
Mr J.C. Sibby, Catering Manager.

**The CHAIRMAN:** Has a program been agreed between the Government and the Opposition?

**The Hon. Dean Brown:** Yes, Mr Chairman. I flag to the Committee that questions concerning the South Australian Development Council should be asked at 12 o'clock. The Executive Officer of the South Australian Development Council, Professor Dick Blandy, has a key appointment this afternoon and I have given him leave to attend it. I am not saying that questions cannot continue into the afternoon, but Professor Blandy will be here in the morning and in the very early part after lunch.

**The CHAIRMAN:** Does the Leader of the Opposition wish to make a statement?

**The Hon. M.D. Rann:** I have only a couple of points. First, the Estimates Committee this year does not have the benefit of the Auditor-General's Report, which perhaps slightly alters the role of the Estimates Committee. The report has always been a fundamental resource for the Committee to work from in terms of questioning the role of Government expenditure.

Secondly, in the past, with the concurrence of the Premier or the Minister being questioned, both sides, with the Chair's concurrence, have given permission for unasked questions to be recorded in *Hansard* and subsequently answered at the end of the evening. Is that still the case today? When the Liberals were in Opposition, we always had an agreement that

unanswered questions could be put on the record and answered later.

**The Hon. Dean Brown:** That is correct. Any outstanding replies are included in the supplement.

**The CHAIRMAN:** When questions are unable to be asked, it is a requirement that they not be simply handed to the Minister in written form but that they are formally read into *Hansard*.

**The Hon. M.D. RANN:** With rats and mice questions we could read them out and say that they have not been answered because we have run out of time.

**The Hon. Dean Brown:** I thought you were talking about a situation where a question is asked and it requires a prepared answer. In terms of other questions, they must be asked today. At the end of the day you cannot produce another 200 written questions.

**The Hon. M.D. RANN:** During the Estimates when my Party was in Government and I was a Minister, at the end of the day we would allow questions to be read out if the time for asking questions had run out, and the replies were supplied at a later date.

**The CHAIRMAN:** That was the practice during the Estimates Committees last year.

**The Hon. Dean Brown:** Yes. That is acceptable, provided they are read out today.

**The CHAIRMAN:** They must be read into *Hansard*. It is a requirement that the Leader and his team leave sufficient time to read in any outstanding questions before the Committee closes at 10 p.m. I see no problem. That has been the standard practice for some years.

**The Hon. Dean Brown:** Before beginning the formal procedure, I comment on the Auditor-General's Report. The situation has occurred because of the change in the timing of the introduction of the budget. Everyone agrees that the early introduction and debating of the budget puts a lot more meaning into the budget process, because departments know what their budgets will be before the start of the financial year whereas, under the old procedure, it would be at least two months and, in fact, three or four months into the year before the budget was finally approved. The Government was aware that this anomaly would occur as the Auditor-General's Report cannot be prepared until the completion of the financial year.

If discussion with the Opposition has not occurred already it is about to in terms of allowing a one-day discussion on the Auditor-General's Report. We agree there needs now to be special provision for some discussion of the Auditor-General's Report, and the Deputy Premier will be in touch with the Opposition to discuss that matter.

**The CHAIRMAN:** I declare the proposed expenditure open for examination. Does the Premier wish to make a formal statement?

**The Hon. Dean Brown:** No.

**The Hon. M.D. RANN:** Last year's Estimates Committees were somewhat historic because they were held in Old Parliament House, but on 30 June Old Parliament House will close. This has caused a considerable amount of disquiet in the community as to the loss of a very valuable historic asset on North Terrace, which is our cultural boulevard and one of our premier tourism attractions. There is the feeling that it has involved the destruction of an admirable institution, in terms of handing it over to parliamentary offices and committee work. Extra space for parliamentary use is available in the Riverside building and, in the event, I understand an addition-

al \$600 000 must be spent on Old Parliament House before anyone can move into it.

Currently, about \$13 million has been committed to upgrading this Parliament. Does the Premier support the closure of Old Parliament House? Given the recent push by the Commonwealth for a major national campaign on civic education, will the Premier reconsider the decision to include a substantial historical presence for the education of young people particularly about the role of Parliament?

**The Hon. Dean Brown:** First, there is nothing in these lines relating to Old Parliament House. The operation of Old Parliament House is at present under the History Trust. Any capital works carried out there come under the Minister for Industrial Affairs and there is no provision in these lines for capital works here. Any specific questions on that matter need to be dealt with by the two respective Ministers.

The statement about the closure of Old Parliament House and shutting off an important part of history like that is not correct. The old Chamber will be open for people to go in and look around, and it can be used for appropriate occasions. The detail of this needs to be taken up with the Minister for the Arts, but the History Trust as such will not continue to operate as it has in the past from Old Parliament House. It will be used for other purposes relating eventually to the legislature, and any capital works carried out will be done through the Minister for Industrial Affairs.

**The Hon. M.D. RANN:** As a supplementary question, I cannot understand the inference that we cannot discuss that matter here, because it will be the home of House of Assembly committees. Therefore, it is directly relevant to this line. Part of the legislature is not just what happens in this Chamber but what happens in terms of the offices of this Parliament and its committees particularly. I understand that there will be recurrent expenditure out of the parliamentary line as well as capital works expenditure involved in the transfer of both resources to Old Parliament House and people.

It is silly to say that there will still be a role for it. It will be a static role: we are talking about a positive, active role for Old Parliament House in terms of the education of our kids. All of us have had kids coming through this Chamber and been asked where Bob Hawke sits and various other things. There is a crying need for decent civic education in South Australia as well as Australia. It seems to me that a number of questions relating to Old Parliament House need to be answered. For instance, will any Ministers' offices be located in Old Parliament House, or has that been ruled out?

**The Hon. Dean Brown:** I should like to pick up a couple of points. First, the education role of Old Parliament House will not be diminished: it will be changed in scope perhaps in that it will be administered through the Parliament. A large number of students come into this Parliament, and the education role of this Parliament will now be extended to Old Parliament House. Therefore, in some ways it is enhanced, because the education role will come under the one umbrella, which is Parliament itself, rather than being divided between the two bodies.

In terms of relocating Ministers into that area, I understand that on an interim basis two Ministers may be located there simply while renovations are being carried out in this building. However, eventually, I understand that all Ministers will be housed in this building. I stress that there is no provision here for capital works on the Old Parliament House building.

**The Hon. M.D. RANN:** One of the roles of Old Parliament House has been to have a Speaker's Corner where people from all parts of the State, including country areas, representing different political and interest groups have come to put on displays or have held forums and debates, some of them somewhat controversial, ranging from prostitution to the rights of the Irish, and so on. Where will Speaker's Corner be relocated and when will it be able to accept new bookings?

**The Hon. Dean Brown:** The Minister for the Arts has already announced some proposals in that regard, and I suggest quite rightly that that is a matter which should be taken up with her as the responsible Minister.

**The Hon. M.D. RANN:** One minute it is Industrial Affairs, the next minute it is the Parliament and the next minute it is the Arts: I cannot see why we cannot get a straight-out answer. Will the Premier detail the program of upgrading Parliament House and the proposed expenditure? The upper floor has been completed and work is well under way on the basement. In terms of the upgrade of Ministers' offices, other members' offices, and so on, will the Premier detail the program and also the expenditure?

**The Hon. Dean Brown:** I will need to get the detailed information for the honourable member. Stage 1 has largely involved upgrading the facilities for the Leader of the Opposition and the Opposition in the Parliament. If anyone has benefited from that it is the Opposition in this Parliament. I was one, as Leader of the Opposition, who said that something needed to be done. The Opposition has had inadequate facilities, and that essential work has been long overdue. We have done that as a Government; that is the main level of expenditure over the past year. I will get the details for the Leader of the Opposition in terms of each stage and the work proposed under each of those stages.

**Mrs HALL:** I refer to page 28 of the Estimates of Receipts and Payments under the heading, 'Joint Services Division'. In the line of *Hansard*—Printing and publishing there was a considerable saving of nearly \$.5 million in the past 12 months. Will the Premier give the Committee some information that specifically relates to that line?

**The Hon. Dean Brown:** There has been a considerable saving here, involving a reduction from approximately \$1.4 million to \$911 000. That is a saving of 30 per cent or almost \$500 000 in expenditure. That has largely been achieved by on-line printing. Kevin Simms might like to give more detail on that but we have always argued that modern technology with computers opens the way for considerable savings, and here is the direct evidence of what can be achieved.

**Mr Simms:** Previously, whereas a major part of *Hansard* production took place at State Print, it is now all undertaken in-house, with the exception of photocopying which is still carried out at State Print; but that is a very minor aspect of our overall production.

**Mrs HALL:** Again referring to page 27 under 'House of Assembly', a considerable saving is predicted in the printing of parliamentary Bills, Acts and regulations. Could you give some detail on that?

**The Hon. Dean Brown:** The reason for that is that last year Cabinet agreed to a standard format. Part of the reason for doing that was to achieve considerable savings, and this is the benefit of that decision. The cost has dropped from \$1.2 million to \$1.16 million. There are apparently similar savings in the Legislative Council, with a drop from almost \$800 000 to \$713 000.

**Mr ATKINSON:** Will the Premier explain why the use of the alternative to the closure of Old Parliament House Museum—that is, the use of the Riverside building—has been ruled out, and will he detail the cost of the move?

**The Hon. Dean Brown:** In terms of the cost of the move, I will need to get those details for the honourable member; I do not have the figures here. Some of those costs are still being worked on in detail.

**Mr ATKINSON:** Why was the alternative use of the Riverside building rejected?

**The Hon. Dean Brown:** There was potential to make overall savings to the whole of Government in terms of relocating some of the parliamentary functions into Old Parliament House. The History Trust undertaking in Old Parliament House was making a considerable loss, as the Minister has already indicated. It is up to the Minister to highlight the extent of that loss, but the loss was considerable and it was decided that it could not continue to be sustained. Therefore, the decision was made that, whilst retaining the whole concept of Old Parliament House and keeping the education function, it could be carried out under the Parliament as such rather than under the History Trust. The accommodation costs at Riverside are \$223 000 a year, a fairly considerable amount.

**Mr ATKINSON:** When and where will the panorama be made available to the public, and how can a half-time education officer in Parliament House be expected to undertake all her current activities plus those of the displaced full-time education officer based at Old Parliament House?

**The Hon. Dean Brown:** To answer the second part of the question first, much of the education role is picked up by the members themselves. Members bring students from their schools into Parliament House—I have done so on numerous occasions and still do. I would have thought that the honourable member would appreciate that members probably put in more hours collectively even than any permanent staff. The panorama is a specific question on which I will need to obtain details from the Minister for the Arts.

**Mr ATKINSON:** I understand that improvements are planned for the provision of *Hansard* services to members and staff in the House. Further, I understand that consideration has been given to on-line electronic access to *Hansard*. When is this likely to occur? Will it take the form of on-line access through remote access or some other form, and will copies on CD ROM be produced? I am sure that all of us greatly appreciate the work of *Hansard* but equally look forward to the improvement in the provision of this important service.

**Mr Simms:** Our consultant is at present looking into setting up a pilot system of on-line *Hansard* with, it is proposed, a terminal in the *Hansard* area, and the Librarian will be invited to accommodate a terminal in his area. Our consultant is examining this at the moment and intends to have a report in to us by the end of the month.

**Mrs PENFOLD:** I refer to select committee travelling expenses. Has adequate provision been made for committees to travel into country regions if necessary?

**The Hon. Dean Brown:** Yes, adequate provision has been made, provided that travel into the country is at about the normal level. If there were some unforeseen circumstances that led to additional travel over and above the norm, that would have to be looked at, but there is standard provision for parliamentary committees to undertake normal travel both intrastate and interstate.

**Mrs PENFOLD:** Provision for funding for video linkages within country areas appears to be one way of overcoming travel costs. Has this been considered?

**The Hon. Dean Brown:** At present, video conferencing is rather expensive. At this stage, there is no specific thought of introducing video conferencing for parliamentary committees. That technology could be looked at, but before we get to that point we would need to improve video conferencing facilities. Video conferencing facilities are available now in a number of TAFE colleges, and the objective is that by the end of this year all TAFE colleges will be linked together with video conferencing facilities; and, at least potentially, schools should be linked together within the next 12 months or so. Whether schools will have the necessary equipment to enable video conferencing to occur is another matter, but potentially that could be supplied.

There are a number of companies here in Adelaide. I have used video conferencing facilities. They are still not readily available and, until the fibre optic network is laid more effectively throughout the community, I do not think the system will become a common method of conferring between two parties. I would expect that over the next two years we will see some very dramatic changes in that regard, as the fibre optic network is expanded throughout the State.

**The CHAIRMAN:** There being no further questions, I declare the examination of the vote completed.

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State Governor's Establishment, \$1 514 000

**Departmental Advisers:**

Mr Mike Schilling, Chief Executive Officer, Department of the Premier and Cabinet.

Mr John O'Flaherty, Director, Corporate Services.

Mr Steve Archer, Manager, Financial Services.

**The CHAIRMAN:** I declare the proposed expenditure open for examination. Does the Leader wish to make an opening statement?

**The Hon. M.D. RANN:** Yes, Mr Chairman. I refer to the general role of the State Governor, for whom we have the most profound respect. Dame Roma Mitchell has been an outstanding Governor of this State, and all of us who have had any dealings with her, both in the community and in an official parliamentary role, salute her contribution to our State, both in her previous career and most recently as Governor. Following my questions in the House of Assembly on 8 June, the Opposition and I and a number of members of the community remain confused concerning the Premier's and the Government's views about where the State is going in terms of the republic debate. Obviously, that concerns the role of the Governor as well as that of the Governor-General.

I note that in New South Wales yesterday the Premier (Bob Carr) talked about whether a republic President could replace the State Governor. He said that the role of the State Governor in an Australian republic could be assumed by the new national President in Canberra; that, alternatively, Bills of Parliament in the State Legislature would automatically become law without the final approval of a Governor on being passed by both Houses; and that the Governor now must give his or her assent to Bills before they technically become law. The Premier of New South Wales said that he

was encouraged by the modern German political model, where provinces do not need Governors or their equivalents to have laws passed, and he noted that we must look at the range of options available.

Mr Carr has invited the Leader of the Opposition (Peter Collins) and the Leader of the National Party (Ian Armstrong) to join a working party on a bipartisan basis to look at the various options that confront the State in terms of the republic debate and of the future role of a State Governor. Does the Premier support an Australian head of Government and an Australian republic by the year 2001, in terms of his belief that there should be a convention and our belief that there should be a referendum? He has already pointed out that he sees problems with a monarchy in each of the States and a Federal republic. What work is being done in terms of what the Government sees as the options for the role of the State Governor or some replacement, or does he support the Carr model of the Federal President's replacing that role? Where does the Premier stand on this issue?

**The CHAIRMAN:** I am not convinced that this line of questioning is related to a line within the budget papers.

**The Hon. M.D. RANN:** This issue is currently being debated. Under certain models and options that have been put forward the position of State Governor may cease to exist. We do not know the Premier's intentions.

**The CHAIRMAN:** The Leader does not have to convince the Chair about the need for debate. All the Chair is saying is that I am not convinced that this relates to a line of funding. Should the Premier wish to respond, the Chair has absolutely no objection.

**The Hon. Dean Brown:** I agree with the Chair's assessment that there is absolutely nothing in this line that relates to the republican debate and what form of head of State we might have in the year 2001. This line relates to the allocation of funds to the Governor for the next 12 months, and I can assure the Leader of the Opposition that there is no proposal to change or to abolish the position of Governor within that period. That is why we have allocated the full amount we have this year. However, I am prepared to take up the points that the Leader of the Opposition has raised. I will do so briefly, because this really does not relate to the line before the Committee.

First, I have made it quite clear publicly—and I suggest that the Leader of the Opposition look at some of my statements—that I believe there is a need for a coordinated approach by the State Governments with the Federal Government in terms of any debate on becoming a republic. I have indicated that I believe that it is inevitable that Australia will become a republic and, if that is the case, I would have thought it also equally inevitable that the States would become republics. However, that needs to be done on a coordinated basis.

That is where I differ from the Prime Minister, because he is proposing to look at it purely from the point of view of the Federal Government with no consultation with the State Governments at all. That is where I agree with the Federal Leader of the Opposition, John Howard, in having a people's convention so that the States can be represented at that convention, as he has undertaken that they should be, and so that we work out a coordinated approach. At the same time as putting this at a Federal level—as to what should happen with the Federal level—the State Governments equally can work out their approach within their respective States at the same time. In that way we would not end up with an absolute

mishmash of, say, a republic at the Federal level and all six individual State Governments being monarchy States.

I believe there should be this joint approach and out of that joint approach, with a convention in 1997, we will find that it may be appropriate for the States to hold individual referendums. It may be on the same day or on a separate day to what happens federally. I have also indicated that so far as I am concerned this is an issue that should go to the people. I have argued that for two years, and I would accept the judgment of the people. The other point I take up is that I have always been a very strong advocate that whoever is head of state, whether under a monarchy or a republic, should be Australian. In fact—

*The Hon. M.D. Rann interjecting:*

**The Hon. Dean Brown:** The Governor, as such, is an Australian.

**The Hon. M.D. RANN:** I desire to ask a supplementary question, because I still feel somewhat confused about the Premier's position. We all agree that the public has to make up its mind and that we will follow the views of the public. We do that at each election and referendum, but we also go into election and referendum campaigns with a position. The Premier is talking about the Prime Minister's position, but at least he has stated his position. At least Jeff Kennett, the Victorian Premier, has stated his position. At least Bob Carr has stated his position. At least Richard Court and Wayne Goss have presented their positions.

We are saying that, if there is to be a convention, does the Premier have a position, like Bob Carr, for a bipartisan committee, because of its importance for the State, or a similar view to work up the options. Would the Premier go into that convention with a view of what he wants as Premier of the State in terms of the Governor's role? Is the Governor's role to continue, will it be replaced by some other role or will it be abolished? All those things should have been thought about already. We have stated our position, but what is the Premier's position.

**The CHAIRMAN:** I still have to be convinced that the line of questioning is pertinent to the lines under review dealing with salaries, goods and services, administration, accommodation, receptions, expenses and building works. This is really an extraneous debate that is being introduced. The Premier at his own discretion may respond but the Chair is ruling that this line of questioning is not relevant.

**Mr CONDOUS:** Mr Chairman, I wish to take a point of order. We are here to understand the financial implications involved in running Government House and the role of the Governor over the next 12 months, and the Premier should not continue along this line.

*The Hon. M.D. Rann interjecting:*

**Mr CONDOUS:** You can bring that up in Parliament. This is the Estimates Committee.

**The CHAIRMAN:** I thank the member for Colton and the Leader. It is the Chair's discretion to rule whether lines of questioning are relevant or not. It does not take much intelligence to realise that the question is not related directly to the financial affairs of the State. It is a difficult question that requires far more debate or decision than this Committee is capable of.

**The Hon. Dean Brown:** I am willing to touch on the points raised by the Leader of the Opposition. It is important that the States maintain their independence. What concerns me greatly with the Labor Party right across Australia is that the Labor Party clearly has an agenda to abolish the independence of the States under the proposed move to a republic.

That is outrageous and the Governor herself has made public statements about the importance of maintaining the independence of the State. The former Governor, Sir Mark Oliphant, has made similar statements as well. I have had discussions with Her Excellency, a person for whom all of us have the highest regard not only as a person but in terms of her legal understanding of the Constitution. Therefore, I would want to see an independent head of state in all circumstances so that this State does not have a Governor who is answerable to a President sitting in Canberra.

That concerns me because, under the Labor Party's model, it wants to make the Governors or heads of state in each State answerable to a President sitting in Canberra. I do not accept that model at all. The States ought to maintain their independence. We came together as a Federation with due independence, and I and the Liberal Government will always fight to retain that independence.

**The Hon. M.D. RANN:** The Governor is also responsible to Her Majesty the Queen, as head of state of Australia. I am not sure what the Premier is saying. Indeed, some models propose that there be no similar State representative, which is what I read out before. In terms of the Governor's position and drawing on the member for Colton's need to move on—

**The Hon. Dean Brown:** Before moving on, I wish to clarify a point. In fact, the Governor here is not answerable to the Governor-General in Canberra.

*The Hon. M.D. Rann interjecting:*

**The Hon. Dean Brown:** I understand, but under the model put forward by the Labor Party, it would like to have the head of state in each State answerable to the Australian President, and I do not accept that. We are an independent State and it concerns me that the Labor Party is trying to erode or abolish the independence of the States. This is openly boasted about by members of the Labor Party in the Federal Parliament daily in interjections and comments within the House.

**The CHAIRMAN:** The Chair sees this debate more directly relating to the Australian Constitution, which certainly is not reviewed under the lines which seek to administer properly Government House in South Australia. Constitution matters are outside the scope of the debate currently before this Chamber.

**Mrs HALL:** I refer to page 31 of the Estimates of Payments and Receipts and make the observation for the Leader that, no matter who resides in that elegant establishment in the future—

*The Hon. M.D. Rann interjecting:*

**Mrs HALL:** That is a good idea—we still are looking at what is happening now. Can the Premier tell the Committee whether South Australia will continue to maintain a Rolls Royce for the current Vice Regal incumbent?

**The Hon. Dean Brown:** As everyone realises, the Governor has a Rolls Royce, which is replaced on a routine basis with 12 months' notice given for the order of the next Rolls Royce. The Government has decided not to reorder a Rolls Royce but to replace it with a Holden Caprice. We believe it is more appropriate that our head of state in South Australia have a South Australian-made vehicle which is of world quality and world class. Therefore, in March this year when the 12 months' notice to replace the Rolls Royce needed to be given, we indicated that we would not be replacing it with or ordering another Rolls Royce. Therefore, in 1996—the exact timing of that change-over has not been determined, but it is likely to be around March—the Rolls

Royce will be removed and replaced with a white Holden Caprice.

I have discussed this matter with Her Excellency, and she agrees with that. The exact timing of it will be subject to final consultation with her and to any conditions that might apply, but some time next the Rolls Royce will be sold on the retail second-hand car market and replaced with a Holden Caprice. That is a mark of this State giving due recognition to the car industry here. The Holden Caprice is a world-class car and at a much lower price than some imported vehicles. It is time, and I am delighted, that our Government has taken that step. I appreciate the support by Her Excellency the Governor.

**The CHAIRMAN:** I thought that I heard an honourable member asking for a Victorian vehicle, but spare the thought.

**The Hon. Dean Brown:** It might be of some interest that the present arrangement whereby the Rolls Royce was replaced on a routine basis was put in place first in a contract negotiated with United Motors in 1960, when the Government purchased the first Rolls Royce for £5 211. Since that time, a replacement vehicle has been provided at two yearly intervals free of cost but subject to some adjustment prices. That arrangement was approved by the Supply Board in September 1982. In April 1994, the Supply Board again reviewed the purchase agreement with United Motors at the time of replacing the then Governor's vehicle. That order for the then Governor's vehicle was placed in March 1993, under the former Labor Government. Therefore, at our first opportunity to do so, we have reviewed that policy and, as a Cabinet in consultation with Her Excellency, we have decided that from now on the Governor will have a Holden Caprice.

**Mrs HALL:** The Premier has referred to the importance of the car industry. I now refer to another matter of importance, and that is tourism in South Australia. Given the continuing interest in the Governor's residence, can the Premier say whether there are any details in respect of opening up Government House for the public? As we focus on the future—we have obviously taken great interest in our past—I wonder whether the Premier can give any details on that initiative.

**The Hon. Dean Brown:** Of course there is a unique history in Government House. Therefore, the Governor herself has been willing to open Government House on appropriate occasions so that the public can see some of the early history of our State. It is a magnificent residence. It has been undergoing renovations in terms of exterior paving and other improvements. They are now almost finished.

Her Excellency is rather keen to open Government House to the public on one or two occasions a year. That is entirely her prerogative. I have been very pleased with the way in which she has taken that initiative. From the one open day that she talked to me about, I understand that there was huge public interest in it and huge public attendance. I can assure the honourable member that Her Excellency—I know that she will read the *Hansard* record of this discussion—will continue to pursue that matter and when appropriate will open Government House.

**Mrs HALL:** Will the Premier give an assurance that an entrance fee is not on the agenda for the future?

**The Hon. Dean Brown:** That is entirely up to Her Excellency the Governor. The Government does not determine those matters. It would be safe to say that I cannot imagine Her Excellency charging an entrance fee; she has not done so in the past, and I do not imagine her doing so in the future.

I also appreciate, however, the way in which Her Excellency uses Government House very much for the public purpose. For major events such as the Festival of Arts, Her Excellency holds significant functions. One key function involves inviting all participants and performers in the Festival of Arts to luncheon at Government House. On another occasion each year she invites all year 12 students who are awarded certificates for outstanding performance to come to a garden party at Government House to receive their certificates.

There are many other occasions as well. Her Excellency regularly opens Government House for charity functions. There will be a function at Government House this year in relation to the Grand Prix. It being the last Grand Prix, she has agreed to host a function there for the Duke of Edinburgh's award scheme on the Saturday night.

During the financial year 1993-94 there were approximately 18 000 visitors to either Government House or its gardens or both. Those figures are made up as follows: official callers 160, ceremonies 1 934, receptions and concerts 2 567, official dinners and lunches 636, tours of the gardens 1 560, tours of the house and gardens, which is the open day, 5 520, and garden functions for charities 5 626. That comes to a total of 18 003. That shows that Her Excellency has used the building and the gardens for considerable public purposes, and she does an excellent job in that regard.

**The Hon. M.D. RANN:** The Premier mentioned the Governor expressing views both publicly and privately about the role of the Governor's position and constitutional arrangements. Given the uncertainty about the various constitutional roles, has thought been given to inviting the Governor to extend her term? That would certainly be supported by the Opposition—if she were so willing, of course.

**The Hon. Dean Brown:** There seems to be a perception that the Governor has a fixed term. I should have thought that the Leader of the Opposition, having been in government, would understand that there is no fixed term for the Governor at all. The Governor is appointed at the pleasure of the Government. The Government, as Her Excellency has indicated also, understands fully that it is up to the Government to decide when her term should be finished and, therefore, when a new appointment should be made. It is incorrect to ask whether we would extend her term, because she has no fixed term.

**The Hon. M.D. RANN:** If you read *Hansard*, Premier, you will see that that answer is illogical. You said that there is no term but that she understands the nature of her term and when it will end. Given the constitutional uncertainties in the lead-up to the convention which you support but on which you do not have a fixed position, would you like the role of the present Governor, Dame Roma Mitchell, to continue past the point of that convention, given that there is no set term?

**The Hon. Dean Brown:** This matter was raised in the media earlier this year, and the Governor herself agreed to a statement being issued. I should like to quote from that statement: 'Her Excellency does not have a fixed term appointment'. Therefore, Her Excellency is there at the pleasure of the Government, and the Government will decide when a replacement will be made. I have indicated that an announcement will be made when the Government decides there should be a replacement.

**The Hon. M.D. RANN:** Given that we are discussing matters relating to the next financial year, and as that directly

relates to the Governor's position, will there be a new Governor in the next financial year?

**The Hon. Dean Brown:** The Government has not taken any decision to replace the Governor; therefore, she carries on in her role as Governor. When the Government has made the decision, an appropriate announcement will be made. I cannot say when the Government might make that decision: it will be some time in the future.

**The Hon. M.D. RANN:** Looking at those arrangements for 1997, and as it is not that far away, would you support (as does the Premier of New South Wales) a joint committee at the State level, involving the Opposition and the Democrats, looking at the various options and recognising the importance, as you say, of the State's independence and the importance, too, of getting it right for South Australia, so that there can be some coordination; so that we have a position; and so that we do not follow the rest of the country, both nationally and the other States? Would you support, as we would, a joint committee on constitutional arrangements?

**The CHAIRMAN:** Mr Premier, the Chair rules that a response is not required for anything that happens beyond the financial responsibilities of these papers or beyond, in fact, the financial year with which we are dealing: the response is discretionary upon the Premier.

**The Hon. Dean Brown:** If the Leader of the Opposition looks at statements I made more than two years ago he will find that the Liberal Party at that time supported, first, a national convention and, secondly, a broad community consultation in developing our State's position to put that to the convention in 1997. That, of course, would include consultation with the Opposition and any other political Party in this State. The answer is 'Yes'.

**The Hon. FRANK BLEVINS:** Are you prepared to have the committee?

**The Hon. Dean Brown:** I have said there will be consultation in developing that position with the Opposition and the Australian Democrats.

*The Hon. Frank Blevins interjecting:*

**The Hon. Dean Brown:** No, we are independent of New South Wales.

**The CHAIRMAN:** If the member for Giles wishes to ask a question rather than lay down a position, the Chair is willing to accommodate him.

**The Hon. Dean Brown:** Yesterday we showed we are independent of New South Wales and New South Wales expressed that independence, too.

**The Hon. FRANK BLEVINS:** My guess is that New South Wales might have the last say on the tactics you adopted, so do not look so smug: we have seen them in operation.

*Mr Condous interjecting:*

**The Hon. FRANK BLEVINS:** No, fearful for the State. These people are blundering around in areas like big kids. When the chips are down and the finances are being sorted out, you wait and see.

*Mr Condous interjecting:*

**The Hon. FRANK BLEVINS:** It may well prove pyrrhic.  
**The Hon. Dean Brown:** Does the honourable member want 1 000 jobs in a national loan centre in South Australia or does he not?

**The Hon. FRANK BLEVINS:** I am very happy to answer that, Mr Chairman.

**The CHAIRMAN:** The role reversal is not acceptable to the Chair. The Premier is obviously here to answer questions rather than to pose them to the member for Giles. The Leader

has indicated he had no further questions on this line involving the State Governor's establishment. The earlier request to the Chair was that a further line be opened up at about noon and, if members on both sides are happy to close the line, I can do so; otherwise we can open up a fresh line and leave this line for conclusion a little later. The Chair is in the Committee's hands.

**The Hon. FRANK BLEVINS:** I am responding to the statement which was quite out of order by the Premier. As it was allowed, I thought it worthy of response. Does the Premier have details of the total cost to the State of hosting the visit of the Duchess of Kent?

**The Hon. Dean Brown:** I suggest the honourable member wait until we reach the Premier's Department line for that, because it does not come under this line.

**The CHAIRMAN:** There being no further questions, I declare the examination of the vote completed.

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Premier and Cabinet, \$11 492 000

Premier and Minister for Multicultural and Ethnic Affairs—Other Payments, \$41 500 000

**Additional Departmental Advisers:**

Ms Susan MacIntosh, Director, Cabinet Office.

Professor Richard Blandy, Chief Executive Officer, South Australian Development Council.

**The CHAIRMAN:** I declare the proposed expenditure open for examination.

**The Hon. M.D. RANN:** I note that a key focus of the public sector reform and management improvement estimates at page 20 is the promotion of principles relating to contracting out initiatives through the public sector, and 'development of accountability' is the term used on that page. It is no secret that the Opposition has been most disappointed with the Government's record of accountability to date and will be asking questions about EDS, which followed from the IBM deal, and so on. There has been a litany, particularly with the EDS deal, of unaccountable practices and arrangements, which were agreed to almost privately between the Premier and EDS from which Treasury was excluded.

Indeed, the Auditor-General had to advise the Governor to observe due diligence in this matter and pointed out some of the acute dangers of the Premier's approach. As I say, this is the same Premier who as Opposition Leader announced, we were told, a firm deal with IBM. The first session of Parliament this year saw many questions raised over the donations of large sums of money to the Liberal Party. The Premier said that he did not know about donations and that these were left to the President of the Party. There was a considerable degree of confusion day to day about who was involved, to whom the buck was being passed, and so on.

Will the Premier today unequivocally rule out any acceptance by the Liberal Party of donations from EDS, without having to refer it to the President of the Party, Vicki Chapman? Will he rule out unequivocally, considering the importance of this contract to the Government, any acceptance or soliciting of donations by this Government from EDS?

**The CHAIRMAN:** I caution any member of the Committee that, under longstanding parliamentary Standing Orders, emanating from Erskine May on the table before us, any

implication that any member is involved in improper practice is simply not good. The Chair read in a slight inference there about other members who were named. Bearing in mind past debates in this House, I point out that the inference is there to be taken. I invite the Premier to respond.

**The Hon. Dean Brown:** The Leader of the Opposition opened by making statements that were not correct at all. Of course, the Leader has a habit, when he comes to things such as this, of wanting to get into the gutter. He grandstanded in this Parliament on political donations; he said that something grossly improper had occurred and referred it to the Federal Electoral Commissioner, who found no grounds whatsoever for further investigation.

As I pointed out, despite the way that the Leader of the Opposition carried on in this Parliament, he was the one who ultimately ended up with egg on his face. I come back to some of the initial statements that were made. The Auditor-General did not warn the Government. In fact, the Auditor-General, at my request, was brought in at the very beginning of the discussions in the due process for going through the outsourcing of our data processing. I asked the Auditor-General, even before the BAFO documents were issued, to scrutinise the process and to notify me immediately if at any stage he had any concerns. To suggest that the Auditor-General asked to come in at some stage and be involved is preposterous. The opposite was the truth: the Government invited the Auditor-General to scrutinise the entire process and to report regularly to the Government on that process if he had any concerns. In fact, the Auditor-General indicated that he was entirely happy with the process. If at any stage he asked for it to be slowed down, which he did on one occasion, we slowed it down.

The other point was that the so-called EDS arrangement, which was announced in September, was the result of secret negotiations between EDS and me: that is not true at all. The Government had a negotiating team led by Peter Bridge. Peter Bridge, who reported to the Cabinet subcommittee, led all the negotiations and was responsible for any final arrangements that were made.

In answer to the question about any political donation, in fact it has to be made public, as the Leader of the Opposition knows. Therefore, once again, he is trying to grandstand, knowing what the facts are. There are no grounds whatsoever for him to grandstand; there is absolutely no evidence anywhere that EDS has ever made a donation to the Liberal Party in South Australia.

**The Hon. M.D. RANN:** We have had a bit of discursive discussion about the republic, as we have had in Parliament as well as in the community. It would be nice to get an unequivocal answer. Will the Premier unequivocally rule out for the next election the acceptance by the Liberal Party of South Australia of any donations from EDS, and will he rule out unequivocally the acceptance by the Liberal Party of any donations from any of the water companies currently bidding for contracts to operate Adelaide's water supply? The Premier has ruled out British Rolls-Royces, which is good, but he is talking about the British running our water supply. Will the Premier rule out accepting any sling or campaign donation from either the British or French water companies or from EDS? It is simple to say: just rule it out.

**The Hon. Dean Brown:** That has nothing to do with the line we are on, and the Leader of the Opposition knows it. He should not be trying to grandstand for television over this issue.

*The Hon. M.D. Rann interjecting:*

**The CHAIRMAN:** Order! The line of questioning is obvious to the Chair: it is not directly related to the financial affairs currently under review. It is a speculative question, as the Leader will be well aware, and it also speculates about the possible future intentions of someone who is completely private. I am not sure that this Committee can determine such future activities.

**The Hon. M.D. RANN:** The actual line is in the Program Estimates at page 20 where we note in the program the 'promotion of principles relating to contracting out initiatives throughout the public sector,' and the 'development of accountability'. What we want to ensure, and what I hope the Premier would want to ensure, is that there is absolutely no suggestion of impropriety in dealing with these major contracts. We are talking about contracts originally of \$1.2 billion for EDS, which then went down to \$700 million, and the contracting out or outsourcing of water of about \$1.5 billion. Would it not be great if the Premier would say, 'I rule out that the Liberal Party will accept any donations for the next election from any of those water companies which are bidding or from EDS'? That would seem to me to be fair dinkum and fairly accountable.

**The Hon. Dean Brown:** Again, the Leader of the Opposition is more interested in trying to grab a sensational headline for himself than in dealing with these issues. We saw this over several weeks in the Parliament earlier this year. If it is of interest to the Leader of the Opposition, he should be aware that I had a discussion last year with the President of the Liberal Party indicating that I think it is inappropriate for the Liberal Party to accept any donation from any company with which the Liberal Government is negotiating.

**The Hon. M.D. RANN:** The Liberal Party accepted donations from motor traders, which was an issue before the Parliament; from insurance companies which wanted to see changes in the WorkCover arrangements; and it sought and accepted donations from companies related to Gerard Industries. I should like to hear a categorical ruling out of any donation being either sought or accepted from EDS or any of the water companies: yes or no?

**The Hon. Dean Brown:** Perhaps the Leader of the Opposition might like to look in a mirror, because the Labor Party accepted a donation from the Submarine Corporation.

**The Hon. M.D. RANN:** So did the Liberal Party, in equal numbers.

**The Hon. Dean Brown:** The Labor Party was in Government at that stage. The Labor Government brought the Submarine Corporation to this State and accepted a significant donation from it.

**The Hon. M.D. RANN:** It gave \$5 000 to the Liberal Party and \$5 000 to the Labor Party. We are talking about EDS before the contract was signed and the water companies. That is a different matter: it is about tendering and the accountability and transparency of tendering arrangements, and you know it.

**The Hon. Dean Brown:** I have explained that my personal view, which I expressed to the President of the Liberal Party last year, is that it is inappropriate for the Liberal Party to accept any donation from a major contract like this that the Government is negotiating, and she agreed with my point of view.

**Mr CONDOUS:** My question relates to the Estimates of Receipts and Payments, page 33. Can the Premier say what contribution the Department of Premier and Cabinet will make to the savings targets in the 1995-96 budget?

**The Hon. Dean Brown:** The Department of the Premier and Cabinet has been required to make savings to the overall targets, and in 1995-96 that saving will be \$650 000 on the so-called no policy change for forward estimates. This is in addition to the \$400 000 of savings that it met in 1994-95. What needs to be appreciated when looking at the Department of the Premier and Cabinet lines is that more new additional functions have been taken on in the department and we are achieving these savings in relation to existing functions. In addition, the number of positions on a no policy change basis has been reduced by 10 within the department since the election.

**Mr CONDOUS:** According to page 33 of the Estimates of Receipts and Payments there is a significant increase in recurrent receipts budgeted for 1995-96, from \$2.7 million in 1994-95 to more than \$3.9 million next financial year. Will the Premier explain the reasons for this increase?

**The Hon. Dean Brown:** There is a substantial increase in recurrent receipts, and that is due to a number of factors. First, there is an additional \$1.225 million in receipts from the Economic Development Program, and this is in the form of a contribution from the Economic Development Program to the operations of the South Australian Development Council. In other words, part of the activity of the South Australian Development Council is through the EDP program. Secondly, there are receipts of \$1.586 million from Treasury—the Office of Commissioner of Public Employment and OMEA—for the combined corporate services function. In terms of achieving savings within Government, we have brought together corporate services for four different Government offices, and that has allowed us to achieve considerable savings.

When we came to Government we found that the previous Government had duplicated every single service in every single Government department. This is a shift considerably in respect of where this State was 10 or 15 years ago when corporate services tended to be centralised and applied to the whole of Government. We have been able to bring these four Government departments together, and they each pay a share for the corporate services. The third area is the offset against these increases in the form of a reduction in the receipts from the Regional Development Task Force, which will complete its work next financial year.

**Mr CONDOUS:** I refer to the Royal Commission into Aboriginal Deaths in Custody at page 33 of the Estimates of Receipts and Payments and page 19 of the Program Estimates and Information. Will the Premier report on the progress of the implementation of the commission's recommendations in South Australia?

**The Hon. Dean Brown:** A report is due to be tabled in Parliament in October detailing the progress made in implementing the commission's recommendations during 1994-95. Recent examples of South Australia's response include the success of community based programs such as the Aboriginal Visitors Scheme and the Mobile Assistance Patrol. The Mobile Assistance Patrol, which has been awarded a certificate of merit by the National Violence Prevention Program, has been very effective. The Department of Aboriginal Affairs is assisting the Aboriginal Sobriety Group to establish an exchange program with the Canadian Indian Rehabilitation Centre as part of its investigation into alternatives to holding people in custody. The third program involves the devolution of the Aboriginal Visitors Scheme from the Department of State Aboriginal Affairs to the



Aboriginal community. The scheme is now being managed by the Aboriginal Legal Rights Movement.

**The Hon. FRANK BLEVINS:** Through the Premier, I have a question for Professor Blandy. I am sure that Professor Blandy saw Professor Cliff Walsh, a highly paid consultant to this Government, on the *7.30 Report* last night. Professor Walsh stated that a bidding war, such as we have seen over the Westpac decision, was not the way for South Australia to go as New South Wales is stronger and will eventually beat us by sheer financial power. As a key player in these bidding wars, will Professor Blandy inform the Committee of his views on this? Are these bidding wars desirable, and in the long term can we win against the financial might of the Eastern States. I indicate that Cliff Walsh said, 'No, we can't.'?

**The CHAIRMAN:** All questions are to be addressed through the Chair to the Premier. It is at the Premier's discretion whether he invites his advisers to respond.

**The Hon. Dean Brown:** First, it disappoints me that the Labor Party has not even acknowledged what a significant achievement it was to attract the Westpac national loans centre to Adelaide. I find it disappointing that we have a member of the Labor Party clearly trying to knock that achievement for South Australia, as it does with every other development that occurs. I suggest that the honourable member read the editorial in today's *Financial Review*, because it talks about how it is a win win situation, and it supports strongly what has occurred. The States need to be competitive out there.

I have always argued that the best thing going for Australia as a Federation is the fact that the States are out there creating competition. It means that we have a much more competitive nation. It is what countries like Singapore have been doing for many years. Singapore is where it is today because it has been able to attract companies to its shores, build up high technology and, in particular, build up regional headquarters. That has been an objective of this Government.

When you look at what we have achieved in the past 18 months, members of the Labor Party must be sitting there pretty embarrassed about what they did not achieve in the 11 years they were in Government. They sat there in Government and were unable to attract any major new industries to this State. This Government has had a clear objective of making sure that we establish Adelaide as a very competitive base for international and national companies to set up administrative and data processing centres in South Australia. I will run through some of the successes in that area. We attracted Motorola to set up one of its four software centres for the whole of the world—

*An honourable member interjecting:*

**The CHAIRMAN:** Order! The Committee has an unusual situation where we have interjections, which are not allowed, from a member of Parliament who has not yet signed on as a member of the Committee but who has assumed a position on the Committee. If the member intends to sign on, I ask him to bring his nomination paper forward so that his presence can be noted formally.

**The Hon. Dean Brown:** I was pointing out that we have attracted Motorola with one of its four worldwide software development centres. Two weeks ago we announced that Tandem was setting up its advanced development centre for the whole of Asia here in South Australia. Galaxy has set up its customer service centre for the whole of Australia here in Adelaide at Technology Park. This morning it was announced

that Telecom MobileNet is setting up its national customer service centre for the whole of Australia here in Adelaide, and that will create 140 jobs. Yesterday Westpac announced that by November this year it will establish its national loans centre for the whole of Australia here in Adelaide, and that will create 900 new jobs in this State.

For the benefit of the honourable member who asked the question, I will quote one small section of the editorial in the *Financial Review*, as follows:

In fact, the two decisions, first by Statestreet—that is, to invest in New South Wales—and then by Westpac, are excellent examples of how everyone can win from the much more aggressive bidding for business that now exists within Australia.

That is what competition is all about. That is how this State got a motor vehicle industry when Tom Playford went out and took a very aggressive stance to do so. Equally, we attracted companies such as Philips, etc. We made sure in those days that we had a very competitive State environment. This Government is adopting the same principles. We will actively go out and pursue companies. We are pursuing other companies at present, and I am confident we will attract some of them to come here and establish either national or Asian Western Pacific regional headquarters in this State.

Another company we have attracted is Transition Optical, which was about to establish in Singapore but decided to locate its manufacturing facility here in Adelaide. Again, that facility will service the whole of the Asian area with the exclusion of Japan. It shows what can be achieved in just 18 months if you adopt a much more aggressive stance compared to 11 years when nothing was achieved at all.

*An honourable member interjecting:*

**The CHAIRMAN:** The Chair's authority is still being challenged. I ask the member for Hart to sit on the back benches until he has formalised his appointment to the Committee. He is not a member of the Committee.

**The Hon. Dean Brown:** The honourable member misquoted what Professor Cliff Walsh said last night on television. Professor Walsh said that he wanted to make sure that there was a net benefit for South Australia out of this, and I gave that assurance. I am delighted that the honourable member would like to hear from Professor Blandy on this, because Professor Blandy has been a keen supporter of the stance taken by this Government.

**Professor Blandy:** I did not see Cliff Walsh on the *7.30 Report* so I cannot comment directly on what he had to say, but I am willing to comment on the general issue. We have a situation whereby what might be termed a strategic game is being played amongst the States. It is not at all obvious that taking a stance, which is that you will not participate in the game, is advantageous for the people taking that stance. In so far as that is the nature of the game, that there is bidding and incentives are being offered by the various States, it is not at all clear that the optimal position for a single State like South Australia is simply not to participate. I would regard that, quite frankly, as extremely unlikely. Therefore, whether you like it or not, in that sort of environment, unless you want to turn out as a loser, you have to play; and, if you are going to play, in my view, you should try to win.

My personal view is that this is an outstanding result for South Australia and, if I may say so, it is not simply based on some sort of financial bidding. What we have to offer in this State—and I know that this is part of the case that has been made to a number of firms—is a very strong competitive advantage in terms of our costs. This was referred to in the *Financial Review* editorial mentioned by the Premier. I

believe it is a major reason why, in the absence of bidding wars—if a truce were called—South Australia would do fabulously well. In that scenario we can establish that we have a very strong competitive position in terms of our costs in this State relative to Sydney and Melbourne in particular.

**The Hon. Dean Brown:** I will add two points. One is the fact that we as a Government have had a specific policy of becoming more competitive. Under the last three years of the Labor Government South Australia had the biggest State taxation increase of any Government in the whole of Australia, which made this State far less attractive. On coming to power I gave the commitment of no new taxes and no increase in the rate of taxation and, as a result of that, this Government now is in a much more competitive position and we have come down the scale of taxing States in Australia.

We now sit in a position where our per capita State taxation is about 20 to 30 per cent less than our competitors on the eastern seaboard of Australia. That is a very significant achievement of which these companies are now sitting up and taking significant note. They recognise that South Australia has an excellent quality of life—in fact, the best in Australia—and that we now have a very competitive business environment, which was not the case previously.

Some of these States have been making rather extravagant claims in the past couple of days, but people should look at what those States themselves have acknowledged, and that is that they have put in significant bids. The New South Wales Government acknowledged that it put in a major bid—and what it thought was a winning bid—to Westpac. The fact is that we had a better understanding of what the company wanted, and we responded to its needs. It is not just about money; it is about making sure you respond to a whole range of things, including the availability of personnel, etc., and we did that more effectively than New South Wales.

**The Hon. FRANK BLEVINS:** As a supplementary question, I would like to congratulate the Premier on maintaining exactly the same taxation policies as the previous Government. I think they are pretty sound. Having congratulated the Premier, I hope he will allow Professor Blandy to respond once more. I am sure the professor is eager to put his views to the Committee. I do not think he has been terribly overtaxed in what I am sure has been a brief but pleasant outing for him. I know the professor did not see Cliff Walsh on television last night, but the comments he made did concern me. He said that, if these bidding wars continue, South Australia will lose because we cannot stand up against the financial might of the Eastern States.

It seems to me that that is a position worthy of consideration, and certainly not one to be dismissed, particularly as Professor Walsh is a highly paid consultant to this Government. I know that Professor Blandy will accept my word that that is what Professor Walsh had to say. Is Professor Blandy prepared to comment on that, because it is a key issue?

**Professor Blandy:** This is rather speculative because it concerns what might or might not happen in the future. I am sure that my friend Cliff Walsh would have put the view that South Australia would lose against the financial might of the bigger States. Certainly one would not expect that we would win them all but, in so far as they are bidding like mad, it is hard to see why they would win any more than their share against us; otherwise they would be shelling out a lot more than their share in terms of the payments referred to. At the end of the day, what will really matter is the relative competitiveness of the situations that the various companies are looking at.

If they are considering being there for some time, it would be unlikely that they would not consider more permanent, persistent advantages than ephemeral bundles of cash that one party or another might dangle in front of them. I would expect that, in a continuing strongly competitive Federalism of this kind, South Australia would win its share—and hopefully more than its share—without having to outlay very much. One might hope that a truce would be called, but I think that is unlikely and I do not think South Australia will lose heavily from this process in the long run.

**The Hon. Dean Brown:** I point out that the important thing is that, if there is a net benefit to South Australia and a net improvement in the funds going into the State Treasury, particularly if it is a big net benefit, the deal is worth doing for South Australia, and it is worth doing 10 times over if there are 10 such deals to do. This Government continues to pursue that, because we believe that it is important to create jobs and give a future to the young South Australians in this State.

The honourable member seems to overlook another matter, which company after company has raised with us. What they see as one of the most important factors is the availability of suitably trained people within the State and making sure that we have that competitive environment. South Australia has cheaper land, housing and labour costs: it is generally accepted that our labour costs are 5 per cent to about 8 per cent less than those of other States of Australia.

**The Hon. Frank Blevins:** From 25 years of Labor Government.

**The Hon. Dean Brown:** I would suggest that 27 years of Playford established the industrial base of this State, and 25 years of Labor Governments has eroded that base significantly, where the manufacturing base was eroded because they had no understanding whatsoever of the importance of ensuring a competitive environment. We have been able to re-establish that competitive environment very quickly.

**Mrs PENFOLD:** I refer to Estimates of Payments and Receipts, Program 1, on page 33, dealing with planning and policy development. This program supports activities associated with the State's relationship with the Prefecture of Okayama in Japan. Will the Premier explain recent developments in this relationship?

**The Hon. Dean Brown:** Certainly. I was concerned that the relationship with Okayama needed a more commercial focus. In June last year I visited Okayama and met the Governor. We agreed that from now on the prime focus should be economic development cooperation between the two regions as well as other cultural, social and friendship benefits and so on. In February of this year a municipal and friendship delegation from Okayama visited Adelaide for discussions, which concentrated on economic, cultural and educational issues. The Department of the Premier and Cabinet will be supervising a delegation from Okayama in August of this year, and in November of this year Okayama is proposing to send two Government staff members to South Australia. They are members of a study group whose charter is to promote trade, business and economic exchange with South Australia, and their visit will be coordinated by the Economic Development Authority.

As part of this relationship with Okayama, the Okayama Prefecture Government has been sending a trainee to South Australia for a three month study tour each year for the past six years. This year the South Australian Government will offer a scholarship as part of that fellowship exchange between our two regions. This scholarship will be offered to

the private sector to help promote commercial ties with Japan. Funding will come from a trust fund and private sector contributions. With regard to other developments in the relationship, the South Australian music group Dya Singh will go to Okayama's international festival in August 1995 to help promote cultural understanding between the two regions. The visit has been coordinated by the Department for the Arts and Cultural Development. Then in October the Okayama Youth Goodwill Mission will be held in Adelaide. It will be coordinated by Youth SA and overseen by the Department of the Premier and Cabinet. Twenty new university graduates are being sent from the Okayama Prefecture Government to exchange views with young South Australians on the future relationship between our two regions.

#### Membership:

Mr Foley substituted for the Hon. Frank Blevins.

**Mrs PENFOLD:** I refer to page 32, Program 1. I am aware of a report on the status of aquaculture in South Australia. What recommendations of economic significance have been made as a result of this report?

**The Hon. Dean Brown:** Under the South Australian Development Council I set up a committee that looked specifically at the opportunity of developing aquaculture in South Australia. I have driven this personally, because I believe that there is enormous potential in aquaculture and that we have not been fully realising that potential, so this committee was formed. It was chaired by Mr Bob Thomas and it involved a wide cross-section of people in fishing industries, aquaculture, etc. A report has been prepared which has been presented to the South Australian Development Council, and I think the council considered that report yesterday. I expect it to go to Cabinet very shortly and, once it has gone to Cabinet, I expect it to be released.

The report highlights that there is enormous potential in South Australia for the development of aquaculture. We have the embryo of a very substantial industry. Aquaculture already contributes about \$100 million a year to the State's economy, of which \$90 million is through the tuna farms at Port Lincoln and about \$5 million is expected this year from oysters. Then there is barramundi farming, which produces about \$3 million and on a smaller scale there is marron, largely from Kangaroo Island and the South-East, and yabbies and some other minor areas. The report has considered the areas for growth, the factors holding back that development and growth and, if that growth occurs, the action the Government should be taking to ensure that we have adequate administration of the aquaculture industry. All I can say is that the growth potential is huge; I expect it to be even faster than we have seen in the wine industry. I am firmly of the view that within 15 to 20 years aquaculture could be equal in size to the wine industry in South Australia, if we get it right over that period.

One needs to look at the world's wild fish stocks to see the extent to which the catches are declining at an alarming rate at the same time as the world demand for fish products is increasing at an alarming rate. There is now a clear shortage of fish and fish products in the world and, because of its unique and unpolluted coastline, South Australia is in a unique position to develop that aquaculture. I see further growth in the tuna farms at Port Lincoln, in oysters: I think we could very quickly increase our production of oysters fivefold from its present level, and in aquaculture of abalone.

Work on developing abalone aquaculture technology has been proceeding for about 10 years, and that technology is available. I have been to one of the abalone farms near Port Lincoln and was very impressed. Quite clearly, there is the chance to produce greenlip of a suitable plate size over a three to four year period under aquaculture. Commercial interests are looking at mussels, another area where there is huge potential.

I personally wanted to make sure we had better technology in this area. As a result of my visit to Shandong last year, I arranged for a delegation of people from the aquaculture industry of South Australia to visit the Sea Water Research Institute in Shandong, which is the research institute for the whole of China, as well as the Freshwater Research Institute, also in Shandong. That was a very successful visit, as a result of which there is an exchange of technology from China to here. In some areas China is a world leader in aquaculture, and we can now benefit from that. The important thing is to make sure that we have the right planning procedures and that we give some longer-term tenure to people involved in the aquaculture industry. I expect the report to be available within the next few weeks from the Government. As I say, it paints a very exciting picture as to the potential for the industry.

**Mrs PENFOLD:** From Program 1, page 33, I understand that a review has been completed into South Australia's overseas representation. What changes are being made as a result of this review?

**The Hon. Dean Brown:** We have reviewed the whole of our strategy in terms of overseas representation. This has been done jointly by the EDA and the South Australian Development Council. We have looked at the areas of growth potential in the world as areas on which we should focus, as well as looking at our established markets and the level of representation we should have there. As a State we need to put the effort into the growth areas rather than into the mature trade markets. Under the CEO of the Department of the Premier and Cabinet (Mr Schilling) we have established an Overseas Representation Board, which includes the CEOs from a number of different Government agencies including the EDA, the Tourism Commission, the Department of Primary Industries and the Department of Mines and Energy. The objective of that board is to oversee all the overseas representation. We are now achieving a much more coordinated approach, whereas there had been a very fragmented approach under the previous Government.

We have decided to expand our offices with new office space in both Hong Kong and Singapore. When I say 'expand', the offices are actually in a different location; they are better and more suitable offices. Also, a new office in Indonesia has recently been opened; an office is due to be opened in Shanghai later this year; and the new office in Hong Kong is also due to be opened very shortly. The office in Thailand is in the process of being closed, since we believe that Thailand is a lesser priority in terms of growth potential than are some other areas. We are refocusing the position of the Agent-General in London to concentrate particularly on trade into broader areas of Europe.

**The Hon. M.D. RANN:** Whilst the budget recorded significant reductions in terms of funding to many areas such as education, schools, TAFE and hospitals, it seems that there has been a major increase in funding for both the Premier's Department and the Treasury. In fact, the Premier's own department has done quite nicely. The Department of the Premier and Cabinet's budget is up from \$12.1 million in 1993-94 to \$16.2 million for 1995-96, a 34 per cent increase.

During that period staff numbers have gone up from 108 to 145, a 25 per cent increase, while there have been cuts to schools and hospitals. The increase in funding to Treasury—a 45 per cent increase—ballooned from \$26.5 million in 1993-94 to \$38.3 million in 1995-96. In both departments that is an increase of \$16 million from the taxpayer, the equivalent of funding for 12 average schools or for 1.5 Noarlunga hospitals.

We remember that, when the Premier was Leader of the Opposition, in his policy speech he said 'I can't overspend and Government shouldn't overspend. My Government will not overspend: it is that basic.' Apart from those very big increases—the big winners in this budget being the Premier's own department and the Treasury—it seems that in the Department of the Premier and Cabinet numbers employed will rise next year by over 14 per cent and total expenditure will increase by 11.5 per cent. Much of this appears to be driven by a whole range of economic development and economic policy functions, many of which appear to duplicate the responsibilities of the Economic Development Authority. In particular, there is an increase in funding to the South Australian Development Council of 25 per cent.

Everyone in this Parliament, in the corridors, in the media and in the business community is aware of this ongoing rivalry between the Premier and the Minister for Industry, Manufacturing, Small Business and Regional Development, and between Professor Blandy's operation and the EDA. Should the taxpayer's dollar be called upon to subsidise a rivalry that involves staff members arguing with companies about who will do openings, who will have the most minutes, and so on? Will the Premier explain the reasons for the apparent blow-out in his budget next year, because there is clearly overlap and duplication? I note that the objective of the planning and policy development function within his department includes setting strategic directions for the State (page 19 of the Program Estimates). Can we have a clear assurance about duplication with other agencies?

Will the Premier advise whether, in the aftermath of the Arthur D. Little report, the Government is planning to set down in detail for public discussion its strategic policy directions, because around the business community there is confusion about the role of the EDA and Professor Blandy in his operations role. Rather than that streamlining of the Premier's Department that the Premier talked about—that he would cut out the bureaucracy and the red tape—and rather than more resources being put into the EDA, we have seen a competitive apparatus that can lead only to confusion, to red tape and to a continuation of the backbiting at departmental officer level, private ministerial office level, and also at ministerial level between the Premier and the Minister for Infrastructure. When will the two of you sort it out and why should the taxpayer have to subsidise these continuing arguments?

**The Hon. Dean Brown:** Before we break for lunch, I think I should answer that diatribe from the Leader of the Opposition: it shows that at times he has a mind as big as a pea. First, he did not bother to listen to the answer I gave earlier, which was that, if you take the operations of the Department of the Premier and Cabinet, with no policy change at all, we have made savings of \$1.05 million in the years 1994-95 and 1995-96. That is a very significant saving. Whereas other Government departments have been asked to make savings, we have done it within the Premier's Department and reduced staff by 10 people within that area of no policy change. Yet, here we have the Leader of the Opposi-

tion, obviously with a prepared speech he concocted last night in trying to think how to grab headlines, not even bothering to listen to the substance of answers already given this morning.

The area where there has been a change in terms of new functions brought into the department is the reason why, on top of that reduction of over \$1 million, we have an increase in expenditure. I will run through some of those. If the Leader likes to listen, there is a perfectly simple explanation that has been given, in some cases, previously. I will be brief, but I will touch on it and enlarge on it in more detail after lunch. First, the South Australian Development Council is now funded under the Department of the Premier and Cabinet. The body it replaced, the Economic Development Board, was previously under the line of the EDA. Therefore, funds were transferred from the EDA to the Department of the Premier and Cabinet.

The Strategic Policy Unit was set up as a new function, with an allocation of \$375 000 for this year. Incidentally, the allocation under the Premier's Department line for the South Australian Development Council is \$600 000 plus, on top of that, \$1.225 million under the economic development program. The project coordination, which I announced before the election, has been set up with Ian Kowalick heading that unit, with an allocation of \$250 000. We have brought the corporate services for Treasury, the Office of the Commissioner for Public Employment and the Office of Multicultural and Ethnic Affairs together in the Premier's Department which, naturally, is a much bigger office but smaller than the combined four previously. That means \$455 000.

We have transferred to the Premier's Department overall responsibility for regional development and in the past year, with some ongoing involvement in the coming year, there has been significant input into the development of native title. After lunch I will enlarge on those points, but it should be recorded immediately that there have been significant savings in the traditional areas and significant new functions put into the Premier's Department as a means of giving clear leadership to the whole of the Government sector within the State.

*[Sitting suspended from 1.3 to 2 p.m.]*

**The Hon. Dean Brown:** A number of functions which were outside the Premier's Department have now been transferred into the department. I mentioned a number of the areas, and one was regional development, which came across from HUD because people in regional communities were asking for the same sort of broad approach to regional planning as was done in *2020 Vision* for the metropolitan area. Whilst HUD is the specialist planning department, and there was always a broad function under the Premier as part of the ongoing view, it was necessary for us to bring economic planning and infrastructure planning in with the broad planning issues.

So, regional development in terms of broad regional plans was brought in. Through the Department of Premier and Cabinet we do not deal specifically with individual regional development issues. They are dealt with on a planning level either by the Department of Housing and Urban Development or on an economic basis by the EDA. In fact, these regional plans are proceeding and have been well received out in the regional areas. We are well advanced in the Upper Spencer Gulf region and they are also working on one at present for the Riverland, Eyre Peninsula, Yorke Peninsula, Kangaroo Island, the Upper Spencer Gulf region and the South-East.

These are the areas where we are working on development of the regional plans.

Another area brought across to the Premier's Department is deregulation, which I think previously sat with either the Attorney-General or the Department for Industrial Affairs but which was more appropriate in the Premier's Department because it dealt with the whole of Government, and so a unit has been set up to deal with that. That is another area where there has been a transfer of function and in that transfer there had to be additional allocations. We are looking at a number of specific areas—and I will not go into detail now—but we are looking into areas of deregulation or the simplification of regulations. Another area where up until now there has been no overview or overall coordination is that involving communications. That has now been done by a specialist unit in the Premier's Department, as is the case with the Strategic Policy Unit. The previous Government did have people within Premier and Cabinet looking specifically at social development policy, but that is now in a specialist unit headed by Christine Charles. It is called the Strategic Policy Unit, which has had an increase in allocation for this year.

The South Australian Government is acting as the coordinating body for each of the Australian State Governments in putting a case to the Federal Government on native title. Therefore, we still have a significant role at the Premiers' level in relation to compiling all of the areas where State Governments throughout Australia believe there should be amendments to the Federal Act and presenting that case to the Federal Government. The South Australian Development Council is the main area of expansion. One of the big problems that South Australia has had for a long time is that, whilst there are various agencies with specific functions and roles to implement economic policy, there was no one body setting a clear direction about where this State should head. That is where we brought in Mr Ian Webber, as chair, and a group of eminent business people and also some academics, to be members of the council. Professor Dick Blandy is the Chief Executive Officer of that council and I think that they have made a very significant contribution already. They have a number of working groups looking at areas such as aquaculture, to which I referred earlier, and also manufacturing industry, tourism, transport infrastructure and small business, to name just some of those areas.

**The Hon. M.D. RANN:** I desire to ask a supplementary question regarding the Premier's comments about his alleged cost cutting in his own department. I have some problems with his response because he claims to have made cuts on a no policy change basis as a means of hiding the 34 per cent growth in spending by and on his own department in the past two years. I refer to the claim that his department is taking on new functions, which justifies this fairly major increase in expenditure, which seems to be strange. For example, the Premier claims the department has taken on new responsibility for regional development. The fact is that while his department spent \$466 000 on regional development last year, the EDA spent an estimated \$5.7 million and is projected to spend \$5.1 million next year on regional development programs and on a Regional Development Unit with dozens of employees. There is still that duplication and, again, that duplication seems constantly to reflect the Premier's problems with his Minister.

**The Hon. Dean Brown:** If only the Leader of the Opposition would listen to what I have been saying, instead of talking to his colleague next to him: I have just been through all that and now the Leader, who has clearly not

listened, asks the very question I have answered. What we are dealing with in regional development in the Premier's Department is a coordinated regional plan, that is, a physical infrastructure plan and an economic development plan and everything else for the regions that I outlined. The EDA is responsible for specific areas: first, control over regional economic development boards and then for specific negotiations with any individual companies involved in that regional development. One is setting the policy framework and the other is implementing the policy. The same applies with the South Australian Development Council.

There was enormous confusion when we came to Government. We found that the EDB was really no more than a subset of the EDA. Everyone acknowledged the enormous confusion that existed with the EDB, which was supposed to be setting a broad economic development agenda across the State. It was answerable to only one agency and in fact the agency had the same CEO as the officer who chaired the board. We had the incredible situation where, clearly—

*The Hon. M.D. Rann interjecting:*

**The Hon. Dean Brown:** I did not support putting the same person in as CEO of the department and of the board: I did not support that at all. I have never supported that as a management structure. That management structure is fraught with danger, as we saw occur on that occasion.

*The Hon. M.D. Rann interjecting:*

**The Hon. Dean Brown:** What we effectively had was the department running the board that was supposed to be setting the broad economic agenda for the State instead of what the legislation clearly expected, which was to set up a board that set the agenda. One of the agencies implementing that agenda was the authority.

**The Hon. M.D. RANN:** I refer to public sector reform, management improvement, accountability, open scrutiny, transparency and so on. Last year, the Premier agreed to enforce disclosure by members of his Cabinet of company interests, as required by the Cabinet rule book. The Premier's code of conduct, which was released at the time of the 1993 election, states:

Directorships. No Minister shall be a member of a board of a publicly listed company. On assuming office, a Minister shall resign any directorship of any private company whose interests are such as to be likely to give rise to a conflict of interest within the portfolio responsibilities of the Minister unless, in the case of a family company, the Premier approves the retention upon conditions which can avoid the Minister exercising official functions in respect of the situation of conflict.

Later, in Parliament the Premier said that he had asked Ministers to drop their company responsibilities. Has the Premier approved any Minister continuing involvement in a private or family company? If so, which Ministers have been given that exemption?

**The Hon. Dean Brown:** That policy has been implemented. You need to appreciate that all the records—all the documentation and statements of pecuniary interests—are held by the Cabinet office at the Department of the Premier and Cabinet: they are not held within my own office. It is important that they be held in an independent office, which is the Cabinet office. I will need to go through and carefully check, but I think that the policy has been fully implemented. The instructions as required in the handbook have been adhered to, to my knowledge. If the honourable member has any evidence otherwise, I would certainly welcome him bringing it to my attention.

**The Hon. M.D. RANN:** I would certainly appreciate knowing when any exemption was given and which Ministers would be affected. I understand that at least one Minister is involved in attending partnership meetings and so on in respect of companies of which they have ownership or part ownership. Because our pecuniary interests statements are made public in Parliament, in order to be assured of the transparency and accountability that the Premier constantly tells us about, he should actually list which Ministers are involved on the boards of companies or in partnerships and say when they were given that exemption.

**The Hon. Dean Brown:** First, I do not think that that is appropriate. There is no requirement for Ministers to go further than the pecuniary interests, as required by the legislation, in terms of public disclosure. There is full and complete public disclosure, at any rate, under the legislation. What I insist upon—it has been adopted on a number of occasions—is that, if any Minister has a direct pecuniary interest in a matter, automatically that Minister is required to leave the Cabinet room. I have adhered to that, and it is noted on the Cabinet submission at the time that the Minister withdraws.

**The Hon. M.D. RANN:** But are you prepared to tell us which Ministers have been given an exemption to take an active part in decisions affecting private companies, given your categorical statement in the House last year?

**The Hon. Dean Brown:** The handbook requirements are there. As I have said, those handbook requirements are being adhered to, and we will continue to adhere to them. If the honourable member has any evidence that they are not being adhered to, I suggest that he give me the evidence and I will look into it.

**The Hon. M.D. RANN:** Will you allow us to know whether any Minister has been given an exemption to be involved in the running of a private company. Considering both the code of conduct and your constant references to accountability and transparency and your statement to Parliament last year, surely all you have to do is to say that this or that Minister has been given an exemption.

**The Hon. Dean Brown:** Ministers have had to put a detailed case to me in terms of how any area of personal interest that they may have is being administered in a completely neutral way while they are a Minister. No, I do not think that it is appropriate that I disclose the details of any individual arrangements individual Ministers may have, because of their personal nature.

**The CHAIRMAN:** The member for Flinders now has the floor. The Leader has asked his questions.

**The Hon. Dean Brown:** The handbook clearly sets out the procedures under which that must be complied with, and it is complied with.

**Mrs PENFOLD:** I refer to program 1. I understand that the Office of Project Coordination has been involved in facilitating further work on the Lincoln Cove development project. Will the Premier report on the latest progress of that program?

**The Hon. Dean Brown:** I am delighted to say that I have announced today that the Government has approved stage 2A of the marina and residential development of Lincoln Cove proceeding. It is a very substantial new development. Stage 2 has four parts, and it has a total value of \$100 million. The first part, 2A, which is worth \$20 million, will involve the development of 140 residential allotments comprising waterfront, beachfront and other blocks, a deep-water commercial marina for 120 boats, extensive reserves to

preserve native vegetation, two commercial allotments near the marina, 90 car parks to serve the marina, an upgrade of roads and also the creation of a new beach in the marina area.

At the honourable member's invitation, I was at Port Lincoln on Saturday to witness my wife launching the new sea rescue craft. I had a chance, with the honourable member, to inspect the proposed site for the expansion of the Lincoln Cove development. The State Government has put through the planning approval for the whole of stage 2. In addition, the State Government has given agreement for the transfer to the developer of certain interests that the State Government had in land.

There are two pieces of land in particular. One was a small parcel of land in which the State Government had a one-third interest, which was a key part but within the development area. We have transferred that across to the developer and forgone stamp duty on that transfer of our portion of the land. The value of the land is fairly small. We have provided that land free of charge. It is worth about \$30 000, but we see that as part of our contribution to the overall infrastructure for the development.

The State Government also had a 50 per cent share in what was called the Port Lincoln landfill project. It is probably known to the locals as the local rubbish dump. We are willing to transfer our half share in that area across to the developer. The land is clearly not suitable for residential development. We believe that it could be suitable for a recreational development, and in particular a golf course, and we are willing to help contribute to the cost of an assessment of the environmental residue that might exist as a result of the landfill project and, if that is suitable, the development of a golf course on that land.

That has been the Government's involvement. I should have thought that that is an excellent development. When you go into the marina now, you see how huge the shipping operation is there and how it is exceeding the capacity of existing marina facilities and, therefore, the need for further expansion. In talking to the developer on Saturday, I appreciated the significant input that is being made, particularly in employing long-term unemployed people on the project under a Federal Government employment program.

That, in itself, was an innovative way of imparting to those young unemployed people specific skills which would allow them to be involved in the broader development of the project. The first stage of this \$100 million development of the marina again reflects that things are underway in South Australia.

*The Hon. Frank Blevins interjecting:*

**The Hon. Dean Brown:** The original approval for the project was put through by the former Liberal Government. I know; I was in Cabinet at the time.

**Mrs PENFOLD:** From November last year it has been a Government requirement that family impact statements be included in all Cabinet submissions which contain proposals likely to have a significant impact on families. What action has the Government taken to ensure all departments and agencies follow this requirement, and what has been the response?

**The Hon. Dean Brown:** Family impact statements have been adopted by the Government, and they have been very successful. We gave that undertaking during the election campaign and, as the honourable member would appreciate, the Office for Families was established in May last year. By early November last year it was a requirement that family impact statements be included in all Cabinet submissions

which contained proposals that had a significant impact on the family. These statements are designed to enhance Cabinet's decision-making process and, in particular, ensure that it focuses on potential impacts on the family.

The Office for Families carried out an extensive education program within Government, so that Government agencies preparing Cabinet submissions understood how to prepare family impact statements and knew what they should contain. Over 30 briefing sessions were held with ministerial officers, agencies and Government departments, and more than 700 information kits containing guidelines for developing those family impact statements were distributed. The Government has undertaken a review of the impact and effectiveness of family impact statements in their first six months of operation. The review shows an incredibly high standard of compliance with the requirements and a very high quality in terms of the statements themselves.

That assessment was carried out by the Office for Families. The South Australian family impact strategy has attracted national and international attention as an innovative way of dealing with this public policy. The system of family impact statements will continue to be monitored and approved so that the best interests of South Australian families are considered when the Government makes decisions.

**Mrs PENFOLD:** Provision of \$185 000 is made for 1995-96 to assess the impact of the Native Title Act and Hilmer. What action is the Government taking in relation to the administration of native title in South Australia?

**The Hon. Dean Brown:** As the honourable member would appreciate, we have established legislation to deal with the issue of native title, and the Environment, Resources and Development Court and the Supreme Court hear native title matters. There are several outstanding issues relative to the Commonwealth's approval of South Australia's legislative arrangements. Those arrangements must be approved under the Federal Act. Also, the Federal Act requires the appointment of native title commissioners in South Australia. We expect those two matters to be resolved in the near future.

As I mentioned, we continue to have concerns with the Federal legislation. South Australia has been nominated to coordinate and put before the Federal Government responses from those States and Territories that are seeking amendments to the Federal Act. The Commonwealth Special Minister for State has been provided with a list of those proposed amendments. He has indicated the need for close liaison with the State Governments in this matter, and that is coming back through South Australia. A Cabinet subcommittee has been dealing with the native title issue. Initially, I chaired that subcommittee, but it is now chaired by the Attorney-General. The process has worked very effectively, even though we regard the procedures required by the Federal Act as cumbersome and slow; and, because of the process, they create enormous uncertainty.

**Mr FOLEY:** I turn to the EDS negotiations. In the *Advertiser* of 13 June, the Premier confirmed that the signing of the contract with EDS would not occur before his own June deadline, which is now the third deadline publicly floated by the Premier. When are the EDS negotiations expected to be finalised?

**The Hon. Dean Brown:** No, I cannot give any further specific detail. The honourable member needs to appreciate that this is the first time this has happened anywhere in the world. We are bringing together the data processing for 150 Government agencies. To my knowledge, no other Government has even brought together 10 or 20 different agencies,

let alone 150 different agencies. The due diligence process therefore is enormously detailed. Those negotiations are proceeding, and I will not talk about them in more detail; it is inappropriate to do so during negotiations.

**Mr FOLEY:** I have a supplementary question. Do you still stand by your often-stated claim that a minimum saving of \$140 million to Government is locked in over the course of the nine year contract?

**The Hon. Dean Brown:** That finally depends on the exact nature of the contract and what work is included in the contract. As I said, I will not detail that. Some pretty loose and wild claims were made earlier today by the Leader of the Opposition. At one stage he claimed that we had said the contract was worth \$1.2 billion. That is not the case at all. A couple of the media outlets were running that sort of figure, and I am not sure where they got it from. We said that the contract we saw was for about \$700 million. In terms of the details of that contract, until something is finalised, I will not talk about it.

**Mr FOLEY:** What you are now saying, Premier, is that the \$140 million that was locked in is now not necessarily locked in and that, in fact, the saving of \$140 million may not be achieved in this contract.

**The Hon. Dean Brown:** The honourable member should wait and see what comes out when the contract is signed.

**Mr FOLEY:** I have been most patient; I am not sure how patient one has to be. This contract was to be wrapped up some three or four months ago. You are now at least four months over the deadline you set. It would be fair to say that the Opposition has every right to be somewhat inquisitive as to when you will sign this contract.

**The Hon. Dean Brown:** The honourable member worked for a previous Government which, over a 3½ year period, made three attempts and achieved absolutely nothing. It formed Information Utility No. 1 and then, when that failed after 12 months, scrapped it and formed Information Utility No. 2. When that failed after about 1½ years it decided to form Southern Systems. The whole process cost \$3.5 million and, after 3½ years, it did not achieve a single thing.

In terms of information technology or anything else, it did not attract a single company to the State. This Government has shown in 18 months that it is well down the path towards contracting out its information technology. More importantly, in terms of new companies it has attracted to this State, it has the companies on the ground at Technology Park. I invite the honourable member to go out to the Motorola and Galaxy factories, or the Tandem building, and be photographed in front of what this Government has achieved in the past 18 months.

**Mr FOLEY:** I am always pleased to be photographed next to such important investments in this State, but I want to know when I can be photographed in front of the EDS facility, which is all I am inquiring about. Premier, you were reported as saying that the size of the contract would be \$1 billion. The figure was then reduced to \$700 million. Will you confirm that in all likelihood the contract will be somewhat less than \$700 million?

**The Hon. Dean Brown:** I have just said that I did not say it was a \$1 billion contract. Some of the journalists picked up figures of \$1 billion and \$1.2 billion, and the Opposition seems to have repeated that. I do not think they are our figures at all.

**Mr FOLEY:** The \$1 billion figure goes back to pre-election and post-election discussions.

**The Hon. Dean Brown:** There we were talking about the potential size of it, but that is not what we have talked about with the EDS deal at all. I will not elaborate further on it for the reasons I have already stated.

**Mrs HALL:** I refer to page 33 of the Estimates of Receipts and Payments and page 19 of the Program Estimates and Information. Under the heading '1994-95 specific targets/objectives' reference is made to a renewable energy industrial opportunities study. Can the Premier provide any information about the work of that study or any outcomes or achievements that may have flowed from it?

**The Hon. Dean Brown:** When we set up the South Australian Development Council one of the areas that we thought should be looked at was the feasibility of establishing in South Australia an alternative energy industry; in other words, an industry based on developing solar power, wind power, wave power or any other sorts of power with renewable energy sources. Through the South Australian Development Council we have instigated a broad ranging study, and it has been looking at specific pieces of technology to see whether it is feasible to attract that to this State. At this stage it is very broad ranging. It is looking for broad opportunities about where the alternative energy industry might head rather than sitting down with specific proposals.

As a result of this work, we identified a rather unique South Australian invention and product—a solar light for public places. We have decided that we should enhance the use of that product in our State. I immediately initiated discussions with the Lord Mayor, because we saw that one area in which we could do this was the parklands around Adelaide. Therefore, a pilot program has been instigated directly as a result of this initiative whereby 24 solar powered lights are to be erected in Rymill Park. It is designed to assess whether a widespread solar lighting program is warranted around the City of Adelaide and, in particular, in the parklands. The lights were initially developed for use in the Pitjantjatjara lands in the north-west of the State, where 50 of these lights have been installed.

I will describe what a solar lamp looks like. It is a large gooseneck type public lamp with a solar panel at the very top. The battery and any other workings are contained within the pole itself. The light automatically recharges when the sun is out during daylight hours, and at night it comes on and the lamp is illuminated. I guess it depends on the extent to which there has been sunlight and the length of the night, but basically for most of the night the light is on, providing free power except for the initial capital cost. Having put these lamps in place we can demonstrate their use to visitors, particularly those from Asia. The lamps provide lighting in public places where power is not readily available, and that is one of the key objectives.

The State Government, through the South Australian Development Council, and the Federal Government, through the Department of Primary Industries and Energy, will each provide \$20 000 for this initiative, and the city council will provide \$20 000. So, there will be a total of \$60 000 for the erection of these lights. We also believe that by setting up this pilot project it may be feasible to look at whether the design of the lights can be improved. I believe that, having at least seen photographs of them, we could improve the style of the light. Whether there is any scope for improvement of the technical side of the light is another matter that will have to be assessed.

The lights are produced by prisoners at Port Augusta Gaol under contract for a company called Pecan. If this turns out

to be a very effective product, the lamps will have significant export order potential; in fact, there is not just export potential because they can also be used in remote areas of Australia where power is not readily available. The project is designed specifically to try to identify major areas of new technology that we should look at in terms of alternative energy. We could then start to set up a nucleus of that industry in South Australia. I do not envisage that a new industry will immediately mushroom out of this: it involves looking for the right opportunity and developing it out of that.

**Mrs HALL:** I refer to the Program Estimates at page 21 as it relates to overseas representation under the heading '1994-95 specific targets and objectives' where it states:

A major survey was undertaken in Europe in which 160 companies were contacted, who either had existing subsidiaries in Australia, or were in industries/services of interest to South Australia and were listed in the top 1 000 European companies.

Will the Premier provide the Committee with any information about the economic benefits to South Australia from that survey?

**The Hon. Dean Brown:** The work was undertaken by the Agent General's office. We set up this program over a 12 month period to look at retention, expansion and relocation to South Australia of various subsidiaries of major European companies. Some 2 000 European companies were contacted by letter under this program, and just under 1 000 of these letters were followed up with telephone contact as well from the Agent General's office. As a result, 30 individual presentations were made at the invitations of the companies involved to what you would describe as a very broad cross-section of European telecommunication companies, manufacturers of sophisticated telecommunications equipment, electronic hardware, computer components and computer software developments.

To date, five site visits to South Australia from those companies have been confirmed, and a further seven visits are expected in the near future. Clearly, the program has been constructive. I repeat: 2 000 letters were sent out originally, and already five of those companies have visited South Australia with another seven coming.

The next target sector in 1995-96 will be to support endeavours by South Australian-based automotive component manufacturers to secure markets for or with the European automotive assemblers. A number of these companies have already been successful. Mercedes Benz buys various components from South Australia; Harley Davidson in America buys components from South Australia. Looking at the expansion in automotive components out of Australia, many of which are out of South Australia, we see that as a nation we now export about \$1.5 billion of automotive components or assembled vehicles. That is a huge increase from the early 1980s when the figure was only \$350 million. There has been a massive expansion in that area. South Australia accounts for about 40 per cent of the automotive components industry in Australia.

It is also interesting, with the tooling up of Mitsubishi for the next model of the Magna, to see some of the significant contracts now being won by South Australian companies. Some of those contracts are very large. I recently visited two companies here, both of which have won new contracts for work which had previously been done outside this State. They are having a huge impact on those companies. One expects to more than double its sales, and another component manufacturer, which did not exist three years ago in South



Australia, is coming here and is expecting to produce over \$100 million of product.

**Mrs HALL:** My next question relates to Program 3, page 33, but specifically the reference on page 21 of the Program Estimates to the relocation of the South Australian office to Australia House. Can the Premier provide some information about the advantages, if any, of that relocation, the reasons for the decision to relocate and any economic savings or otherwise?

**The Hon. Dean Brown:** Yes, I can. We had our own South Australia House in the Strand. South Australia House was a very large office and our staff numbers had declined from what they were in the heyday of the 1960s. As a result, the office was clearly too large, although until now that had not worried us because we had a rental agreement which provided the office space at very favourable rates. However, that agreement expired at the end of June last year and was going to cost us an enormous amount. Although we had been on good rates for about 20 years, they were going to jump dramatically due to the escalation of property values in the surrounding area.

As a result of that, we decided to move out of South Australia House, and we have moved into Western Australia House where we have taken the second floor, which is adequate at present. The Western Australians have been very conciliatory by allowing us to promote the fact that it is South Australia House as well as Western Australia House. It is a temporary site, because all the State Premiers have agreed to move into Australia House, which is the logical place for them to be. There is now spare space in Australia House. The Premiers and the Prime Minister have discussed this matter. Unfortunately, we cannot move into Australia House until renovations are carried out.

I understand that those renovations are to start shortly. I think that the money was due to be allocated in the present Federal budget, which it may have been. A new lift needs to be installed. I have seen Australia House and the area that would be allocated to us, which is on the third or fourth floor. We understand that the work will be completed some time in 1996, when we expect to move from Western Australia House, where we are at present, into Australia House, and the other States will follow suit shortly afterwards. There are considerable cost savings for us. I believe that the area that we have been allocated is adequate for our present staffing levels.

**Mr FOLEY:** Again, this question is about EDS. I listened with interest to the Premier's criticism of the former Labor Government not being able to achieve what you have achieved. The point is that I am yet to know what you have achieved in respect of the outsourcing of computer technology. Whilst I accept that the former Government regularly comes under a barrage of criticism from you about what it was not able to achieve and what you have been able to achieve, I notice that, referring to the Estimates Committees last year, even Jeff Kennett was not spared your wrath. You said:

It has been a huge success to achieve in nine months in South Australia what other Governments in Australia have secured for only one Government department over 18 months. Victoria, which is the other Government which has taken steps down this path, took 18 months to get to the same point as we have reached in nine months, but it has done it for only one Government department whereas we have done it for the whole of Government.

I use that as an illustration of what you have actually done. I suspect that Jeff Kennett is probably now ahead in that I

understand his outsourcing is now in place. Do you still stand by the commitment that there will be an extra increase of \$500 million to the State's GDP through this process; is the EDS economic development package still in place; and will it be as large as was first announced?

**The Hon. Dean Brown:** Perhaps I might pick up the first point in this question which related to what we had achieved in terms of bringing together data processing for the whole of Government. In fact, no other Government anywhere in Australia—indeed, no other Government anywhere in the world—has put all its data processing under the control of one office, as we have done with our Office of Information Technology. No other Government in the world has been able to standardise on processes, as we have done in South Australia. We have been able to make a number of fundamental decisions in terms of standardising finance, software, human resource and word processing packages. South Australia is recognised as the leader in the world in that regard. That is why computer companies from a whole range of areas visit this State on a routine basis. Oracle, Tandem, IBM, Digital and many other companies come here because they see a uniqueness that has not been attempted elsewhere.

Victoria has not achieved any uniformity or pooling together of its data processing across Government. To my knowledge, it has outsourced one Government department, and I think it is looking at a second now. It did its water company some years ago, but more recently, under the Kennett Government, it has done only the Department of Transport. It took two years eventually to sign the contract. In fact, it might have been more than two years. We have not yet been in government for two years, so we were ahead of any other Government at the time I made those statements. We are still ahead of any other Government, and that is acknowledged by the people who come to see us.

These are international computing people, like the personal assistant to the CEO of IBM, who recently indicated that nowhere else in the world has he seen a Government take the bold step that we have taken. The fact that it has taken a little longer than expected does not cause me any concern. We are wanting to make sure that we are doing it correctly. It is a more difficult task in terms of time than we had originally estimated, particularly in terms of due diligence. We are still negotiating the contract, and I will not talk about it whilst we are negotiating.

**Mr FOLEY:** I am intrigued and interested in how you arrived initially at the \$700 million figure, not to mention the \$1 billion figure. I will accept that perhaps the \$1 billion figure was conjured up in the excitement of a pre and post election campaign and win. As to the \$700 million figure, can you walk me through how you arrived at that, whose advice and what advice you used to come up with that figure, given the wide speculation throughout both Government and industry that you are falling well short of that figure through your due diligence process. How did you arrive at \$700 million and why are we now having difficulty in coming anywhere near that figure?

**The Hon. Dean Brown:** I can indicate that that \$700 million figure was based on what had been allocated for expenditure in IT in the 1993-94 budget, the last Labor Government budget—the figure it had put down for information technology expenditure in that year.

**Mr FOLEY:** As a supplementary question, you are saying that you simply worked on the budget figures of the former Government? I just cannot understand how you would have taken some figures out of the budget paper and used that. Did

you not do your own assessment and ask your own advisers to assess the dollar value? Why has that \$700 million figure not been achieved?

**The Hon. Dean Brown:** The figure was based on what was actually spent or planned to be spent in the 1993-94 year. It was based on returns submitted by the different Government agencies. It was not done by my office but by the Office of Information Technology. It collected the data from each of the Government agencies.

**Mr FOLEY:** As a supplementary question, why have they got it so wrong? Why have you not been able to achieve those figures? Did the Office of Information Technology get it wrong?

**The Hon. Dean Brown:** No, it did not. In 1993-94 we assessed the level of Government expenditure, and that truly reflected the level of Government expenditure. There is some suggestion that the figure used by the Government in terms of the level of expenditure in 1993-94 was an incorrect figure. That is not the case.

**Mr FOLEY:** Regarding the size of the contract, you are simply saying that you worked on the figures of the former Government in its budget papers. You are not able to tell me the value of the potential work. I want to know who made the error in calculations and why, and how that process was developed?

**The Hon. Dean Brown:** There is no error in calculation in terms of how much money was spent on data processing in 1993-94. I have never said there was an error. The honourable member seems to think there was an error, but there was not. The Government departments and agencies clearly specified what they spent in 1993-94. I would point out to the honourable member that Meeting the Challenge, a document that I am sure he remembers from the last year of the last failed Government—in fact, I understand that the honourable member helped write this document—estimated that annual spending by the State Government on information technology and telecommunications was \$300 million. Perhaps he would like to explain to the Committee how he came to that figure?

I am certain that the figure we came up with for 1993-94, even though it was just before the end of the financial year, pretty fairly reflected the moneys spent in 1993-94, but the honourable member wrote a document when he was senior adviser to the previous Government which said that \$300 million was spent each year in telecommunications and data processing. I would be interested to know the methodology he used. We simply contacted the Government agencies and got relevant figures from them.

*Mr Foley interjecting:*

**The CHAIRMAN:** The honourable member will address his questions through the Chair. That represents the fifth question.

**The Hon. Dean Brown:** I must answer that interjection. No-one ever said that \$700 million dollars was spent each year on data processing.

*Mr Foley interjecting:*

**The Hon. Dean Brown:** Not \$700 million.

**Mr Foley:** You did. You said it in your answer.

**The Hon. Dean Brown:** No-one has suggested \$700 million a year on data processing. What I have said—

*Mr Foley interjecting:*

**The Hon. Dean Brown:** That was an estimate over a nine year period—\$700 million.

*Mr Foley interjecting:*

**The Hon. Dean Brown:** I am pointing out that, when you were in government, you estimated \$300 million spent in one year.

**The CHAIRMAN:** The member for Hart has predicated almost the whole of his questioning on figures which are not to be found anywhere in the lines. There was a formal request by the Chair at the beginning of the Estimates Committee, had the honourable member been aware of that, that questions should be identified to specific lines.

**Mr CONDOUS:** I refer to Program 1, Planning and Policy Development. I understand that this program covers South Australian involvement in the clean-up of the Maralinga nuclear weapon testing site. What progress has been made on this project?

**The Hon. Dean Brown:** I will give some fairly detailed information on this. The clean-up of the Maralinga site is a joint project, effectively carried out by the Australian Government, but the British Government has agreed to contribute, I think, £20 million to the project. The project is to be carried out over the next couple of years, I think to be finished by 1997. It is Commonwealth land and the State Government has asked that this land, when it has been cleaned up, be returned to the State Government, because it was originally State Government land. It is land that has traditionally been occupied by the Maralinga Aboriginal people.

The main problem to be resolved is the clean-up of the plutonium contamination due to the atomic tests. The Australian and British Governments have an agreement under which the British Government will contribute £20 million sterling. The total cost of this project is estimated to be about \$100 million. The project is under the control of the Commonwealth Department of Primary Industries and Energy. The rehabilitation of the contaminated areas will be based on the collection and disposal of contaminated soil in deep trenches adjacent to the contaminated area. The debris pits are expected to be treated by *in situ* vitrification to reduce the pit contents to a leach and intrusion resistant vitreous mass, in other words, making sure this is put into a form like glass which cannot be either eroded away or leached into the soil.

The present schedule for the main activities is: building a construction camp during the next financial year; soil collection and burial to begin in 1996; the *in situ* vitrification to be undertaken between 1997 and 1999; a revegetation program to commence in 1998; and an audit to clean up and return the land to South Australia to take place by the year 2000. We want to make sure that we maximise South Australian participation in this program. It is anticipated that there will be significant involvement of South Australian industry.

The anticipated cost of equipment involved in the ISV program is \$30 million, of which about \$20 million will be spent in South Australia. Mayfield Engineers are expected to play a significant role in this exercise. State Flora has sub-consultants for its revegetation program, and the local Aboriginal community will undertake particular tasks, such as seed collection, revegetation and erection of the boundary markers. Major earth moving contracts will be called on 30 July and awarded in mid-November of this year. We expect strong competition from South Australian companies for that.

**Mr CONDOUS:** I refer again to Program 1. Is the clean up of the Maralinga nuclear test site likely to involve South Australian industry?

**The Hon. Dean Brown:** As I have just pointed out to the honourable member, yes; we have asked that there be strong involvement from South Australian industry, and in this we expect the earthmoving industry to be involved and State Flora sub-consultants on the revegetation program. We believe that, of the anticipated total cost of \$30 million for equipment involved in the project, about \$20 million (two-thirds) will be spent in South Australia. So, there should be significant benefit for South Australian companies and South Australian participants coming out of that project.

**Mr CONDOUS:** What arrangements have been made to pay compensation arising out of the Maralinga clean up?

**The Hon. Dean Brown:** On 1 December last year an agreement was reached between the Commonwealth Government and the Maralinga Aboriginal community regarding settlement of all claims by the traditional owners. That agreement included the payment of \$13.5 million to a charitable trust account, to be established within 12 months after the agreement. Therefore, six months later it is now expected to be established in the next few months. Following the clean up, section 400 of the Maralinga lands will be transferred to the Maralinga Tjarutja people via the South Australian Government, as will the Maralinga village, where there was a settlement during the tests, and the airstrip.

We believe that the village and the airstrip should then be used as a resource centre for that region. The important thing here is that section 400, which is the area that is badly contaminated, will be returned to the State Government and then we will return that to the Aboriginal community. As a condition of that arrangement we have asked for an assurance that the Federal Government will bear any responsibility for any ongoing contamination that may still exist, so no new liability will be picked up by the State Government.

**Mr FOLEY:** Continuing my questioning on EDS, I draw members' attention to page 19, Program Estimates, dealing with planning and policy development; specifically, implementation of a whole of Government approach to communications. I question this issue of the potential value of the contract of \$700 million over the life of the contract, or \$120 million a year. Will the Premier confirm that, given that the Government has not been able to reach the global figure for which he advised that EDS would be on offer, in recent weeks he has instructed statutory authorities that they will now also hand over their entire work to EDS, and will he please list the agencies to which he has issued that instruction?

**The Hon. Dean Brown:** I will not confirm the first part, which is a general grab bag of claims that the honourable member asked me to confirm, but I have said in this House on numerous occasions that we are expecting all Government agencies to participate, and we have expected that throughout. There is nothing new in the fact that we are talking about approximately 150 Government agencies. In recent times a couple still had not had the due diligence carried out on them and had not been involved, and they have been identified. The interesting thing is that a large number of Government or semi-government agencies which had not necessarily expected to be involved have asked to be involved; they see benefits coming out of this. I know of no Government agency right across the board that is specifically exempt from this outsourcing proposal or the control of the OIT.

That is in sharp contrast to what I recall occurred with the Information Utility No.2 that the former Government went through, because there it could not get even the big agencies to agree to participate or to come near the venture. I can recall

that within 48 hours of an announcement by the previous Government I had five or six Government agencies contact me to say that they would not participate. We have about 150 Government agencies already cooperating and under the overall coordination of the Office of Information Technology. That in itself is a huge achievement, compared with what the previous Government did not achieve.

**Mr FOLEY:** I wish to ask a supplementary question—and likewise I will disregard the Premier's diatribe at the conclusion of his previous answer. From what he is saying I take it that he, Cabinet or Ministers have not directed statutory authorities, which have their own boards of management and their own Acts of Parliament, to undertake against their will that they will hand over their work to EDS. Will the Premier also confirm that those agencies have not even undertaken the most basic assessment of whether the EDS deal will result in any set savings to them, or of the implications that it would have on their business?

**The Hon. Dean Brown:** It is just the opposite: the Government has said that we want to achieve a coordinated approach to information technology, and we expect all Government agencies to participate. That has clearly been known and talked about for 18 months, so there is nothing new there; that is why we established the Office of Information Technology and various Government boards. A large number of the 150 agencies have their own boards, and Cabinet has adopted the policy that all those agencies should come under our outsourcing proposal and our coordination by the Office of Information Technology. With regard to the last part of the question, I understand that the due diligence process has not been carried out on a very small number of agencies. In its negotiations it is up to the Government to ensure that there are benefits right across the whole of Government, and that is exactly what the negotiations are about.

**Mr FOLEY:** Has the Premier instructed the TAB board to outsource the TAB's information data work; is he aware of the fact that the TAB was not consulted and had not undertaken any investigative work to assess whether or not that was beneficial; and has the TAB advised him of its concern that it is being directed by the Government to include its work with EDS?

**The Hon. Dean Brown:** I am aware that the TAB has been told to participate, although the TAB board has not yet finished its due diligence. It has written to me and raised a number of questions, which I thought lacked an in-depth understanding of what we are about, so I have asked the head of the Office of Information Technology to go and talk to the TAB about them. It appears that the TAB has been living in isolation for a while and not in the real world, because every other Government agency, including some much bigger and with the same degree of autonomy as the TAB, has been actively cooperating with the Government.

**Mrs PENFOLD:** The Program Estimates at page 19, program 1 (and the Estimates of Payments, page 33), under 'Planning and policy development' refer to the coordination of legislative process associated with State disaster planning. I understand that the State Disaster Plan has recently been reviewed: will the Premier reveal the outcome of that review?

**The Hon. Dean Brown:** Last year I asked for a major review of the State Disaster Act and Plan. The latest review was undertaken by Major-General B.W. Howard, Director-General of the New South Wales State Emergency Service, who undertook the audit of our disaster plan in the first two months of this year. Major-General Howard concluded that

the South Australian emergency management arrangements were sound and compared most favourably with arrangements in other States and Territories. His main conclusions included the following:

that the 1994 amendments to the State Disaster Act regarding provision for major emergencies and the inclusion of improved measures for recovery should significantly enhance the effectiveness of the Act;

that coordination arrangements provided by the State Disaster Plan and the planning liaison functions provided by the State Disaster Committee are appropriate and effective;

that the State Disaster Committee should become more involved in the development of prevention and mitigation processes;

that the State Disaster Committee should prepare briefing material suitable for distribution to all public sector linked agencies and for the community generally;

that the extent and scope of training exercise programs conducted by the State Disaster Committee was of a high standard;

that the Government has endorsed the report's recommendations and approved additional funding required to . . . meet the additional administrative costs for the State Disaster Committee to be more involved in the development of prevention and mitigation processes. . . meet the costs of developing, printing and distributing briefing material for public sector officials and the community.

Is this a walkout by the Opposition? Here we are in Estimates Committees, the one time when Opposition members have the chance to ask any questions they like, and I see that they have totally excused themselves from the Chamber.

**The CHAIRMAN:** The Premier's observation is pertinent but not germane to the argument. The member for Flinders still has two questions. The member for Hart did inquire whether she would be occupying her time. I do not know about the member for Hart's colleagues.

**The Hon. Dean Brown:** I knew that they were irrelevant; they have just shown their irrelevance.

**Mrs PENFOLD:** My question relates to Estimates of Receipts and Payments, page 33, program 1, 'Planning and policy development'. Under this program \$1.333 million is allocated for the South Australian Development Council. Will the Premier indicate whether the council intends to increase its membership in the near future and what priorities the council is following to advise the Government on long-term economic strategies?

**The Hon. Dean Brown:** I appointed the council late last year, then in about May appointed another four members. They are: Helen Nankivell, Managing Director of Nexus Furniture at Victor Harbor; Bob Thomas, former Chair of the Audit Commission and Chair of the Gas Company; Maurice Crotti, Managing Director of San Remo Macaroni (a well known South Australian company, since it produces about half the macaroni in Australia) and a member of the Barley Board; and Professor Harold Woolhouse, Director of Waite Agricultural Research Institute. Professor Woolhouse has now resigned due to a most unfortunate illness, expected to be terminal. Robert Champion de Crespigny has foreshadowed his intended resignation because he has recently reached a joint venture agreement with a French company in mining operations throughout the world and is expecting to spend 50 per cent or more of his time overseas and, therefore, is unable to continue as a member of the council.

Brian Croser has stood down for a six month period during the Industry Commission inquiry. Brian Croser was a member of the Industry Commission inquiry into the wine industry and also a member of the South Australian Development Council. The council is presenting the South Australian case as to the outcome we would like to see of the inquiry, and there was a natural conflict between his being a member of the council and a member of the Industry Commission. So,

he has stood aside, but we expect him to return as soon as the commission has finished its report. I expect to appoint several other new members to the council in the near future to replace those who have had to resign, and to further enlarge and broaden the scope of the advice being given to the Government through the Development Council.

**Mrs PENFOLD:** The second part of that question related to what priorities the council is following to advise the Government on long-term economic strategies.

**The Hon. Dean Brown:** The council has come up with three major strategies for new economic development in South Australia: first, to focus on exports; secondly, to make sure we have a very competitive environment for business; and, thirdly, to make sure we have the right infrastructure (and a very efficient infrastructure) in place. The council sees those as the three main areas that we need to tackle. As a result of that, it has set about a series of individual studies in specialist areas about how to achieve those objectives and to examine whether or not the infrastructure is there, how to achieve a focus on exports and how to become more cost competitive. The areas the council has looked at, what you would call subsectors of the overall economic study, include manufacturing, small businesses and licences, aquaculture (which I talked about earlier), science and technology, mining and exploration and a few other lesser areas including alternative energy sources.

The aquaculture committee has finished its report, and I said earlier that I expect it to be released within a few weeks. There has also been a pre-feasibility study on the benefits of a medical research institute in South Australia. A study undertaken into the international competitiveness of South Australia has not yet been finished. The council is also developing an economic model for South Australia. This is a very important initiative, because this broad economic model will allow us for the first time to look at what would be the impact of, for instance, a reduction in State taxation in terms of making us more competitive, or what would be the impact of a certain industry (such as the automotive industry) undergoing significant change; if the automotive industry should decline, what the impact of that would be right across the State.

For the first time I believe we will have an economic model so that we can look at the broad aspect of the State's economy but be able to alter certain components to see the impact. We are already doing that with the wine industry as part of our submission to the Federal Government, looking at the impact that would have on the State's economy. We are broadening that to cover the whole range of other industry sectors so that we can see where we should concentrate our efforts and where we will gain the maximum benefit.

**Mr FOLEY:** How was the figure of \$700 million in the EDS contract arrived at? How did you and EDS sign off on the figure of \$700 million about seven or eight months ago, which equates to about \$120 million per annum? How was that figure arrived at, given the significance of nominating a figure in such a large contract? How did you calculate that?

**The Hon. Dean Brown:** No contract was signed several months ago, so I am not sure to what the honourable member is referring.

*Mr Foley interjecting:*

**The Hon. Dean Brown:** We did an estimate when we did the BAFO document, which set out the broad scope for submissions of tender. We did an estimate based on expenditure in 1993-94 as to what the likely level of Government expenditure was going to be. At that stage there was insuffi-

cient time to go through and do a full due diligence, and all the companies understood that. We recognised that it would take six to eight months to do that full due diligence.

**Mr FOLEY:** Someone did not do their homework too well in arriving at that figure.

**The Hon. Dean Brown:** We did a fairly accurate assessment of what the likely expenditure was and what it actually was in 1993-94. It was there, and it actually occurred under the previous Government. It introduced the budget where it occurred.

**Mr FOLEY:** I never cease to be amazed by the Premier's capacity to blame the previous Government for what is becoming a difficult process. I do not understand how a former Government can be at fault for not providing a figure at which you can arrive at.

**The Hon. Dean Brown:** You keep thinking there is some fault, but there was not. All I am saying is that we did an assessment of the level of expenditure in 1993-94. We believe that was an accurate figure for 1993-94.

**Mr FOLEY:** What figure are you working with today? Is it for 1995-96?

**The Hon. Dean Brown:** No. We did an assessment for the BAFO document of what had been spent in 1993-94. Since then we have done detailed due diligence on every Government agency as to how much was spent, what it was spent on, whether it was main frame, mid frame or local processing or whether it was on hardware or software and how many people were involved and all that sort of detail. We also looked at what processing has been done. We have done this enormous task across the whole of Government.

*Mr Foley interjecting:*

**The Hon. Dean Brown:** I never said there was \$700 million in one year.

**The CHAIRMAN:** I ask members to hold fire for a moment. The member for Hart has asked 15 questions, which seem to be 15 different ways of trying to elucidate whether the figure of \$700 million or any other figure was accurately assessed. Under Standing Orders the Chair has the right to rule on repetition, and these questions are bordering on the Heinz 64 varieties. Perhaps the member for Hart can change tack.

**Mr FOLEY:** I agree, Sir. If I have made 15 attempts, it probably reflects that the Premier has given 15 skilful answers in dancing around the question. Perhaps the onus is on the Premier and not on me. We will have to leave it for another day to pursue that line; probably this time next year the way things are going. I am interested in the Tandem relationship in Adelaide. We had a positive announcement by the Government in the week before last. The Opposition welcomes that announcement, as we welcome the Westpac deal—

*The Hon. Dean Brown interjecting:*

**Mr FOLEY:** We welcome all the constructive deals you enter into.

*The Hon. Dean Brown interjecting:*

**Mr FOLEY:** I do not think Frank was opposed to it; he was just asking a question of the professor. As to the Tandem deal, EWS is clearly contracted to Tandem, and I am interested to know how the relationship with Tandem and its contract with EWS will fit in with the EDS arrangement. Tandem is managing the computer systems for EWS. Contrary to what the Premier said in the House that EDS will not be taking over management of the EWS contract, will the Premier clarify the position? Are there points of conflict in

terms of the work that Tandem will be looking to do in Government with EDS?

**The Hon. Dean Brown:** I suggest the member looks at *Hansard* and the answer I gave in Parliament several weeks ago. First, there is no conflict. We have contractual obligations to Tandem for EWS, and we are continuing to work through those contractual obligations. But the data processing of EWS—or what is shortly to become the water corporation—will be part of the outsourcing of the work undertaken by the Government. There is no conflict there. We can continue to fulfil the contractual obligations with Tandem and at the same time outsource the ultimate data processing—

*Mr Foley interjecting:*

**The Hon. Dean Brown:** The contracts are at different levels. One is to put in a computing system, and the other is to then have ongoing management of the systems.

**Mr FOLEY:** There is no conflict?

**The Hon. Dean Brown:** There is no conflict, and the two companies understand that.

**Mr FOLEY:** Will the Premier confirm today that there have been discussions within Government about the reopening of the outsourcing tender and that, if negotiations with EDS are not concluded shortly, he is actively considering at senior level the reopening of tendering to allow for rebidding on this project?

**The Hon. Dean Brown:** I am not going to answer questions like that in the middle of negotiations. It is inappropriate to do so.

**Mr FOLEY:** So the answer is 'No'.

**The Hon. Dean Brown:** I am not answering the question.

**Mr FOLEY:** I suppose I cannot force the Premier to answer the question.

**The CHAIRMAN:** There is no compulsion on a Minister to answer any question.

**Mr FOLEY:** It is interesting that the Premier refuses to indicate, because he could rule it out. Will the Premier rule it out?

**The Hon. Dean Brown:** I refuse to answer any question that relates to specific negotiations.

**Mr FOLEY:** This does not do that: it relates to the post negotiation stage. Will you rule it out?

**The Hon. Dean Brown:** No. I am saying that I refuse to answer any questions that relate to specific negotiations.

**Mrs HALL:** Will the Premier explain what role the South Australian Development Council is playing in the establishment of the South Australian Network to help identify new development opportunities for the Government to pursue?

**The Hon. Dean Brown:** The South Australian Development Council is holding the names of those who have been included on the international network. We have set up the SA Network. They are expatriate South Australians or others who, for various reasons, have a strong connection with the State. We want to use those connections and that loyalty to the State for them to identify specific projects for us overseas where that could be of some benefit to South Australia. I have sent out a large number of letters of invitation. There are now more than 100 responses on the network files. The responses have been most encouraging indeed. In fact, about two weeks ago we had a very specific request which led us to follow up a significant potential opportunity in Indonesia as a result of the network.

The network has a number of advantages for this State. It keeps people who have a passion for South Australia but who are overseas in touch with their State. We send them regular information. We also send them one of our South Australian

gold badges to wear, so they should be proud of that. We have also set up a dedicated fax so that they can fax material to us at any time. It has been a good idea. Obviously, it needs to develop considerably, and as it develops we will get more and more benefit out of it for the State.

**Mrs HALL:** Will the Premier explain the activities that are being undertaken by the Information Technology Unit, which was established by the Development Council?

**The Hon. Dean Brown:** The Information Technology Unit was set up under the South Australian Development Council as a specialist area in which we thought that the State had enormous potential to expand. Tim Waterhouse was appointed the specialist in that area. It is involved in a range of Government activities, and it acts as the coordinating body for those activities. They include things such as facilitating the ongoing development and implementation of the IT 2000 Vision. It includes leading the development of higher level plans for the IT industry, including telecommunications, electronic commerce, multimedia, the spatial and geographic information system, video conferencing and further education and distance education.

Tim Waterhouse acts on virtually most of the various groups set up within the Government looking at those specialist areas. He also keeps an ongoing view of the overall development of the IT 2000 Vision and works for the Development Council to bring it up to date on any matter relating to the electronic and information technology industry.

It is an area that is changing enormously. I spent a fair bit of my time on the IT area because I believe the opportunities for the State are enormous. We are starting to see that. People have to appreciate that most of the major new developments that we have achieved for the State relate in some way to IT. The Westpac announcement yesterday is all about an IT telecommunications specialist operation for the whole of Australia. People here will be involved in a back-office administrative unit, but it is all centred on the IT industry. The same applies to Galaxy; it is very much an IT industry. The Motorola initiative and other initiatives are centred on IT.

We in South Australia will be able to achieve a number of key advantages over the rest of Australia. We put down that IT 2000 Vision, which was seen as well ahead of the rest of Australia in terms of what we were trying to achieve. We were well advanced on the outsourcing of Government data processing, which is recognised as the leader in the world—further than any other Government has even tried to approach. We would have to be at least 18 months ahead of any other Government in the world in that regard. Telecommunications is the next big area that we are tackling. We are looking at outsourcing that, but, in outsourcing it, there is a range of different models that we are looking at. Again, the opportunities are very significant.

I announced recently the electronic services business services. We have called for expressions of interest. We now have a short list of three groups, and those three groups are looking at how we could set up electronic booths to provide all Government information to the public and also to carry out commercial transactions between the public and the South Australian Government. We want to extend that to include private company information. For instance, if you wanted to renew your driver's licence, you could go to a booth, flash your bankcard or credit card past it, punch in a PIN, and indicate whether you wanted to pay for your water rates, driver's licence and a few other things as well in the same way as you would use an automatic teller machine. Ultimately, by including private information in that, we hope to enable

people to book a holiday in the Flinders Ranges, say, or to arrange for three dozen bottles of wine to be home delivered. They can be used as a form of commerce in South Australia.

I stress again that enormous interest is being expressed by the IT companies around the world. Because of our pooling together of Government IT, we offer those companies an advantage that no other Government or State in the world has been able to offer. California has moved part way down the path of using electronic booths for some Government information; it did that about 18 months ago, but a limited number of Government agencies are involved. This will be the first time all Government information has been brought together into that system.

Therefore, the biggest IT companies in the world are showing great interest in where this is heading. I know that, because they have been to see me and have expressed real interest in setting up South Australia as one of the test beds for the world. We are assessing those three groups at present and, in August or September, we will announce the preferred company. This does not involve huge input by the Government in terms of funds. Our role is largely to make our information available and perhaps to pay a service fee for people who use it. In other words, we would pay a fee to whoever installed the system every time a Government transaction took place, in the same way as a private company would pay a fee.

The service fee would be similar to a bankcard: every time you use the card, you pay a very small percentage to bankcard for the use of that credit facility. In this way we believe that the Government will be able to deliver services much more efficiently to the whole South Australian community. One can imagine that, once we were able to put this system onto personal computers, people would be able to sit in their homes in Coober Pedy, in the Adelaide metropolitan area or in Mount Gambier and perhaps access all this information and, perhaps ultimately, pay their accounts through this method. It will be a very significant advance.

They are some of the areas of the IT 2000 vision. We want to develop a special ability in seven key areas in this State. We must be at the leading edge of the world's technology. We are doing the same with the electronic services business in relation to the spatial information system. Again, we are right at the forefront of world best practice. We are probably further advanced than are most other Governments but the gap between us and some other Governments is smaller. Other Governments are pursuing that but we have equally called for expressions of interest. We are now in the process of narrowing that down where we expect to be able to announce a number of preferred partners to work with us in developing that system. There will be some flow-ons: some of the big international companies will put some operations into South Australia so that they are part of that development.

**Mrs HALL:** At page 19 of the Program Estimates specific reference is made to the deregulation policy under 1995-96 Specific Targets and Objectives; it states:

Implement new deregulation policy, focusing on South Australia's existing economic strengths, recognising that regulation by Governments should be a last resort and be supported by proper analysis and consultation.

Can the Premier provide further information about this initiative?

**The Hon. Dean Brown:** Our approach to deregulation is somewhat different from the traditional application by Governments. Traditionally, Governments have set up a committee on deregulation. It writes major reports and makes

200 to 300 recommendations on how or where to achieve deregulation. When the report is released it is acclaimed but, invariably, little is done beyond that. I have seen this successively under State and Federal Governments around Australia. Frankly, I would have to say that little headway has been made. We tried to change the scope: we used the deregulation office to target specific industry sectors and to work with those industry sectors to bring about that deregulation.

Instead of just being in the hands of Government and using a broad brush in coming up with general recommendations, it is much more focused and is a partnership in a joint venture. The first major area related to the motor trades industry and such things as vehicle inspection, etc. It looked at all the regulations covering the motor trades and transport industry and how they can be simplified—not necessarily deregulated but, in many cases, maintaining regulation or coregulation. Coregulation would mean that the industry would be responsible for administering the regulations and the Government's role would be one of audit, simply checking that the industry is doing it.

We are also looking at giving some areas to suitably qualified and trained people in the private sector and licensing those people. They will then be responsible for maintaining appropriate standards, such as removing defect notices on vehicles. I see no reason why that cannot be done by private industry as well as Government inspectors. Other areas where deregulation is working with industry, apart from the motor trades and transport industry, are the child care industry, the real estate industry and aquaculture. As the aquaculture industry develops, we must put in place appropriate levels of regulation and a fairly simplified form of regulation rather than the more traditional role where a range of Government agencies try to pile in regulations and stifle the industry before it gets off the ground.

That involves the pasta and noodle industry in collaboration with a major South Australian producer and the Department of Primary Industries to review the regulatory environment for the industry and encourage export growth and competitiveness. One can guess which company is involved; I have mentioned the company already. We are looking at the poultry meat industry, with the view of simplifying if not deregulating it. That industry effectively involved bird quotas and one would have to ask whether that is appropriate in today's world where poultry meat can be readily transhipped across State borders and, as a result, we need to make sure an efficient system is in place and not a system which is encumbered with restricted access.

We are assisting the mining industry with a review of the Gas Act. In the livestock industry, we are assisting, with the Department of Primary Industries, to review and rationalise legislation and to encourage coregulation for livestock. They are some of the projects with which the deregulation unit is involved.

**Mr FOLEY:** Will the Premier give an undertaking today that, at the successful conclusion of negotiations with EDS or—and I am not expecting you to comment on this—at the breakdown of negotiations, a full and detailed list and costing of all expenditure by Government incurred in the entire bid process will be made available to the Parliament—expenditure in terms of consultants, travel and all expenses involved in the whole tendering process? Will you give the Parliament that figure, broken down at the point of successful completion or at the breakdown of negotiations?

**The Hon. Dean Brown:** I am quite willing to get together the costs in terms of expenses involved in the entire process. You have to differentiate two areas there. There is one area where the Government has been carrying out an internal exercise of bringing together all its data processing. The clear evidence is that we have paid for that several times over in terms of internal efficiencies already achieved in government; there have been very significant savings in that area. The second area is specifically in terms of outsourcing. I am happy as soon as possible after that has concluded to give those costs.

**Mr FOLEY:** Regarding the tendering process, given the difficulties that are clearly apparent—and the Premier has not been backwards in acknowledging that there are difficulties in the tendering process—will the Premier confirm that he has included on the negotiating team for this contract the chief of his department, Mike Schilling, and his chief political adviser, Richard Yeeles? Are they both part of the bid team?

**The Hon. Dean Brown:** No, neither of them are.

**Mr FOLEY:** The Premier would be aware of the Federal Government report entitled 'Clients First'. I refer the Premier back to some comments he made, as he has consistently done regarding this project, when he wanted to make a strong point to me. In reference to the Federal Government's approach, the Premier on 16 March said:

If all these things were good enough for the Federal Government, why is the Labor Party not standing up and praising the initiatives that the Liberal Government took here in its first 12 months.

Given those comments, I would be interested to hear the Premier's views on the 'Clients First' report by the Federal Government, particularly as in part it states:

Considerable concern has been aroused by the South Australian decision on the basis that its whole-of-Government approach would not promote local growth and would restrict the Government's flexibility to re-engineer itself by placing core competencies outside the agency control.

My reading of that report was that it did not endorse the South Australian approach and in fact in part was critical of certain aspects of it. I am interested in the Premier's reaction to that report.

**The Hon. Dean Brown:** Here you are looking at the broad thrust of the report. The report stated that there was considerable merit in looking at contracting out data processing for Government, and that is exactly what the Government has done. The issues that were raised failed to appreciate some of the benefits that come out of contracting out and, in particular, making sure that you are using world best practice in this area and achieving the considerable economies of scale that should be achieved when you are lumping together particularly mainframe computer work. This is an area where private companies are starting to move towards contracting out in a big way. I have looked at it in the Government context, and Governments are traditionally behind private industry by several years. Here we have tended to be a leader in the field.

It is interesting to see the extent to which big companies around the world, such as Kodak, are contracting out their data processing. A company like EDS was established because it took over the data processing for General Motors corporation worldwide. There are a lot of other big companies now doing exactly that. It may not always be all their data processing: some significant companies have talked to me about the possibility of using companies like EDS as a backup for their data processing. In other words, they might have their own data processing centre but they recognise the

fact that, if that went down at any stage, they would need a backup, and the easiest way, instead of duplicating their equipment, is to put a backup into some other existing data processor that specialises in the area.

Members should try to understand almost the revolution taking place in this area. I cannot sit here and name commercial companies for reasons of confidentiality, but I have been quite surprised at how some of the big companies have started to acknowledge the need to look at outsourcing their data processing. These are companies I would have thought were pretty proud of their record up until now, and in conversations with those companies they are saying that they think they can achieve huge savings from outsourcing. Even within government itself, just the exercise of bringing together all the data processing has been a great discipline. You suddenly start to understand what computing systems are out there, what equipment you have, the diversity of that equipment, the diversity of the software and therefore some of the inefficiencies that have come out of that. You have to acknowledge that we have saved millions of dollars already just in the exercise within Government that we have been through as part of this broader step of going to outsourcing: the benefit to taxpayers has been huge. As I said, we have saved millions of dollars both in terms of reducing costs, standardising software and reducing purchasing costs for new equipment.

**Mr CONDOUS:** I refer to the Program Estimates, page 19. One of the listed specific objectives for 1995-96 is to promote economic development by facilitating the approval of the delivery of major development projects. Will the Premier explain the role of the Office of Project Coordination in pursuing this objective?

**The Hon. Dean Brown:** The Office of Project Coordination has been one of the important initiatives that this Government has put in place. It was one which I flagged before the election and which we now have in place. I am delighted to see how effectively it is working. Ian Kowalick is in charge of that section of the Department of the Premier and Cabinet. People need to realise that the Office of Project Coordination is not designed to be the doer. It does not take over the role from Tourism, the EDA, the Department of Primary Industries or the Department of Housing and Urban Development, which are the main departments involved in these sorts of areas: it makes sure that there is effective coordination between the Government agencies.

We still have a long way to go in this area. I am not saying it is all a bed of roses. There are still some horns and thorns in there in terms of making sure that agencies, when they take on projects, accept responsibility for those projects and carry that through. The big problem is that Governments collectively have tended to get bigger and, where the legislation is much more complex, companies become very frustrated because they are not dealing with one Government agency: they are dealing with five or six Government agencies. They have a running battle with one agency to get approval through and then find that they have another two or three months of battle with another Government agency to get different approvals through for the same project. We are trying to make sure that there is a coordinated approach right across Government on those individual projects.

The sorts of projects involved under this overall project coordination are the East End redevelopment; Barossa Valley tourism project; Wilpena Pound; Worrina; Granite Island; Adelaide Airport runway extension; Mount Lofty; Port Adelaide waterfront; Glenelg-West Beach redevelopment; National Wine Museum; and the expansion of Penrice Soda

operations. Those are the sorts of projects, some of which are still in the development phase, where there is an attempt by the Office of Coordination to ensure that the Government is not holding up or being a barrier to a project going ahead.

I will highlight one significant benefit that we have seen in the past couple of days. Westpac, in its bid for BankSA—I am now able to disclose that it was one of the bidders in the final stages of negotiation—indicated a proposal to establish its national loan centre in Adelaide. The article in the *Australian* this morning is somewhat misleading, because it suggests that we realised only on the day of the sale of BankSA that this opportunity may or may not be lost. This had been a key part of the assessment of the various bids for BankSA. We had known all along about this opportunity and we had factored that into our assessment of bids for the bank. As part of that process we said, 'If this is to be processed on an equal basis for all the people who have made bids for the bank, we need to ensure that they are able to proceed the moment that we announce it.' Therefore, we put the planning approval into place five weeks ago.

It was done by the Minister for Housing, Urban Development and Local Government Relations, myself and the Office of Project Coordination. I think we got that planning approval in about 48 hours, and it sat there. We knew that this vital part had to be fully processed in the bidding for the bank. When Westpac was not selected as the final buyer of the bank and we sat down to negotiate with Westpac on its national loan centre, the one thing that we could say was, 'Your planning approval is already in place, so there are no difficulties there at all.' What would otherwise have been an area of great uncertainty became an area of certainty for Westpac. That is the sort of role that this department carries on. I stress that it is not the agency to do the implementing; it is there to coordinate, and it has a very experienced team of people doing it. We are refining that process much more, although we have a long way to go, to ensure that we have the most efficient system in Australia.

**Mr CONDOUS:** Again, we are on Estimates of Receipts and Payments, program 1, 'Planning and policy development,' and the Program Estimates and Information, page 19. The Premier partially hit on this. The Program Estimates refer to the 'introduction of world class development approval systems which are rapid, predictable and simple to use': will he explain what is being done to achieve this?

**The Hon. Dean Brown:** This is a flow-on from what I have just been talking about. The Office of Project Coordination is working with a number of agencies to improve various elements which make up the development approval system. The problems we face are faced by every Government, certainly in Australia and, I think it is fair to say, in every developed country in the world. We are looking at how we can improve our processes so that we are able to give the quickest and most efficient approvals that companies will get anywhere.

I should like to take this opportunity to highlight what we have achieved with the Woolworths development at Gepps Cross. Here was an instance where there was bipartisan support within the Parliament. The Government asked the office to look at working with local members of Parliament, the local council and any other appropriate organisations—and several were going to be affected by the proposed development—to make sure that we got that planning approval through as quickly as possible. I think that what we achieved has been quite unique.



The major initiatives that we are looking at are changes to the Development Act and regulations; working with the deregulation unit in the Department of Housing and Urban Development to develop an integrated approach to development approvals by removing the need for separate approvals, where possible; working with a wide range of State, Federal and local agencies and local communities to develop agreed strategies to provide a clear basis for planning decisions in non-metropolitan areas; and clarification of the management of major projects within Government involving the development of protocols and guidelines which establish responsibility and authority, set targets and monitor outcomes.

One of the problems with this ever more complex approval procedure in legislation is that Governments tend to form committees from a range of agencies for approvals, and then no-one takes ultimate responsibility for making sure that there is an appropriate outcome. We are trying to ensure that we overcome that. Therefore, we are working to develop clear guidelines for empowering people to be responsible for projects, expecting them to perform, and having the authority, being in charge of a project, to empower others to deal with subcomponents of that project in other departments. It may be that they are empowered to issue an instruction to someone higher up in another Government department to make sure that, through their Ministers, they perform and take responsibility for the subcomponents of the overall approval.

**Mr CONDOUS:** Again, the Program Estimates refer to the implementation of a whole of Government approach to communications. Will the Premier explain how this is being achieved?

**The Hon. Dean Brown:** Last year the Government initiated an audit of Government advertising publications and other communications to assess their cost effectiveness. While the audit identified that in the last year of the former Labor Government about \$40 million was spent on various forms of communication with the public, it also highlighted that much of the Government's communications were not coordinated and cost effective because there was no whole of Government approach. Therefore, the idea of the communications unit, which was established in January 1995, was to develop and implement a strategic plan for the whole of Government, and that included the promotion of the State and the monitoring of any promotional expenditure right across the public sector.

The unit has managed the negotiations for advertising expenditure and has already been able to achieve quite considerable savings. I have seen where the unit has been able to pay for more than its own costs in the first 12 months by savings in advertising revenues achieved across Government. The savings vary from media to media, but a saving of about 9 per cent on average has applied. I think it would be agreed that, if expenditure was \$40 million and we are achieving a saving of 9 or 10 per cent, there is \$4 million alone. This unit has only three full-time staff, so it is a very small but effective unit. In 1994, the total savings on metropolitan and regional TVSPs was approximately \$728 000 alone.

**Mr FOLEY:** Again, on this issue of outsourcing of Government work with respect to Government trading enterprises such as WorkCover, the TAB and the Lotteries Commission, have these agencies been given directives that they will be in the EDS envelope or the envelope of Government businesses whether or not it can be demonstrated they can actually achieve financial savings? Has Cabinet decided

that Ministers direct these agencies that they are part of the process?

**The Hon. Dean Brown:** Yes, I have said that.

**Mr FOLEY:** What if a board says to you, 'Sorry, Premier, we don't believe it demonstrates cost savings to our agencies; we won't be part of the process'?

**The Hon. Dean Brown:** So far they cannot say that. That is part of the overall responsibility of the Government when negotiating a contract, so they are not in a position to say that.

**Mr FOLEY:** Will boards of independent statutory authorities be allowed to do their own due diligence and decide whether or not there are savings to them?

**The Hon. Dean Brown:** Boards are established under Acts and in most cases there is power for ministerial direction if needed.

**Mr FOLEY:** I will read a memo from the board of the WorkCover Corporation which states:

Following a Government decision to outsource State Government departments' computing operations to EDS, an American company, the WorkCover board has decided that it will undertake a review of the economics of outsourcing the computer operations area to EDS. However, the board has stated that it will be its decision whether or not this occurs, and the decision will be based on the cost comparison of in-house versus outsource, so unless positive financial advantages are identified, the board will not be recommending to the Minister that information systems be outsourced. In addition, the board decided it would not outsource the systems development area as this is a core business activity.

**The Hon. Dean Brown:** First, I point out that what we have found with all these Government agencies is that none of them had any international benchmarking that they were applying to themselves, so they sit there saying, 'We're doing a good job', but none of them had any idea whether in fact they were doing a good job. One of the first things we will be able to do out of this is bring international standards to assess the level of competency of data processing within Government. As I stress, some of these boards thought they had been doing a marvellous job. It has been amazing what we have been able to achieve in a number of areas already in substantially reducing their costs. I do not accept these boards sitting back saying blindly to themselves that they are the ultimate judge of this. I believe that the Government needs to make sure that it applies some form of international standard to make sure they are reaching that standard. We believe that part of this exercise of bringing them under a central coordination, not necessarily ultimate control but central coordination, is an important step.

There are only about two agencies involved, and interestingly, when we started this exercise 12 months ago, some of the other agencies were making similar sorts of claims. Now they have been through the exercise, they have found that they were well off the pace in terms of world best practice: they had enormous scope for improvement. Some of them have halved their IT costs because of the sorts of standards we have been able to adopt. Some of these agencies have not even started to apply those standards; so, yes, we are responsible for all Government agencies and Cabinet has made that decision.

**Mr FOLEY:** You are saying that you have issued a Cabinet decision that, regardless of the internal cost assessments of these independent statutory authorities, ministerial direction will be applied, but these agencies are part of the EDS process?

**The Hon. Dean Brown:** No, that is not what I have just said. You keep trying to put your own words and spin on these things. What I have said is that all these agencies are to

be coordinated under OIT. The Government has issued a directive following a Cabinet decision that, unless there is a specific exemption issued by Cabinet, all Government agencies will be included, and that is right across all statutory authorities.

**Mr FOLEY:** Regardless of whether or not they are saving money?

**The Hon. Dean Brown:** At this stage we are bringing them under centralised control. We are still negotiating the contract, so you cannot say whether or not there will be any savings. That is the responsibility of Government—to make sure there are savings. At this stage we are simply directing that they are to come under the overall coordination of the Office of Information Technology and, as a result of that, a due diligence process is being carried out on it. These agencies cannot even tell you what data processing they are doing and their specific costs: that is how bad it is. For them to be sitting there saying, 'We're already very efficient in this area', shows they really have not been through the exercise.

**Mrs PENFOLD:** I refer to Estimates of Receipts and Payments, page 33, and program 1, 'Planning and policy development': does a reduction in funding for the Regional Development Task Force indicate that it is winding up its work?

**The Hon. Dean Brown:** Earlier today I indicated that the regional task force was established to coordinate the updating of the whole planning strategy for country regions, and that planning strategy is in the broadest context, using physical planning as well as economic and social planning. The deadline for this work is June 1996. We hope to have all the major regions of the State finished their plans by then. The task force has a recurrent budget of \$462 000 for the two year period of its operation, although it is currently well under that budget. In other words, we think we can do it for much less than we estimated.

I stress the point that we asked the task force not to go back and repeat all the reports that have been produced. I know of the myriad of reports prepared over a 20 year period about a whole range of issues out in these regions by various consultants and Government agencies. We want to coordinate all that information immediately and consequently develop a proper planning strategy for that region. The preparation of draft management plans for four areas is already well under way with respect to the Riverland, Kangaroo Island, Spencer region (which is the upper Spencer Gulf), and the South-East. Draft development strategies for the remaining areas of the State will be produced by December 1995. These development strategies have been used to update the country area planning strategy.

The task force is working very closely with local government, the Federal Government and the regions, many of which have their own regional economic development boards. Regional consultative groups, with key people from the development boards, industry, local government and the community, have been set up to advise the State on regional development priorities and the Federal Government on its regional development and labour market programs, because they are now bringing these labour market programs into this process as well. I would say it is the most coordinated and comprehensive approach on regional development undertaken in this State.

**The Hon. M.D. RANN:** With respect to page 19 of the Program Estimates, I refer to economic growth, Government targets and the South Australian Development Council. I note that the objectives under this line include the rebuilding and

restructuring of the State's economy. The Liberal Government's target for economic growth is 'real growth in gross State product of 4 per cent per year', to be met in the Government's first term of office. That was a quote from the Premier, when Leader of the Opposition, in his policy speech of 26 November 1993.

In the year to December 1994, covering the first full year of office of the Brown Government, South Australia fell short of this target by 4 000 per cent. Instead of 4 per cent growth we achieved a growth rate of just .1 per cent. Meanwhile, Australia was surging ahead with 5.5 per cent GDP growth, and over the first 12 months of this Government South Australia had the lowest growth rate of any jurisdiction in Australia. Even the State with the second lowest growth rate, Tasmania, sped past us on 3 per cent. The latest release from the ABS shows that our economic position has become much worse: in the year to March 1995, when the Australian economy grew at a healthy 3.8 per cent, South Australia was the only State or Territory to go backwards.

Our growth rate was a negative 1.5 per cent seasonally adjusted, and in three of the last four quarters South Australia has recorded negative growth. Three consecutive quarters of negative growth constitutes an official recession, which none of us wants to see here in South Australia. Based on the Government's own budget forecast, 3 per cent is the target in the budget for 1995-96 and the following year. Does the Premier acknowledge that the Government will not achieve its promised 4 per cent growth target over the term of this Government and, if so, what is the Government's revised growth target to be achieved in its first term of office?

#### Membership:

Mr Clarke substituted for Mr Foley.

**The Hon. Dean Brown:** First, the figures that the Leader of the Opposition used came out last Thursday. I know that the Leader of the Opposition is not an economist—

**The Hon. M.D. RANN:** Neither are you.

**The Hon. Dean Brown:** I have had a little more economic training than has the Leader of the Opposition, but I would take on the Leader of the Opposition on economics any day. I would defer to the judgment of someone like Professor Blandy, who is an acknowledged specialist in this area across the whole of Australia. It is interesting to hear Professor Blandy, Professor Cliff Walsh or Professor Judith Sloane—the three recognised authorities in this area—on those figures that came out last Thursday. The trouble is that, quite clearly, the Leader of the Opposition obviously has not even bothered to ask anyone to explain to him how those figures are derived.

The figures derive from a survey carried out by the Australian Bureau of Statistics, which then applied a corrective factor. The incredible thing is that the corrective factor took us from a fairly strong growth to a negative growth, so the figures just do not add up. I invite the Leader of the Opposition to take the opportunity to sit down with Professor Blandy to be briefed on that, because then he will realise that there is something very clearly wrong with the ABS figures, so much so that the ABS is actually coming to South Australia to look at what could be wrong with the figures. The ABS was so concerned that it rang us the previous day and said that something appeared to be wrong with its figures; it rang before it released them. That is the first time I have known the ABS to contact someone to say that something appeared to be wrong.

The corrective factor that the ABS applied took the figures from a strong positive growth to a negative growth. The ABS survey showed that there was a decline in incomes, even though there had been fairly strong growth in employment, and the ABS acknowledged that. That suggested that there was an even sharper decline in the number of people remaining in employment. That does not add up at all. A series of other figures (not ours, but ABS figures), which clearly showed that there was very strong private consumption and known Government consumption, does not agree with the GSP figures either. So, as Professor Blandy said to me, there is not an economist with any credit in Australia who can see no obvious mistake with the ABS figures. The ABS itself has said that it has grave concerns about the accuracy of its figures, and they are all about how it applied the corrective factor.

**The Hon. M.D. RANN:** I want to follow up about these gurus that the Premier mentioned: Cliff Walsh is a former adviser to Malcolm Fraser and paid by the South Australian Government; Professor Blandy is paid by the South Australian Liberal Government; and Judith Sloane was the principal adviser to John Hewson and part of his think tank on the GST, so I already know what sort of response I would get from them. The questions I asked were: does the Premier now acknowledge that the Government will not achieve its promised 4 per cent growth target; what is the Government's revised growth target to be achieved during this term of office; and in what year does the Premier expect South Australia to achieve a 4 per cent real economic growth rate? They are straight questions, and it would be nice to get a straight answer.

**The Hon. Dean Brown:** First, I do not accept at this stage that we will not achieve the 4 per cent growth rate that we are aiming at by the next election. Secondly, I point out that we all knew that the first few years in Government, when enormous structural adjustment had to take place, would be difficult. I acknowledged that in speeches when I was Leader of the Opposition and said that this was something we would need to build up to. We put down some bold targets for the first year in terms of creating jobs. We achieved them: with 12 000 extra jobs we exceeded that target. That growth in jobs is the reason the economists are saying that quite clearly there has been growth within the economy in South Australia. The figures tried to suggest otherwise, even though the ABS figures showed that there has been growth in jobs.

I would also point out that there were several major, fundamental problems with the South Australian economy when we came to Government, and I was disappointed that the previous Government, of which the Leader of the Opposition was a senior Minister, took no action at all to correct those problems. I will talk about some of those problems, which have been outlined by Access Economics in Melbourne and by the Arthur D. Little study. Despite that study being handed down in 1992, the Labor Government still sat on its hands for the next 18 months and did nothing about trying to correct the major problems identified by that study.

The first was the major structural problems with the South Australian economy and the fact that it was so heavily reliant on traditional manufacturing industry, and virtually nothing was done by the previous Government substantially to readjust the economy so that it was less reliant on manufacturing industries. This Government has moved very quickly to establish two major new industry sectors; one is in tourism and the other is in information technology and data processing. We are starting to achieve significant targets in both

those areas. We have attracted overseas money to develop tourism infrastructure, with the first international tourism project for South Australia at Wirrina; and, interestingly, that was opposed by the Leader of the Opposition and the Labor Party in this State.

The second one is Granite Island, again opposed by the Labor Party in this State. The other key area is in information technology, and I will not go through the details; I have already talked about those companies and the significant number of jobs being created in this area. But we need many more of those areas. Aquaculture is another area where we see significant potential, as is the wine industry. We have known about the growth potential: reports highlighted the extent to which exports in the wine industry could occur; but the interesting thing is that under the former Government nothing was done to ensure that we had the huge increase in plantings we needed to achieve that development. We have moved very quickly to start to achieve that, and you only need to go to areas such as McLaren Vale, Langhorne Creek, the South-East or the Riverland to see the huge new vine plantings taking place.

We encouraged a number of wine companies to set up independent vineyard trusts or companies. We facilitated the formation of those in some cases with exemption from stamp duty and, as a result, literally hundreds of millions of dollars have now been invested in new vineyards in this State. I am afraid that previously there were many lost opportunities, but we are moving very quickly to start to rectify some of those problems. The Access Economics study, which felt that there would be a 3.25 per cent growth rate in South Australia in 1995-96, highlighted several key points: to have less reliance on high tariff manufacturing industry; to develop tourism; to develop information technology-type industries; to develop service industries; to focus on exports; and to develop improved infrastructure. They are all the priorities this Government has been working on for 18 months and, interestingly, they were identified by the South Australian Development Council. It is interesting to have reaffirmed by a highly regarded economics group such as Access Economics that we are heading in exactly the right direction to achieve that sort of growth rate.

**The Hon. M.D. RANN:** I have one comment on this before going on to the next question, because a few points have been raised. One point was about the ABS somehow discounting its own figures. My staff checked with the ABS on the day, and it said that it stood by its figures. I would like to know who in the ABS said that, and perhaps the Premier could put that on record. The Premier says that he has been addressing the problem of reaching that 4 per cent total and has revised it down. Only last December, in an address to BOMA, the Premier congratulated himself on turning the SA economy around, and he said:

There's a spring in the step of business—a boost in consumer confidence—and things are looking so good we've had a huge jump in the number of people pouring back into the job market. . . I said we'd aim for 4 per cent annual employment growth—and we've actually exceeded that at 4.5 per cent—and that's ahead of a 3.9 per cent national figure. We had the worst forecasts of any State 12 months ago. Now we're out there with close to the best—and they started their recovery before us.

I would like to know where the Premier gets his figures when the ABS talks about minus 1.5 per cent growth. The Premier, who has just been boasting about his economic credentials, has been reflecting on the last year of Labor in office. The official figures then showed that the South Australian

economy grew by 3.8 per cent. So, we have all these figures. The Premier claims that now we are budgeting for 3 per cent. In December he said we had already achieved 4.5 per cent ahead of the rest of the nation. Not one economist in the country—not even his own pet economist paid by the Liberal Government—is prepared to back the figures in his BOMA speech.

**The Hon. Dean Brown:** I point out that the figures I was given were in terms of employment growth. The Leader of the Opposition seems to have some problem understanding the difference between GSP figures and employment growth figures. The 4.5 per cent was not our figure but came from the Centre for Economic Studies.

*The Hon. M.D. Rann interjecting:*

**The Hon. Dean Brown:** The Leader of the Opposition has some real problems when he cannot identify the difference between GSP and employment growth. The figures I gave in that speech were talking specifically about 4.5 per cent growth in employment. That figure came from the quarterly report of the Centre for Economic Studies. In terms of the GSP figures, Professor Dick Blandy is now here, and in a moment I will invite him in to comment on them, since he is the specialist in the area, and I certainly defer to his wiser counsel on such matters. The Leader of the Opposition said that the ABS stood by its figures. If you look at the report it put out, it in fact highly qualified them. It appears that the Leader of the Opposition has not even bothered to read the report, because it put in a number of qualifications. I invite Professor Blandy to give the Committee a more learned dissertation on the sort of fundamental problems with those State accounts that came out last Thursday.

**Professor Blandy:** The real problem with the accounts is that internally they are really quite unbelievable.

**The Hon. Dean Brown:** I am sorry to interrupt, but I wonder whether the staff of the Leader of the Opposition might like to come down into the Chamber and listen to this, because they might find it very constructive.

**The CHAIRMAN:** I do not think that would be permissible: they are in the public gallery.

**The Hon. Dean Brown:** That's good.

**Professor Blandy:** State final demand, that is, spending in South Australia, grew over the past 12 months to March 1995 by 8.5 per cent real, according to this ABS document. That is the fastest growth of any State in the country. The average for Australia was 5.8 per cent. What it is saying is that, although South Australia had the fastest rate of growth of spending and demand, production actually fell in South Australia over that year. That is just incredible. How can that possibly happen? How it happens is that there are two sides to this account: one is an expenditure side and the other an income side; and both of them by nature are supposed to equal the circular flow of income in the economy. We go from the State final demand figures, which grow at 8.5 per cent, to the gross State product figures falling by 0.8 per cent on the trend figures as a result of a balancing item that shifts from \$208 million plus to \$454 million minus. There is a swing of \$662 million adverse in those accounts, which is 9.1 per cent.

Nearly all of that is in fact statistical discrepancy; that the two sources of information that the ABS uses are not in fact capable of being reconciled within 9.1 per cent. That is why it gets a situation emerging where spending grows by 8.5 per cent and production, according to this, falls. That is unheard of. In my view, what the ABS ought to do with these figures is what it has done with the national accounts in similar

circumstances; that is, to average the methods they have that essentially add to GSP, to take the final demand and the GSP figures that they have from the income side and to average them and compute the rates of growth. When you get that you find that for last year the rate of growth of the South Australian economy was 3.8 per cent, which I regard as fairly credible.

It is an average sort of figure relative to the Australian economy. It is the sort of figure that South Australia tends to rack up in periods of relative buoyancy in the Australian economy. I believe that that is a credible picture: it is not out there in the lead with Queensland, although that is falling back, or Western Australia, but it is a fair average sort of performance relative to Australia. That it is negative is impossible to believe, in my opinion, based on the very shape of these accounts.

**The Hon. Dean Brown:** I will ask Professor Blandy to comment also on how it is based on a drop in income and about how employment has actually grown.

**Professor Blandy:** On the income side, I turn to the next page dealing with 'Gross State Product . . . Trend': in current prices, why does income not grow to meet demand? This is the problem. Wages, salaries and supplements are said to have grown in South Australia, in current prices, over the 12 months ended March by 1.7 per cent. The average for Australia is 6.8 per cent and it is hard to believe that South Australia is going to deviate by that much from the Australian average, given the nature of our wage setting arrangements and so on. We would expect South Australia to be up reasonably in the ball park and the rest of the figures range from 4 per cent (leaving the Northern Territory aside) up to 7.7 per cent.

What does this suggest? We have the 1.7 per cent figure combined with employment growth over this period in excess of 2 per cent on the ABS's own figures, yet earnings, on average, fell per employee in South Australia over this period. It may well be that some earnings for employees did fall over this period in nominal terms, although that would be unusual. For it to happen on average for all employees is extraordinary, and I do not believe that that is credible. I do not know another period in a buoyant Australian economy when that would be true.

The gross operating surplus is also low and in qualifications of the State accounts (page 10) the ABS says it believes it might have understated gross operating surplus in South Australia, and its reason is quite a technical one which perhaps I need not go into here. The ABS also believes that the deflators used for South Australia and Tasmania are unreliable. That is stated on page 10. They might be inconsistent. It is stated:

. . . [this] inconsistency is likely to be most marked for those States for which the changes in the GSP deflator differ most from the Australian average. In recent quarters, the changes in the indirect price deflators for gross State product in South Australia and Tasmania are much higher than those for other States. Accordingly the growth rates in constant price GSP for those two States may be understated in recent quarters if this type of inconsistency between the income and expenditure sides is arising in practice.

That is exactly the situation which has arisen. That gap is a 9 per cent switch to South Australia and a 3 per cent switch to Tasmania, and less than 2 per cent and heading towards zero for the other States, so there is a problem with the South Australian accounts. The Under Treasurer and I will be addressing this matter with the ABS on Thursday and we hope that some sensible reconciliation can be achieved.

**The Hon. M.D. RANN:** The Premier said before that he stood by his statement to BOMA, in which he said:

I said we'd aim for 4 per cent annual employment growth—and we've actually exceeded that at 4.5 per cent—and that's ahead of a 3.9 per cent national figure.

Professor Blandy has just said that employment growth is going at in excess of 2 per cent. Official figures show that, since the Government came to power, employment growth has been around 2.4 per cent compared with a national growth rate of over 5 per cent. While the Premier was nodding in agreement, Professor Blandy was disagreeing with the Premier's BOMA speech. Perhaps Professor Blandy, with the Premier's concurrence, can say whether there has been 4.5 per cent annual employment growth in South Australia last year or whether it was less than that.

**The Hon. Dean Brown:** I can pick up that point. The 4.5 per cent figure was picked up for one or two quarter periods and quoted in the Centre for Economic Studies' figures, which is where our figure came from. The figure that Professor Blandy has just referred to is the most recent figure over 12 months. The figure of 4.5 per cent was the figure I picked up for two quarters, I think.

**The Hon. M.D. RANN:** The Premier stated:

I said we'd aim for 4 per cent annual employment growth—and we've actually exceeded that at 4.5 per cent—and that's ahead of a 3.9 per cent national figure.

**The Hon. Dean Brown:** I said that the 4 per cent was on an annual basis and the 4.5 per cent was the figure over two quarters.

**The Hon. M.D. RANN:** I have a couple of matters that Professor Blandy or the Premier might want to comment on. I refer to retail sales figures. The rise in retail trade figures seems to be inflated artificially by an increase in poker machine revenue, with many other sectors remaining completely flat. Food, clothing and other retailing areas are up, but by far the largest rise is in hospitality and services, and inquiries of the ABS suggest that the major factor is probably the introduction of gaming machines. Can Professor Blandy or the Premier acknowledge that the inflation of retail sales figures has been affected substantially by the introduction of poker machines?

**The Hon. Dean Brown:** It is correct in the hospitality area that the figures do include poker machines. It is the net proceeds out of poker machines not the gross figure, because the gross figures keep coming back and are recycled. In terms of growth in other areas, I had the Retail Traders Association quoting a whole series of retail figures to me about two weeks ago. It was saying it was pleased with the growth in retail sales. While hospitality has had growth due to poker machines, a range of other retail industries have had strong growth rates as well and they quoted the very sectors where that was occurring.

**The Hon. M.D. RANN:** There are other figures of concern. South Australia has had the second highest increase in the number of bankruptcies in the nation and inquiries of the Insolvency and Trustee Service of Australia revealed that the increase is largely due to a rise in the level of personal bankruptcy. How does the Premier explain the fact that bankruptcy has risen in South Australia at the second highest rate in the country, a rate of increase more than four times that of the national rate. Motor vehicle registrations are down 12 per cent in the three months to April compared with the 5.6 per cent increase nationally over the same period. I would like the Premier's feedback on new motor vehicle registrations. Is he concerned? Is he concerned that dwelling starts

have fallen to their lowest level since 1983, so the housing industry is particularly flat?

**The Hon. Dean Brown:** I am glad that the Leader of the Opposition has picked out the figures for the first three months of this year. He has highlighted the enormous damage done to the Australian economy and to the South Australian economy by the huge increase in interest rates under a Federal Labor Government. It is interesting that the honourable member should pick just that three-month period. If he takes the 12-month period he will find a significant increase in car sales in South Australia. In fact, we would come off what was a—

**The Hon. M.D. RANN:** Are you not concerned?

**The Hon. Dean Brown:** I am very concerned. I have made a number of statements about the impact that the Federal Labor Government has had on interest rates in Australia and the enormous damage that is done to the housing sector, which almost hit a brick wall due to a 3.5 per cent rise in interest rates over a six-month period, and the impact that that has had on other areas of consumer spending. Why is that? It is simply because the average household in South Australia has had to put another \$150 a month into mortgage repayments because of the rise in interest payments.

If someone is putting another \$150 a month into mortgage repayments because of the policies of Mr Keating and the Federal Labor Government, naturally they will not go out, have the confidence to build a new house, or spend money on motor cars. I should hope, if he is logical, that the Leader of the Opposition would join me in strongly criticising the economic policies of Mr Keating and his Federal Government, but he has not done so. That shows the extent to which the Leader of the Opposition simply wants to play politics on the issue. If there is any single Government to blame for the drop in consumption in housing and cars in the past three months, it is the Labor Government in Canberra. That is why it is so much on the nose throughout the whole of Australia at present.

**The Hon. M.D. Rann:** What about personal bankruptcies in—

**The CHAIRMAN:** That is no way to conduct the hearing, and the Leader knows that. Such behaviour is simply posturing. The Leader gave every intimation that he had two more questions about seven questions ago. Does the Leader wish to close the line, as it is now 40 minutes overdue and that will of course shorten the duration of the remainder of the hearing. I do not wish the Chair to be criticised for not giving everyone a fair go.

**The Hon. M.D. Rann:** I have closed off the line.

**The CHAIRMAN:** Thank you. There being no further questions, I declare the examination of the votes completed.

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Commissioner for Public Employment, \$13 781 000

#### Departmental Advisers:

Mr Graham Foreman, Commissioner for Public Employment.

Jan Andrews, Director of Personnel Policy and Planning.

Tony Lock, Principal Consultant, Work Force Management.

Sherilyn Suggins, Principal Consultant, Work Force Management.

Peter Bailey, Principal Consultant, Youth Training.

Paul Della, Finance Officer.

**The CHAIRMAN:** I invite the Deputy Leader to begin the questioning on the line.

**Mr CLARKE:** With respect to the line dealing with work force management, page 32, I note that the Commissioner cites successful administration and the targeted separation scheme as a significant initiative for the 1994-95 year. We are aware of how significant the TSP scheme is. Although when in Opposition the Premier's position was not to go beyond the job cuts of 3 900 outlined in the Meeting the Challenge statement, it is now clear that 12 400 jobs will be removed from the public sector by 1997, and that is exclusive of the impact of outsourcing. In any scheme of this size one must be very careful to ensure that the public is simply not paying separation packages to people who would have retired in any event. Has the Commissioner for Public Employment done a comprehensive analysis of the effect of the large TSP scheme on the previous natural rates of attrition and departure of people from the Public Service?

**The Hon. Dean Brown:** First, the Government in its budget of last year put down overall objectives it would achieve over a three-year period. We are not going beyond that. The employment figures are given in the budget papers and we are within those limits. In fact, until now we have been slightly under our target. By the end of June we will still be slightly under our target. I cannot, off the top of my head, give the exact figures, but they are in the supplementary papers with the budget.

**Mr CLARKE:** Perhaps the Premier misunderstood my question. Has the Commissioner done an analysis of the effect of the TSP scheme on the previous natural rates of attrition and departure of people from the Public Service?

**The Hon. Dean Brown:** Is the honourable member questioning whether there has been a change—

**Mr CLARKE:** In other words, are we paying for people who would have left anyway?

**The Hon. Dean Brown:** I point out that the people who are offered a TSP are specifically targeted as people who otherwise would not be about to retire.

**Mr CLARKE:** So this analysis has been done?

**The Hon. Dean Brown:** Yes. The honourable member needs to appreciate that is why they are now very specifically targeted as TVSPs (targeted voluntary separation packages). The packages are offered in areas where there is a surplus; where a person's position, if they accept a TVSP, cannot be filled, and where the person is not about to retire. A person who has reached retirement age is not offered a TVSP.

**Mr CLARKE:** There would be a number of public servants—and past experience would show this—who would have left the Public Service in any event, not necessarily because they had reached retiring age but because they had found alternative employment, a better paid position, or whatever else. That is part and parcel of the attrition rate. I am concerned whether any analysis has been done indicating that the offering of a TSP has affected what would have been a natural attrition in any event. In other words, are we paying out and putting a bag of gold in the hands, so to speak, of people who would have left the service in any event because they were looking for other employment, setting up their own business, wanted to move on, or whatever? Have any studies been done on that?

**The Hon. Dean Brown:** I would suggest that the honourable member look at the annual report of the Commissioner when it is brought down because he provides a lot of

statistical information, including details of the attrition rate; his report last year did the same. The attrition rate is down at any rate; it always tends to be down during periods of higher levels of unemployment. For a couple of years now the attrition rate has been down as a consequence of that. In other words, people are less mobile in periods of higher unemployment.

**Mr CLARKE:** It would seem, from what the Premier has said, that no study has been done by the Commissioner as to whether or not we are paying for people who would have left through natural attrition. With respect to work force management services, at page 26 of the Program Estimates, under 'Recurrent expenditure', there is an estimated expenditure for 1994-95, in round figures, of \$3.5 million; the estimated expenditure for 1995-96 is \$4.35 million; looking across the line, under 'Average of full-time equivalents', there is a reduction of 46 to 31.6 full-time equivalents.

How can there be such a significant increase in wages given the significant reduction in the number of full-time equivalent employees? Those who are left presumably are sharing that \$4.35 million and have done very well, and some have done exceedingly well, in terms of wages and conditions. Can the Premier explain how we have had such a significant increase in wages when there has been such a significant reduction in full-time equivalent employees?

**The Hon. Dean Brown:** A number of factors need to be considered. First, this area includes redeployed people. In other words, it includes the unattached list within Government, and there is an increased allocation for that. Also, there has been no provision for increases in executive salaries elsewhere in the budget, and this is the area from which it would come. Some provision has been made in here for any wage increases in executive salaries—not just in the department but across the whole of Government—whereas for non-executive salaries specific provision has been made for the \$15 a week, which has been fully supplemented under the budget right across the whole of Government.

**Mr CLARKE:** That still does not reconcile the fact that there has been in effect a reduction of almost 15 full-time equivalent employees under this program, yet there is still a significant increase in wages. If we have a number of redeployees attached to work force management services there must be a lot of very expensive fifth wheels flying around for there to be such a high salary component, given the significant reduction in the number of full-time equivalent employees.

**The Hon. Dean Brown:** There has been a reduction in the program within the department. Under the line 'Work force management services', the number of full-time equivalents has certainly reduced from 46 to 31.6. In fact, the revised figure for 1994-95 turned out to be 35: it has decreased from 35.5 to 31.6. In some areas programs have been reduced and in other areas people have been redeployed to other parts of the department. The increase from \$3.5 million to \$4.3 million includes more than just salaries: it includes people on the redeployment list, which is not included in your head count; it includes the unattached list, which is not included in your head count; and it includes the additional executive salaries, which is equally not included in your head count.

There are three components: money paid for staff within the department; money to pay for people on the unattached list; and on top of that money to pay for any increase in salary for the executive level of Government right across the whole of Government, which has not been included anywhere else.

**Mr CLARKE:** I now understand the Premier in that the \$4.3 million does not necessarily represent the 31.6 people—more people than that are on the unattached list. Where are they in terms of the estimates of the number of employees in your department?

**The Hon. Dean Brown:** The 31.6 is simply the people who work in this area within this department.

**Mr CLARKE:** But they have been allocated \$4.35 million?

**The Hon. Dean Brown:** We are talking about programs; you have to understand how programs are worked out. These people are working in this program and are managing these areas of Government but the money attached to the program covers all areas of the program including the unattached list. Simply put, there are seven unattached people who relate specifically to this department within that 31.6, but where there are unattached people in other Government departments who are managed by these people they are in the head count of the other Government departments in each respective department.

**Mr CLARKE:** But the cost is put against this program?

**Mr Foreman:** Under this line salaries are provided for the staff of our office who work in a work force management services team. In addition, there is funding provision for redeployees and for unattached officers. Redeployees and unattached are largely redeployed to or have been assigned to tasks in other agencies. Some work in our agency and are assigned to particular work. There are seven in that 31 who are assigned in our agency. The remainder of the unattached and redeployees are against funded positions or are assigned to other agencies and are in their work force numbers.

The fluctuation or increase in the overall provision for the salaries against this line reflects a reduction in the provision for people working in that team in our agency—a small reduction in the overall provision for both redeployees and unattached. A provision is included for executive salary increases that might occur across the whole of the Public Service, because it is a contingency item and is held with these other contingency funds. The redeployee and unattached funds are, in a sense, a contingency fund. At any stage people can come into that funding area. It is a contingency fund, and that is the explanation for that variation.

**Mr CLARKE:** I would not expect the Premier to have it available now but if he could take it on notice I would like a list of the names of the people on the unattached list together with their salaries and conditions that are associated with that line.

**The Hon. Dean Brown:** I do not think it is fair to put out a list of those on unattached lists. It is a gross infringement of an individual's privacy to be hanging them out to dry publicly. We are able to give the total numbers, if that is what you are about, and I am willing to do that.

**Mr Foreman:** There is the thought that perhaps the unattached are people who are surplus to requirements. The unattached list is not used only for that purpose: it is a facility because under the Government Management and Employment Act people are assigned to positions. If a person works somewhere else (for example, in the Commonwealth or in a private company on secondment) there is a need to backfill their job. Those people are placed on the unattached list and then go on leave without pay. On the unattached list you can have people on leave without pay, people who have come out of their position to do a particular job or undertake a special project, etc., or people who may be in a career transition situation. At the moment there is a total of about 44 people

on the unattached list, but there are people in a whole range of situations.

**Mrs HALL:** I refer to page 34 of the Program Estimates under the heading, '1995-96 Specific Targets/Objectives' where it states:

Develop a revised remuneration policy and procedures for chief executives and executives based on total employment cost with provision for performance pay.

Will the Premier provide information on how many CEOs have signed performance based contracts? In which departments have CEOs not yet signed performance based contracts and for what reasons has this not yet taken place in some departments?

**The Hon. Dean Brown:** There are four chief executive officers in Government departments and two in other Government agencies who have performance components in their salary. The departments involved include the Department of Premier and Cabinet, the Department of Family and Community Services, the Department of Housing and Urban Development and the Health Commission. The two agencies involved are SAFA and the MFP. The MFP chief executive, who was appointed under the former Government, has a performance component in his salary which has been previously revealed publicly of \$70 000. Most of the performance components under this Government are somewhere between \$5 000 and \$10 000 (and there are two above that), but the highest is \$25 000.

**Mrs HALL:** Will the Premier outline how many CEOs have received bonus payments?

**The Hon. Dean Brown:** I will refer to the procedure. We decided that, rather than leave this up to individual Ministers in the case of a CEO, it was best to do this on a combined basis across Government. Therefore, Cabinet decided to appoint a specialist group to look at what should be paid to any executive officer on performance pay. A standard procedure was agreed by the Cabinet. The committee comprises the Commissioner and two outside people. One is Mr Tom Sheridan, a former Auditor-General and Deputy Under Treasurer of this State, and the other is Mr Fraser Ainsworth, director of a company called Potential Energy and former Chief Executive Officer of the South Australian Gas Company. That committee of three carries out its own independent assessment of the performance of any executive officer who is on performance pay and then decides what that level should be for the 12-month period. The final report has not yet come through so I cannot answer that question. When it does, I will answer that question. I expect the final report in August or September.

**Mrs HALL:** Is it possible to provide information to the Committee about the criteria used for assessing the achievements for which performance payments were made?

**The Hon. Dean Brown:** Yes, I am happy to do that. It will be in a general sense, because the criteria are different for each of the people concerned. It depends on their performance on their contract of employment and, therefore, on what basis a performance payment may be made.

**Mr Foreman:** Generally, three areas would be dealt with in a performance agreement. The first would be the corporate goals of the Government, the second would be the agency specific goals and the third would be the area of the relationship between the chief executive officer and the Minister. Each chief executive's performance agreement would cover those areas, but they would be different, depending on the tasks and objectives for that agency. In looking at a performance agreement, weightings would be applied to those

different areas in different proportions, again depending on the situation of the agency at the time.

**The Hon. Dean Brown:** There is one area where there is some uncertainty, and that relates to the CEO of the MFP regarding responsibility. That may be dealt with slightly differently from the way that I outlined it to the Committee. All the other areas are dealt with by the committee that I outlined.

**Mr CLARKE:** I refer to page 34 of the Program Estimates. Under specific targets and objectives for 1995-96, it refers to developing a revised remuneration policy, to which reference has already been made. What in the remuneration policy is to be revised? Does it mean that the Commissioner for Public Employment intends to expand the use of performance paid provisions and bonuses?

**Mr Foreman:** There are quite a number of areas in executive and chief executive remuneration that Cabinet would want to consider, and the Premier made a statement about it to the House last year. The Public Sector Management Act dealt with contract employment for executives and chief executives. The first thing is the concept of total employment cost in packaging chief executive and executive remuneration. That is the concept of including in the remuneration all the costs associated with the employment of that executive, which would include, in particular, salary, motor vehicle, superannuation and performance pay where that is payable. That would provide much greater transparency regarding the cost of executive salaries.

The second item relates to contracts and what remuneration differences there may be for somebody who would be employed without tenure compared with someone who might have tenure. The third issue is the relative levels of remuneration for executives, particularly those in our Public Service who have not been employed on a contract over the past two years, and the relativities of the remuneration in those cases compared with other States. Executive pay in our public sector at the moment has fallen behind that of the Public Services of all other States and Territories with very few exceptions in terms of points on the different scales, so there is an issue to be looked at in terms of the relative levels of remuneration for executives. Some consulting work has been done to assist in considering that matter, and there would be issues for Cabinet to consider.

**The Hon. Dean Brown:** As we have made this move across to total package, people need to be very careful in trying to make comparisons between salaries now and where they might have been two years ago. Apart from where there has been a new appointee, there has been no movement in salaries in that period. Looking at the total package, it can be seen that they are quite different. When we came to Government, the so-called package had a car costed in at \$750. That is totally unrealistic in terms of giving a CEO a car and saying it is costing only \$750 for the year. In fact, most cars are put into the package at a cost of between \$8 000 and \$10 000, which is the true cost of operating a car. We base it on the actual operating costs that we are able to take out.

The packages might appear to be higher, but there has been no change in dollars taken home by the person concerned. We are now making a realistic assessment of the total cost. We also include the full cost of superannuation, which I think previously had been taken on a much lower basis. Therefore, at present we are being very realistic. Another point to be noted is that there has been no shift in executive salaries in South Australia in most areas since 1991. I point

out that there has been no change and therefore a review is going on at present.

**Mr CLARKE:** By way of supplementary question, I draw attention to the second part of the question. With these remuneration policies being revised, will there be an expansion of the user performance pay provisions and bonuses? I refer also to the issue raised by the Commissioner in respect of the falling behind of wage levels in the State Public Service. As a former trade union official, comparative wage justice is a doctrine which is near and dear to my heart. It was never accepted, I might add, by many employers. Is the State Government happy with comparative wage justice as a doctrine for CEOs and certain selected people compared with wages that might be paid in the private sector or in other Government departments, either Federal or State, given that at the same time this Government is arguing that we should ignore the doctrine of comparative wage justice with respect to teachers, police officers and the rest of the Public Service? In other words, if you are going to ignore the doctrine of comparative wage justice for the bulk of your work force, you had better be consistent and apply the same principles across the board.

**The Hon. Dean Brown:** I am getting some fairly confused messages from the Labor Opposition. I have the former Treasurer and member for Giles saying that—

**The CHAIRMAN:** The member for Giles is not a member of the Committee.

**The Hon. Dean Brown:** Well, he is sitting in the front seat, and he has been passing comment for the past 10 minutes. When I said that there had been no increase in executive salaries for the past four years, he said that they should not get one again. There is one message that there should be no adjustment at all, and then his colleague sitting alongside him talks about comparative wage justice. When you talk about comparative wage justice, are you talking on a national level or a State level?

**Mr CLARKE:** For the information of the Premier, I was seeking clarification. In answer to an earlier question, the Commissioner for Public Employment referred more particularly to the senior levels of the Public Service having fallen behind comparable State and Federal Public Services. Comparative wage justice is to apply at that level in the Public Service—that is, comparing salary packages with interstate colleagues in other Public Services or, in particular, with the private sector—yet at the same time this Government is saying to its teachers, police officers and other public servants that the doctrine of comparative wage justice is dead. If it is dead for the bulk of your work force, it ought to be dead at the top of the tree; or, if CWJ is accepted at the top of the tree, it has to apply consistently across the board. Which is it to be?

**The Hon. Dean Brown:** I point out that the Government has a policy whereby we believe that South Australia is a low cost State. We want to keep it as a low cost State. In fact, we want to increase the margin in terms of the cost structure within this State. We have held down taxes to do that. South Australia's per capita tax differential, to which I referred earlier when you were not here, is now between 20 per cent and 30 per cent compared with Victoria and New South Wales. Therefore, to suggest that South Australia's salaries should be on par with the other States is ridiculous. We do not accept that at all. We believe that there should be a differential which takes account of the lower cost structure in South Australia. In fact, that is reflected right across the



board in all our salary structures, whether it is at the lower levels of the spectrum or the higher levels.

The Commissioner has confirmed that there is now a very significant differential between the salaries at the higher level paid in South Australia compared with other States of Australia. We have applied the same principle to members of Parliament where the differential between a Federal member and a State member in this State will be widened. We have frozen it for a year, and we will widen the differential that would apply by 100 per cent.

**Mr CLARKE:** By way of supplement to what the Premier has stated, and this may not bring a lot of joy to the people surrounding him, do I then take it that we will not be seeing him in the Parliament over the next 12 months announcing packages for CEOs or other senior executive service people and stating that certain salaries and conditions as a total have to be paid to these people to bring them on par with the private sector or other public services?

**The Hon. Dean Brown:** That is right. We are maintaining a total salary package for all our employees at below what you would find in most, if not all, other States of Australia. We may be on par with some positions in a State like Tasmania, but I can assure the honourable member that our objective is not to offer the same salary for equivalent positions in New South Wales, Victoria or Queensland. That equally applies at the lower level. If the honourable member is willing to accept that at the higher levels, no doubt he will go out and canvass amongst his union membership to make sure that the same principle applies at the lower levels. I am delighted that he has accepted that principle in the Committee this afternoon.

**Mr CONDOUS:** With respect to training and development services, at page 36, will the Premier say how many young people have now received employment under the Government Youth Training Scheme?

**The Hon. Dean Brown:** The Government Youth Training Scheme was commenced in November 1992. Between November 1992 and December 1993, a 13 month period, 460 young people commenced training under the program. Between December 1993 and the end of this financial year, which is an 18 month period, 1 531 South Australians entered the scheme, so there was a significant increase under this Government. We believe that the training of young South Australians in the public sector is a very important role for the Government. We find a high level of employability amongst these people once their 12 month training period has been completed.

Of the 1 531 participants, 37 per cent have been males and 63 per cent females. There have been 67 Aboriginal trainees. A total of 68 per cent of the trainees have gained employment, in either the public sector or the private sector, after completion of their training. The proposed intake for 1995-96 is up to 600 trainees, with the final numbers subject to contract negotiations with the Commonwealth department DEET.

*[Sitting suspended from 6 to 7.30 p.m.]*

**Mr CLARKE:** Regarding the number of people currently enjoying provision for performance pay within the public sector, would there still be just the six people to whom you referred earlier, namely, the four heads of Government departments and two agencies, namely SAFA and the MFP, or do other people in the State Public Service enjoy performance pay and, if so, what conditions apply with respect to

their eligibility to receive a bonus? Will the Premier provide a full schedule of the positions to which performance pay applies?

**The Hon. Dean Brown:** First, I must correct the answer I gave earlier, because we found that another CEO, who is the new CEO of Mines and Energy, is on a performance contract as well. It does not alter the amounts; it is a relatively small component. There are 13 in total at the executive level of Government, including those chief executive officers I talked about earlier. There are the four chief executive officers I mentioned, but there are others outside that who are on some sort of performance pay. The highest of those extra payments is \$10 000.

The honourable member has asked a question about performance pay in general. The levels of performance pay are much less than those paid by the previous Government. As examples of performance pay under the previous Government, the CEO of the MFP received up to \$70 000 a year, and people within the bank were on unlimited performance pay and therefore were walking home with up to \$1 million. These were the money market people, who were gambling with your money and my money, who were paid if they succeeded but who still got their full pay even if they failed, and they were playing with literally billions of dollars.

I am glad the former Treasurer has left, because how that practice was allowed to continue until we came into government absolutely amazed me. It would appear that the former Labor Government learnt nothing from the crash of the State Bank but was willing to go back through the whole dangerous exercise once again. What we are talking about here is entirely different from the practice adopted by the previous Government, where huge mega-buck performance payments were made. We are dealing with a very small component—a maximum of \$10 000 for those outside the executive salary and generally about \$10 000 to \$15 000 for the others within it. You can see that the number—13 people—across the entire public sector of close to 100 000 people is very small. I add that one trading enterprise might not be included in our list of Government trading enterprises. I think that is the CEO of ETSA, but I am not absolutely certain of that, off the top of my head.

**Mr CLARKE:** The Premier may take this on notice if he likes. Will he provide us with a full schedule of the positions to which performance pay may apply and the conditions under which these individuals are eligible to receive a bonus?

**The Hon. Dean Brown:** We will obtain that. We have partly answered that question. We have outlined the three categories and I have also outlined the procedure under which performance pay is determined, and it is up to that committee of three to determine what level of performance pay they should receive, if any.

**Mr CLARKE:** Will the Premier provide a schedule of the number of persons employed in the public sector at EL1 level or above compared with the position in 1993-94, and will he detail any changes since June 1994 in the number and total remuneration of staff within the State public sector of EL1 level or above? I do not expect him to have that information at his fingertips.

**The Hon. Dean Brown:** We will obtain the details on the numbers. They are apparently less, but I will obtain the exact numbers for the honourable member. In terms of actual salaries, for the very reasons that I was talking about before the dinner break, because we now assess them on a total cost basis in terms of salary package, you just cannot do a comparison between the two levels, because the basis on

which we now determine salaries is entirely different from the basis prior to January last year. It would be unfair to make that comparison. However, for those in the same position as they were in previously, there has been no salary movement whatsoever over the past three or four years.

**Mr CLARKE:** As a supplementary question, what the Premier is saying is that there has been no change in the base salary level for those persons and, in so far as the costing of the various components such as a motor vehicle is concerned, the Government has now in its view upgraded that cost to a figure of \$8 000 to \$10 000 versus a former figure of some \$750 or thereabouts. I appreciate that we may not be exactly comparing apples with apples, but can he say, for those positions in the EL level and above, that these are the positions, these are the salaries, a car applies or whatever superannuation package may apply? I appreciate the fact that he may say that these days we calculate a car as being worth between \$8 000 and \$10 000 per annum rather than \$750.

**The Hon. Dean Brown:** I am not prepared to put up apples and pears as a comparison; it is unfair to do so. I am prepared to give the levels EL1, EL2, EL3, etc, now compared with previously.

**Mr CLARKE:** I appreciate what the Premier is saying, but when he was in opposition he did not mind comparing apples with pears. All I am seeking is for him to say that these are the positions that are EL1 and above; these are the salaries today as compared with the previous financial year—the Premier has had two of his Government's budgets; we are not mixing with the previous Government—and their package is a car valued at X dollars, superannuation valued at X dollars and whatever else may be attached to the package.

**The Hon. Dean Brown:** The honourable member just has to accept the fact as stated by the Commissioner that for those in the same position as they were previously there has been no change in salary.

**Mr CLARKE:** The Opposition does not accept that; I am sorry, I am not disputing—

**The Hon. Dean Brown:** You have just accused the Commissioner and me of lying to the Committee.

*Members interjecting:*

**The CHAIRMAN:** I thank the Premier and the Deputy Leader. The Chair is capable of making its own interpretation. It is unquestioned that, if the honourable member wishes to challenge the correctness of the Premier's figures—in other words he said, 'I don't believe you'—then obviously he is calling the Premier a liar. There are only two ways of looking at it: mine and yours. I think mine is right.

**Mr CLARKE:** I wish to make it clear that I am not accusing the Premier or the Commissioner for Public Employment of lying. I am simply saying that they ought to be capable of producing to this Parliament a list of EL1 positions and above showing salaries, the value of salary package components compared with their value in 1994, making a notation pointing out that the Government says, 'We have valued a certain component of this package differently from how the previous Government valued it', or stating that it is different from previous practice, and to note it as it would be noted on an audited balance sheet. I am not asking for something extraordinary.

**The Hon. Dean Brown:** I am willing to give the sort of information detailing the position of an EL1 three years ago and the position today and the position of an EL2 three years ago and where they are today.

**Mr CLARKE:** Thank you. If the Premier provides that information it will be of some assistance to us. I note that the

Commissioner intends to develop a framework and guidelines for filling executive positions in line with the Public Sector Management Act. Can the Commissioner advise the total cost for the current financial year of the use of external consultants and head hunters to fill these positions?

**The Hon. Dean Brown:** We do not have the figures here, but we are willing to supply that information.

**Mr CLARKE:** I refer to page 26 of the Financial Papers No. 1. With regard to special projects, in 1994 the estimate was \$1.2 million in recurrent expenditure and there is an estimate for 1995-96 of \$3.4 million. There is an increase in full-time equivalent employment positions from six to 11. How is it that, with less than a two-fold increase in the number of employees, wage costs go up by 183 per cent or thereabouts, and that, even when one factors into the equation the potential wage increases for 1995-96, there seems to be a large increase in recurrent costs? Basically, who is the beneficiary of the extra lolly?

**The Hon. Dean Brown:** It is part of the standardisation of software across Government. I do not think that the honourable member was here when I pointed out the myriad of software packages across Government agencies. It was costing us a fortune. It was amazing to see how many different agencies—in fact, in some cases even within one agency—had different software packages for human resources. This is all about standardising on concept through human resource management within the public sector. We have here the cost of adopting that across the whole of Government.

**Mr CLARKE:** I am referring to page 26 of Financial Information Paper No. 1.

**The Hon. Dean Brown:** You are talking about an increase from \$1.2 million to \$3.4 million?

**Mr CLARKE:** Yes, while there has been an increase of five full-time equivalent staff.

**The Hon. Dean Brown:** It is the sum of what I am talking about. That represents the standardisation of software for human resource management across Government. Out of that, significant savings will be derived for Government. There is a component, and part of it is software costs and consultants' costs in adopting that concept package, but out of it there is ultimately a very significant saving to Government. We are doing that in a number of areas: financial management, asset management and word processing. We have picked out about four areas of Government and are trying to standardise the basic software for those key areas of Government.

**Mr CLARKE:** Is the recurrent expenditure of \$3.4 million wholly attributed to the 11 full-time equivalent staff?

**The Hon. Dean Brown:** No.

**Mr CLARKE:** That includes pools from other agencies?

**The Hon. Dean Brown:** That includes software and some consultants.

**Mr CLARKE:** What consultants' fees are included in that \$3.4 million?

**The Hon. Dean Brown:** Apparently, the wages component of standardising on concept is about \$533 000. The \$2.8 million is the administrative and equipment expenses and anything else—software expenses—to put that package in place, and any consultants that are used as well are in that \$2.8 million.

**Mr CLARKE:** Out of that \$2.8 million how much goes to consultants, and who are they?

**The Hon. Dean Brown:** I would have to take that question on notice, but we are adopting this standardisation

across Government only because there will be huge savings. We are buying software much more cheaply. We will be able to buy our hardware much more cheaply because we are now standardised on a certain type. It will be Windows, IBM-compatible 486. Instead of buying from retailers around Adelaide, we will be able to buy from companies here on a wholesale, manufacturer or importer basis. We are already starting to realise the potential savings and see the benefit. As I said earlier, as a result of what we have done we have started to slash, in a very significant way, the cost of IT within Government.

**Mr CLARKE:** With respect to consulting and support services at page 27 of the Program Estimates, there has been an increase of \$400 000 in the estimate for 1995-96 compared with 1994-95, and there has been an increase of 3.8 in the number of full-time equivalent staff. On a simple mathematical equation that is an extra \$100 000 a pop. Could the Premier identify the positions, salaries and conditions attached to those extra positions that would warrant, on the surface, significant salary costs for those additional 3.8 positions?

**The Hon. Dean Brown:** It is a reallocation. I mentioned before the dinner adjournment that there had been a reduction in some lines within that program, and this is one of the areas to which staff have been reallocated. It is more a reallocation within total programs, but all within the one department.

**Mr CLARKE:** I take into account what the Premier said about the office itself having some pluses and minuses, but at page 25 of the same document the Resources Summary shows that there has been an increase in recurrent expenditure of some \$737 000 and a decrease in overall terms for the unit concerned of 9.6 full-time equivalents. That seems somewhat incongruous given the financial stringency.

**The Hon. Dean Brown:** As I understand it, you are saying, 'Look, the money has gone from \$18.9 million to \$19.8 million and the people have gone from 88.5 to 87.5.'

**Mr CLARKE:** I was looking at the estimates which show 99.7 full-time equivalents as at 30 June falling to 86.6, or 97.1 average full-time equivalents falling to 87.5. Whichever way you look at it, it is a reduction of staff numbers.

**The Hon. Dean Brown:** You cannot go on estimates; the revised figure is the accurate figure, and the reduction is from 89 to 86 full-time equivalents as at 30 June. There has been an adjustment up, and that would pick up two areas: variations in the unattached list, and the provision for executive salary rises right across the whole of Government, which was not allowed for in the money allocated to the agencies, whereas the money for non-executive wage increases has been allocated out to the agencies. The reason is that we have not made any determination yet on increases in salaries for executives, whereas we have determined what we are willing to pay from the budget for other salaries, and that has been allocated already.

**Mr CLARKE:** I gather from your answer prior to the dinner break that, in terms of the salary increases for executives, it may not be out of kilter with that which the Government has offered the rest of its employees or, for want of a better word, 'award' employees.

**The Hon. Dean Brown:** No determination has been made yet.

**Mr CLARKE:** So it could still be nothing.

**The Hon. Dean Brown:** I am just saying that there has been no determination. This is not a game of hypothetical: it is questions about the budget.

**Mr CLARKE:** I refer to the youth training and employment strategy at page 36 of the Estimates of Receipts and Payments. On the figures most favourable to the Government's record, South Australia's rate of job growth since the 1993 State election is less than half of Australia taken as a whole. Will the Premier explain the 23.2 per cent cut in funding for the youth training and employment strategy? Given that youth unemployment is still around 30 per cent, does the Premier acknowledge that this is not the time to cut this program?

**The Hon. Dean Brown:** I gave those figures earlier. I am not quite sure why the honourable member did not listen then, but I will provide them again. I pointed out that, in the 13 months under the previous Government when unemployment was considerably higher than it is now, 460 young people received training within the public sector under this line. In the first 18 months under this Government we put through 1 531—a considerable increase of more than 100 per cent. It is a monthly increase of about 130 per cent compared to the last 12 months of the previous Government. Under this program for 1995-96 we are proposing to put through about 600, and that in itself still represents an increase of something like 24 per cent compared to the last 12 months of the previous Government. I point out that unemployment was higher then than it is now. I am not quite sure what point the honourable member is making. Did the previous Government do a lousy job in that area? Is that the point?

**Mr CLARKE:** I am simply saying that while you have been Premier you have cut the funding for youth training by 23 per cent at a time when youth unemployment is still 30 per cent.

**The Hon. Dean Brown:** That is not true at all. If you compare that to the last year under the Labor Government the allocation has been increased, as I said, by about 25 per cent.

**Mr CLARKE:** That is not what appears in the papers.

**The Hon. Dean Brown:** You are comparing one year under a Liberal Government with the next year under a Liberal Government. I am saying that, if you compare the last year under the Labor Government with this coming year under us, we are paying for an extra 25 per cent.

**Mr CLARKE:** How many years do you want to go back? Do you want to go back to Tom Playford's day? We are talking about your two budgets. You are the ones responsible; stop blaming others. You have cut it by 23 per cent when youth unemployment is still 30 per cent. That is the reality of it; you cannot dodge it. You are the one in charge.

**The Hon. Dean Brown:** I point out that we have increased the funding by 25 per cent compared to when the Labor Party was last in Government. That is the comparable figure. If you like we will take the—

**Mr CLARKE:** That is a nonsensical answer. We are looking at your two budgets: your budget last year and your budget this year.

**The Hon. Dean Brown:** I realise that my answer is very embarrassing indeed for the honourable member, because we have increased the level of funding for youth training even though youth unemployment has come down quite considerably in the period that we have been in Government.

**Mr CLARKE:** My last question at this stage, unless the Premier provokes me—

**Mr Condous:** That is about seven.

**Mr CLARKE:** Well, if the member wants to butt in, by all means he should do so. Will the Premier advise the

Committee of the average age of people employed under the youth training and employment strategy?

**The Hon. Dean Brown:** The average age would be about 20 or 21.

**Mr CLARKE:** Youth unemployment is defined as between 15 and 19 years.

**The Hon. Dean Brown:** I am not sure; is the honourable member trying to claim he is youthful?

**Mr CLARKE:** I am simply pointing out that you are saying that the average age of participants under the youth training and employment strategy is 21 years, yet the definition for youth unemployment is 15 to 19 years of age. Are we comparing apples with pears once again?

**The Hon. Dean Brown:** The member needs to appreciate that the guidelines are set down by the Federal Labor Government.

**Mr CLARKE:** These are the definitions that you apply in the sense that under the youth training and employment strategy—to claim the reduction in youth unemployment as you have claimed—the average age is 21 years, yet the definition for youth unemployment is 15 to 19 years. You are comparing apples with pears again.

**The Hon. Dean Brown:** There are two programs here.

**The CHAIRMAN:** I must interrupt, Premier. There was a sort of tacit agreement between the Opposition and Government benches, to which I draw everyone's attention, that the Deputy Leader would take about a quarter of an hour to finish off his line. He has taken advantage of the fact that the Government benches have asked no questions to carry on for half an hour in what has virtually been a conversation between himself and the Premier. The Chair has been extremely tolerant. The member has on occasion been rude and he has certainly been quite rude towards the Chair. If the honourable member wishes to be difficult, he can address everything through the Chair and completely forget the dialogue between himself and the Premier. I advise other members of the Committee that the Chair has no objection to this session carrying on until 10 o'clock, as it should. The Chair is here for that purpose.

**Mr CLARKE:** Mr Chairman, I will simply say that that is my last question. It was my intention to finish within the 15 minutes, but I do not dictate the length of the Premier's answers or the types of answers he gives which may elicit further supplementary questions. This is my last question, and that is it.

**The CHAIRMAN:** Thank you.

*Mr Clarke interjecting:*

**The CHAIRMAN:** That in itself is sheer defiance of the Chair. I would also make that comment to the member for Giles with his manual gestures.

*The Hon. Frank Blevins interjecting:*

**The CHAIRMAN:** I am quite aware of what the member did and I have no intention of repeating it for the benefit of anyone.

**The Hon. Frank Blevins:** What's wrong with that? Let's get on with it. That is all I am saying.

**The CHAIRMAN:** The Deputy Leader.

**Mr CLARKE:** That is my last question.

**The Hon. Dean Brown:** There are two specific Federal Government programs here, and the guidelines are laid down by the Federal Government. One is the Job Skills program. The minimum age for that program is 21 years. The Government has set an upper age limit of 24 years of age; they must have been unemployed for at least 12 months; there is a fixed training wage relevant to all occupants of \$300 per week; and

the participants train for 26 weeks, including six weeks off-the-job training and 20 weeks on-the-job work experience. It is a Commonwealth funded program. The South Australian Government, through the department that we have been talking about, tenders for and negotiates with the Commonwealth Department of Employment, Education and Training for a contract to place specific numbers of trainees. The cost to the agencies would average about \$1 000, and that is met from their approved budget allocations.

The other program is the Career Starts traineeship. Each traineeship is managed by the Industrial and Commercial Training Commission. It is for people between the ages of 15 and 20, and the age range was determined by the South Australian Government. The traineeship extends for 12 months. Some 25 per cent of the time is off-the-job training and 75 per cent, of course, is on-the-job training. They receive 75 per cent of the relevant award. Initially it was approximately 70 per cent funded by the Commonwealth, but since July 1994 it has been approximately 30 per cent funded by the Commonwealth and 70 per cent by the State. The cost to the agencies averages about \$2 500, which is met by the approved budget allocations.

So, this is one program into which the State Government is putting its money. The Job Skills program is almost totally funded by the Federal Government, whereas the Careers Starts traineeships, in the 15 to 20 years age group, are 70 per cent funded by the State Government, so it does deal with youth unemployment.

**The CHAIRMAN:** There being no further questions, I declare the examination of the vote completed.

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Auditor-General's, \$7 868 000.

#### **Membership:**

Mr Foley substituted for Mr Clarke.

The Hon. Frank Blevins substituted for Mr Atkinson.

#### **Departmental Advisers:**

Mr Ken MacPherson, Auditor-General.

Mr Kevin Bockmann, Deputy Auditor-General.

Ms Julie Blanch, Manager, Administration, Auditor-General's Department.

**The CHAIRMAN:** I declare the proposed payments open for examination.

**Mr FOLEY:** In last year's Auditor-General's Report, reference was made to critical issues that needed to be addressed in large scale outsourcing, such as the absence of competitive disciplines upon the private provider and the dangers of being locked into a single private vendor in an industry with high rates of technological change. I would be interested to hear what steps are being implemented at this stage in respect of the Auditor-General's brief in the area of the major outsourcing with respect to IT and EWS in particular.

**The Hon. Dean Brown:** As I indicated earlier when we were talking about the outsourcing of information technology, I asked to meet with the Auditor-General very early in the process, I think about April last year. I asked him to make sure that he was abreast of the procedure that we were going through and, if at any stage he had concerns, as Auditor-

General I asked him to report those concerns directly to me so they were in no way lost. Members need to appreciate this was a request from me to the Auditor-General. The Auditor-General is entirely independent of the Premier and the Government and can determine his own procedures, but the Auditor-General, from my understanding, took a significant interest in the process and certainly on one occasion asked that the process be slowed down, to which the Government immediately responded. Therefore, the Auditor-General quite naturally has been free to carry out whatever investigations he so desires.

**Mr MacPherson:** We have been monitoring the developments with respect to the EDS issue. We have not been involved with respect to the negotiation of the contractual terms but, with respect to the settlement of the contract terms, we have requested that there be appropriate arrangements to ensure there is accountability and auditability. I have no reason to believe that those issues will not be pursued.

**Mr FOLEY:** I take it that, given the concerns expressed in last year's Auditor-General's Report about the more significant issues of large scale outsourcing, you are then of the view that the Government is putting in place sufficient monitoring and accountability procedures to ensure that there are the appropriate checks and balances?

**Mr MacPherson:** At this stage the process is still fluid and we will be monitoring the outcome of the contract negotiations. I do not believe it is appropriate for my office to be involved in the 'process', because that would put us in the position of being involved in the executive decision making procedures, and I do not believe that is appropriate for my office, having regard to its direct accountability to the Parliament. Having regard to all that, I have no reason to believe that appropriate processes have not been followed, and I understand from my officers that at this time there is no basis for concern.

**Mr FOLEY:** I see a Government changing from managing functions to administering contracts, becoming a Government of contract administration in a lot of key areas of Government. Perhaps this is a broader question than simply the EDS issue, taking into account the EWS situation and other areas of Government which the Leader may touch on. How does that change the role of the Auditor-General and how does the Auditor-General perceive his or her role in adjusting to that? It is a fundamental change to the way the Government does business and I would be interested to know what adjustments are necessary from the Auditor-General's point of view.

**The Hon. Dean Brown:** I think it is wrong to be saying that the Government is changing its whole focus from managing functions simply to managing contracts. Collectively, right across the whole of Government, outsourcing would represent a drop in the bucket.

*Mr Foley interjecting:*

**The Hon. Dean Brown:** I point out that it is a drop in the bucket even if you look at the two areas where we have identified that we are doing that—one is data processing and the other is the management of the metropolitan water and sewerage services. It represents a small fraction of total Government. So, the Government is not fundamentally changing but, in some key areas where we believe there are cost benefits, then certainly we are contracting out. I point out that it is more than administering a contract. Certainly there is the contract, but it is equally important to assess that we are managing the outcomes. I think it is fair to say that we are concentrating on the outcomes—the quality of the delivery

of service and the cost for which that service is delivered—and the individual components are carefully defined within the contract. That is the reason for the due diligence. For the EDS contract or the contracting out of data processing an enormous amount of work is going into making sure that we carefully define the output and the quality that has to be produced. I will certainly let the Auditor-General comment on the nature of that question, but I think the degree of it needs to be brought into reality.

**Mr MacPherson:** Where contracting out extends beyond a single financial period, there are significant risks that have to be managed and the essence of that is ensuring that the contractual position is being properly and consistently monitored to ensure that the obligations that were undertaken by the outsourcer or the party providing the services are being adhered to. Audit certainly has a responsibility in that sense, in terms of its obligation to ensure compliance. There is also the question of the stewardship of Government assets, and in my report last year I identified a whole series of issues that I regarded as relevant in this context. We will be monitoring the matters that have actually been implemented this year, to determine whether or not they meet the criteria that we discussed in last year's report.

**Mr FOLEY:** Do you believe that there are sufficient skills within Government to manage and monitor contracts of this enormity? These are contracts that are, in the example of EDS, perhaps, for a period of nine years and, whilst I accept the Premier's comment that in respect of the budget it is a drop in the ocean, it is a bit bigger than that. In the EDS case it is \$700 million notionally, and with water we are talking 15 to 20 years and \$1.5 to \$2 billion. These are contracts that go on for generations, almost. Do you believe there are sufficient skills within Government to ensure that we have the ability to manage these contracts?

**The Hon. Dean Brown:** Again, this needs to be put into perspective. It is easy to roll out the size of a contract over a 25 year period, but bring that down to an annual basis and it is a much lower cost. The State Government currently has a capital budget expenditure of over \$800 million a year, most of which is done through contract, either construction contract or supply contract. In fact, a significant component of recurrent expenditure is also spent on contract work. So, each year the Government is already administering contracts of over \$800 million, in very rough terms. With those you describe as the two very big contracts we are looking at contracts that will be significantly less than \$200 million or something like that, so in terms of Government administration of contracts it is not suddenly a huge change.

In fact, the capital works program about five or eight years ago was over \$1 000 million. You are looking at perhaps a 20 per cent increase in Government administration or going back to where we were about five years ago in terms of administration of contracts.

**Mr MacPherson:** The issue is really one of effective risk management, and that is something that really must be monitored and adjusted as necessary from time to time. The short answer must be 'Yes, there is the competence and the capacity', but one cannot have the assurance that that will always be in place unless there is active management of the risk involved.

**Mr FOLEY:** On that issue of risk, particularly in the case of the EWS, we are talking about the protection of taxpayers' money for well beyond the life of this and a couple of future Governments, I suspect. How do we ensure that we get it right for the life of 15 or 20 years? What is the Auditor-

General's assessment as to the risk? One of the difficult things is attempting to evaluate the risk. The Auditor-General has commented to various parliamentary committees, particularly in terms of EDS, and I would like to hear his opinion of the risk assessment of the EWS contract.

**Mr MacPherson:** I have to begin by saying that there is a risk factor. The extent of that risk factor will be determined by the terms and conditions of the contract eventually entered into. At this time I have no idea of what those terms and conditions are, but I see them as being absolutely critical to the extent of the risk that will be assumed. Until that is known, it is quite speculative on my part to even suggest that the risk is high, low or whatever. Having regard to the way in which it has been negotiated to date, with the involvement of some very experienced people from the United States and elsewhere, the best possible expertise has been brought to bear, and on that basis I would have to say that the risk will be managed and, if it is managed effectively, it ought to be kept within acceptable parameters.

**The Hon. Dean Brown:** I wish to add that, as I have said previously, there are always risks with any contracts. There are always risks if you make a change or if you do not change. I would argue that the risks for South Australia in not changing are greater than the risks in changing, for a number of reasons. One is that we will be isolating ourselves from new economic development opportunities. We will be isolating ourselves from being able to reduce costs for service delivery, which is important, and therefore there are significant risks in sitting where we are and saying that things should be managed in the same way as they have been managed for the past 20 years.

I agree entirely with the Auditor-General that any management is all about understanding what the risks are, identifying the risks and making sure the risks are managed. It is important to make sure that one manages the risks. That is what good management is about. One reason the Government has brought in the sort of people we have—and I hope the member would not criticise us, because I have promised to detail the cost of those people—is that we understand that we are incurring expenditure now so that we have the best people in the world available to identify what those risks are and to help minimise them, as outlined by the Auditor-General. For instance, with data processing, we brought in two groups. One is Shaw Pitman, who would be without doubt the most experienced negotiators for the contracting out of information technology.

The other group, Technology Partners International, comprises people who are regarded as probably the most competent individuals in terms of assessing costs and technical standards in information technology outsourcing. The same applies in respect of the outsourcing of water: we have a Shaw Pitman associate involved in that and, again, it is important that we make sure that we apply the same principles that we are applying with information technology.

**Mr FOLEY:** I appreciate the Premier's comment that there is more danger in standing still and not doing much, but I suspect that if we read *Hansard* in 1982-83 we might see similar comments about the move to merge two banks into the State Bank of South Australia, hence my concern with such comments. Clearly, they have to be backed up with a management regime. Given what the Premier and the Auditor-General have just said—that the real test of all this will be the quality of the contracts, whether enough safeguards are in place, the quality of the contract being drawn up and so on—I point out that when looking at this question

in other parts of the world it was made clear to me that the basis is the quality of the contract. If people get the contract right, they are a fair way towards getting the whole process right.

I have asked to look at the contract before you sign it, but, understandably, you were not keen on that idea. Will you assure us that the Auditor-General will be given an opportunity to peruse both the EDS contract and the water contract prior to the final signing—the final draft, the final copy—to ensure that he has sufficient confidence in the quality of the contract?

**The Hon. Dean Brown:** I will let the Auditor-General answer in a moment, but I thought that he said that he should not be involved in the commercial negotiations.

**Mr FOLEY:** That is not what I am asking. Let me clarify it. When the Government has finalised its contracts before both parties sign off on it at the end of the completion of contracts, can the Auditor-General, as the only safeguard that we have, given that you will not give the opportunity to Parliament or the Opposition—I can understand why politically you would not do that—at least have the opportunity to look at the contracts to be assured that they are the best possible contracts that could be put in place?

**Mr MacPherson:** My approach has been that it is not the role of my office to be involved in the executive processes of Government, but nonetheless to be constructive and helpful in providing advice and observations. I think that you are suggesting that that is what we should be in a position to do *vis a vis* the contract just prior to its execution. I think that that is the issue you are raising. May I probe that issue with you for a moment?

If we were to find an issue associated with it, we would certainly raise it, and I imagine that the Government would then say that it either accepts that view or it does not. But I am anxious to ensure that my relationship with the Parliament is not impeded in any way and that I am not placing my office in a position in which the ability to express an opinion or an independent point of view about executive government processes to Parliament is compromised in any way.

I can understand where you are coming from, and I can understand your view that it would be helpful to have us interdict in that process and express a point of view, and I regard that as a vote of confidence in my office. I would like to pick that up, but I am not sure that by doing so I would be acting in the best interests of an independent audit office. Please help me if you think that I do not understand my position correctly. If Parliament said to me, by virtue of some legislative process, as was the case with the Pipelines Authority, 'We wish the Auditor-General to be involved in that process,' that would be a very different matter. But I feel uneasy with the process that you have just suggested because my relationship is directly with Parliament. If Parliament is to be given an opinion that is independent of executive government, it is somewhat awkward to do that if I have been involved in the executive government process.

If that is not helpful to you or if there is an issue that you wish to explore, please raise it and we can discuss it, but I do not wish to compromise the independence of the audit process *vis a vis* executive government. I would not walk away from an issue. If my office became aware of concern with respect to the contract, and if, for instance, we were told that EDS suggested that we cannot have access to its records, processes or physical location, I would certainly raise that matter very quickly. If necessary, if we were not getting satisfaction, I would seek to raise it directly with Parliament.

The whole issue with such matters is to ensure that there is accountability and appropriate transparency. In some matters, because of issues of commercial confidentiality, transparency will not be able to be had directly into Parliament. In those circumstances, Parliament needs to be able to be given some comfort and assurance through an alternative accountability mechanism. Those are the sort of issues that we would seek to raise with the executive government.

**Mr FOLEY:** That is something I will certainly think about and perhaps have further discussions with you and the Government. I am not trying to be cute. I am simply saying that, whilst I respect executive government's ability to make a decision, in the case of water we are talking about a decision which will affect us for the next 15 to 20 years. With all due respect, if you do get it wrong, it will affect the outcomes of a major area of Government expenditure and a vital public service over the course of 10 to 20 years. I will certainly have some discussions internally with my own Party as to how we may further advance that issue. I accept your point in terms of where the Auditor-General sits on that issue.

**The Hon. Dean Brown:** I understand the concerns raised by the honourable member and the independence which has been flagged by the Auditor-General. If you go through commercial negotiations, reach a conclusion but then say to the parties, 'Hang on, this must go through a third and entirely independent party', it makes the whole process of negotiation very difficult. If the Auditor-General is involved, I believe there must be general principles laid down by the Auditor-General as to what he would require as part of the process of negotiation. Those principles should be a key factor for the negotiations.

It is virtually impossible to raise these points at the end of commercial negotiations: you must raise them at the beginning and they must be raised in terms of process and principles. Frankly, if anything was to be done, I would argue strongly—and that is what has happened right from the beginning—that the Auditor-General look at the procedures, etc. and, if anything, he should be asked to put down what he sees as the fundamentals required to ensure the minimisation of the risks he has raised. We would then need to make sure we complied with those fundamentals in negotiating the contract. It might be better to do it the other way around and ask him to put down some general principles early in the piece, such as freedom of access.

**Mr MacPherson:** The basic principle, to my mind, is to ensure that Parliament is not kept in the dark and that, if an issue arises, there is some mechanism by which the Parliament can be informed. That is my role in that accountability loop between executive government and the Parliament. That can be achieved by ensuring that you understand that, if I am aware of an issue, I will make sure it is raised. I do not live in a political vacuum any more than anyone else. If I see an issue that will affect the Government, I will not sit like a crow on the fence and wait until something goes wrong: I will say something.

I believe I have an obligation to inform the Parliament at the end of the day that there was an issue which has now been corrected and overcome. If that is not the case, the educative process of ensuring that it does not happen again will not be in place. I believe in transparency, wherever that is possible, and effective accountability. My office must have the capacity and ability to say what it believes is wrong if it believes there is an issue to be brought before the Parliament, but to do that after giving the executive government the opportunity to correct it.

**Mr FOLEY:** I appreciate those comments. Certainly in my experience I have never known an Auditor-General to sit on the fence like a crow when he thought the Government had wandered a bit. I am confident in that regard. The issue of transparency interests me. In terms of the Committee process in respect of EDS and the eventual water contractor—two areas affecting me—and other areas, how does the Premier envisage that degree of transparency in next year's Estimates Committee where a number of expenditure lines, particularly the EWS, will be right off budget in terms of appearing in the budget papers? Would the Auditor-General concur in my view that we should have officials from EDS, should it be the successful tenderer, and the Water Company, whichever it is, appearing before the Estimates Committees? Is that a process you would be comfortable with?

**The Hon. Dean Brown:** I do not think that is appropriate at all, because we do not bring in here the people who do the data processing for the Government now. We do not bring in here the managers of the individual divisions of EWS. That is what the honourable member is effectively asking us to do. We cannot ask outside contractors to come into an Estimates Committee. Estimates Committees are for Ministers to answer questions, and they have departmental staff there to answer questions. That is not producing transparency at all. The transparency, as the Auditor-General has indicated, is his ability to move in and look at any area of the contract, the administration of the contract and the outcome of the contract. The Auditor-General has that authority under the Act now and will continue to have it.

**Mr FOLEY:** I appreciate the point that the Premier makes. I make the comment that, given that such a large section of expenditure in the EWS will be literally off-budget—they will not appear in the budget papers for next year in terms of forward estimates—the Opposition will be looking for a mechanism which allows us total scrutiny of expenditure levels in that area.

**The Hon. Dean Brown:** I point out that they are no more off-budget than ETSA is now. ETSA is a statutory authority about which the honourable member can ask questions of the Minister when he appears before the Estimates Committee; but they are not on budget. The Water Corporation, which this House has agreed to and regarding which it has passed legislation, automatically takes the EWS, soon to become the Water Corporation, off-budget. The honourable member can still ask questions of the Minister about the South Australian Water Corporation or about any aspect of the Water Corporation including that part of it that is contracted out. I do not see that, in terms of the issues put to the Estimates Committee, there is any variation. There are a lot of areas off-budget now but where the Minister is still ultimately responsible for the administration of that off-budget trading enterprise.

**Mr FOLEY:** We will see that in practice in next year's Estimates in terms of whether there are any problems in that degree of transparency. I ask for an opinion or comment from the Auditor-General in respect of an earlier statement in the Committee tonight by the Premier that a ministerial direction has been given to a number of statutory authorities that EDS, should it be successful, will be the provider of information technology services—such as the TAB and WorkCover.

**The Hon. Dean Brown:** Let us be quite clear about what I have said so far: there has been a Cabinet decision that Government departments and statutory authorities are to be coordinated by OIT, the Office of Information Technology. There has been no decision yet by Government in terms of contracting out, because those matters are still being negoti-

ated. What agencies are involved in the contracting out is a matter for Cabinet yet to decide. All we are dealing with are statutory authorities and Government departments being coordinated under the Office of Information Technology.

**Mr FOLEY:** I think that is a technical point, because the Office of Information Technology is entering into a field that has been entered before. Statutory authorities under the governance of a board are there to do their business as the board sees fit in respect of the Act that they have to serve under and the guidelines as put down by executive government.

**The Hon. Dean Brown:** I hope the honourable member is not suggesting that we are *ultra vires* the Act, because we certainly are not.

**Mr FOLEY:** That is not what I am suggesting at all.

**The Hon. Dean Brown:** The honourable member just said that they have to be administered according to the Act, and that is exactly what we are doing. I can assure the honourable member that we are not *ultra vires* the Act.

**Mr FOLEY:** Premier, please do not play with my words. What I have asked for—and I have not as yet been able to get the message across—is an opinion or comment from the Auditor-General in respect of a decision to direct Government trading enterprises to group their information technology services, as you say, under the Office of Information Technology, with a view to outsourcing to EDS. That seems a strange, not normal, request from the Government. I should like to know whether the Auditor-General is comfortable with that process, given that he is the Auditor-General for agencies such as the TAB. I am simply asking for an opinion or comment.

**Mr MacPherson:** I shall have to avoid the issue of direction with respect to a specific matter because it has not happened, as far as I am aware. If I take you through the basic principles, you can work out where you wish to go from there. With respect to statutory authorities, the law would provide for ministerial direction or no ministerial direction. Where a ministerial direction was given, we would seek some written evidence of the actual direction that had been given. In fact, every year, as part of the audit process, a communication is directed to the board and management of every statutory authority asking whether there has been any written or oral direction by the Minister to the board regarding the functions of that particular authority. Where there had been a direction, and there was no power to give that direction, clearly, as the Premier said, the issue would be *ultra vires*. There is no evidence of that whatsoever. In accordance with that practice, this year every statutory authority will receive that communication and request for advice as to what directions, if any, were given.

**Mrs PENFOLD:** I refer to the Estimates of Receipts and Payments, page 39, program 2. Benchmarking is being used as a significant tool to assess the efficiency of departments. Country regions often find that, due to distance and small populations, it is difficult to meet these benchmarks. For example, I believe we have more pipelines over a greater area with less population on Eyre Peninsula than any other region, so it cannot expect to meet the benchmarks drawn up on the basis of smaller regions. Will large regions be disadvantaged because of variables which are out of their control?

**Mr MacPherson:** I will answer in a very general way, and please take me back to the crossroads if you want any further particularity. Benchmarking sets basic criteria against which you assess an agency attaining certain stated objectives. That is the only basis upon which the benchmarking

would be used by us. We see it as a matter for each agency to determine how to manage itself and set its objectives, but within that we would say, 'You must have some criteria, ground rules or benchmarks against which you measure your activities.' That is because no audit opinion is ever given at large. An audit opinion is always given against a set of facts judged against certain criteria, and by applying those criteria to those facts you draw conclusions and opinions. Benchmarking is just one tool used by us to assess whether an agency is meeting its objectives.

You asked a very general question. If I have been unhelpful, please push me back to a point where I can be more specific on some particular example. If I can help you, I will. It may be more appropriate to ask a particular agency, which has an interest in the country or remote area you are talking about, to tell you what you want to know. If I can help you outside this forum, please come and see me and I will see what I can do.

**The Hon. FRANK BLEVINS:** Commercial confidentiality, in my view, is now being claimed more than I have ever seen. I have always had very strong reservations about it and I have always argued against it. The Premier does his usual sneering, but I would like him to point out any area where I have supported it, either on or off the record. My view has always been that, if you have business with the Government, one way or another the taxpayer is entitled to know, and I do not care which Government. It seems that commercial confidentiality is claimed by Government in a very *ad hoc* way, to say the least. It seems to be claimed on the run. Will the Premier ask the Auditor-General if he would prepare some written definitive—either protocol, principles or criteria—so that everybody in the Parliament and in the public knows the rules and so that we know precisely what it is that the Parliament and the public are not entitled to know about the spending of taxpayers' money?

**The Hon. Dean Brown:** Can I assure the honourable member I was not sneering at all; I was just choking. I was choking because I sat in this House for 18 months under the former Government, and as a member of the public I had seen time after time the former Government, together with the honourable member who was then a senior Minister in all that time, and Treasurer for much of it, claim commercial confidentiality to hide every single disaster that was going on in terms of a whole range of activities.

*The Hon. Frank Blevins interjecting:*

**The Hon. Dean Brown:** There were a whole range of activities with the State Bank, SGIC and a number of other disasters, including the West Beach Trust issue, where his Government claimed commercial confidentiality.

*The Hon. Frank Blevins interjecting:*

**The Hon. Dean Brown:** You sat in Government. I also point out that, if the honourable member is referring to moneys allocated out to companies, we have sat here tonight and have dealt with the entire line under which any incentive is given to any company that comes to this State, and there was not a single question asked on that entire line.

*The Hon. M.D. Rann interjecting:*

**The Hon. Dean Brown:** The line is closed.

*The Hon. M.D. Rann interjecting:*

**The Hon. Dean Brown:** The agreement has always been that you have the right to ask questions while the line is open. You cannot come back afterwards—

*The Hon. M.D. Rann interjecting:*

**The Hon. Dean Brown:** Mr Chairman, I ask for your ruling on this matter. The clear practice has been in the past,



when I was in Opposition, that if we wanted to ask questions we had to ask them while the line was still open and then, once the line was closed, no further questions could be asked. I can recall on numerous occasions when I sat there whilst the line was still open and read a series of questions and asked if they could be answered in detail, but they could never be asked once the line was closed; otherwise you would never close a line. I ask for a ruling on that from you.

**The CHAIRMAN:** Once the line has been closed, the onus is on the Government and the Opposition members to ask any questions relevant to any line. In the course of the day it is possible that the program may slip backwards and that the final line may therefore not be properly questioned. It has frequently been a general request from the Opposition side that any questions remaining unanswered on the last line to be closed should be allowed to be read into *Hansard* as a matter of course. That has generally been agreed to and time has been allowed, but if, as I seem to detect now, there is a basic assumption that questions may be read into *Hansard* before 10 p.m. on any night of the Estimates Committee on any lines, including those which have already been closed, it begs the question why those questions were not asked in the course of debate while the line was open.

**The Hon. M.D. RANN:** To assist the passage of proceedings, Sir.

**The CHAIRMAN:** The question which rests before the Premier is about commercial confidentiality.

**The Hon. Dean Brown:** I do not know whether the Auditor-General would like to comment further. I point out to the Committee that the Auditor-General has the power to investigate any single matter that he likes so, as far as the Auditor-General is concerned, there is complete transparency and no commercial confidentiality when it comes to the Auditor-General.

**The Hon. FRANK BLEVINS:** I agree, but that is not my issue.

**Mr MacPherson:** I believe there are issues where the Government's commercial interests need to be protected but, notwithstanding the fact that the Government has its own commercial interests that need to be protected, I have an obligation under the law to report on the financial attestation with respect to which that was undertaken, the compliance with the law with respect to which that was undertaken and the appropriate controls that were in place with respect to how it was undertaken. I am mandated by law to report to Parliament each year if I have a concern or reservation about any of those three elements.

I have a concern with excessive secrecy, because we have had the experience of the Fitzgerald royal commission in Queensland and the royal commission in Western Australia on commercial activities of government, where it was pointed out that excessive secrecy can be unsafe. There needs to be a balancing of the Government's legitimate commercial interests with the right of the Parliament to be informed as to what is going on. I have an obligation to do my part in ensuring that the Parliament is informed, and I would not be discharging my statutory obligations if I failed to comment where I had a concern.

**The Hon. FRANK BLEVINS:** I agree completely with what the Auditor-General is saying; I have no difficulty with that. The difficulty I have is that there is nothing for us as members of Parliament and nothing at all for the public to test in any way or to measure against what the Government is doing when it claims commercial confidentiality—nothing

at all. It seems to me that, if the Auditor-General had put down something by saying, 'These are the rules', we could then look at the transaction in question and test it against the rules and be satisfied or otherwise. It just seems to me that in more and more areas the taxpayer and the Parliament are not allowed to know what is going on. More and more, the Government—any Government—is saying, 'Trust us', and the Auditor-General is also saying, 'You have to trust me, too.'

The Parliament and the taxpayers more and more are being cut out of any means of assessing what is occurring, and I think that is wrong. I would be happier with it if I could see something written by the Auditor-General saying, 'Here are the rules for Government; these are the principles; these are the criteria.'

**Mr MacPherson:** I do not presume to write the rules for Government.

**The Hon. FRANK BLEVINS:** No, it is what satisfies you.

**Mr MacPherson:** Can I seek to be helpful by exploring some possibilities in this regard and communicating them to the Parliament in my report this year? I believe it is a major issue that must be addressed responsibly, because this State does not wish to walk down the same road as Western Australia with the PICL-type deal, so I am as interested as the honourable member is in ensuring effective accountability, and I will seek to be helpful in that regard by exploring some matters that can be communicated in September.

**The CHAIRMAN:** There being no further questions, I declare the examination of the vote completed.

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Multicultural and Ethnic Affairs, \$2 361 000.

#### Membership:

Mr Atkinson substituted for the Hon. Frank Blevins.

Mr Scalzi substituted for Mrs Penfold.

#### Departmental Advisers:

Dr Paolo Nocella, Chairman and CEO, Office of Multicultural and Ethnic Affairs.

Mr Steve Everard, Secretary to the Commission, Office of Multicultural and Ethnic Affairs.

Mr Steve Archer, Manager, Financial Services, Corporate Services.

Mr Paul Della, Senior Finance Officer, Corporate Services.

**The Hon. M.D. RANN:** I wish to make a general comment. When Frank Blevins and I were Ministers, we allowed omnibus questions relating to a series of matters. We also allowed Ministers to table questions that were unasked. We often waived our own side's questions in order to expedite matters. We had a series of omnibus questions about the use of credit cards, mobile phones, cars, overseas trips, the SA Development Council and the SADP, which we intended to read in, although we never required that of the Opposition. If there is a problem with that—I am disappointed that that is the case—I shall be happy to put all those questions on notice, but it certainly is a change from the more than relaxed attitude that we as Ministers took to questions. On the issue of multiculturalism—

**The CHAIRMAN:** In response to that, as it is a direct reflection on the Chair's decision, I formally request the honourable member to abide by the Chair's ruling earlier this evening and place the questions on notice. I in turn will discuss with the Premier and with other Ministers the question of getting prompt responses. There is a requirement in the preamble that I read today that the answers would be available by 7 or 14 July. In this case, as they are not formally to be tabled for the benefit of the Estimates Committees, I will see whether we can get prompt responses in another way.

**The Hon. M.D. RANN:** That would be appreciated.

**The CHAIRMAN:** I will also discuss points that you put in the previous proceedings and determine a more precise position.

**The Hon. M.D. RANN:** Perhaps we could iron out the matter for other Estimates Committees and also for next year as well. Thank you, Chairman, for your cooperation in ensuring that those questions on notice will be answered promptly.

Multiculturalism is an issue in respect of which there has been considerable bipartisanship, and long may that be the case. There are central issues relating to multiculturalism that we all would want to embrace as civilised members of Parliament in a civilised community.

One issue of concern to the Premier and members on both sides of the House is racism in our community. On this side of the House we are firmly of the view that multiculturalism is much more than just politicians making use of ethnic functions for photo opportunities: multiculturalism is about recognising the diversity as well as the unity of the Australian people; it is about promoting understanding and empathy amongst the various and diverse groups making up the Australian nation and, indeed, making up the South Australian community. We also believe that, where positive measures of education and public discussion fail to provide sufficient protection and security for members of distinct minority communities in the face of racial attacks, or vilification from small—and thank goodness they are small yet still dangerous—groups of people, it is the role of the Government and the Parliament to seek to protect the lives and property as well as the dignity and integrity of those under threat.

That is why I and my Party have been strong supporters of racial vilification legislation, both at the Federal and State levels. In answer to questions before the House—and I was delighted to see the Premier's response that the Government supports racial vilification legislation—the Premier referred to differences between his model for the racial vilification legislation at the State level and those measures proposed by the Federal Government. Is the Premier now in a position to outline where his proposed legislation differs from that of the Federal model?

**The Hon. Dean Brown:** Mr Chairman, it is inappropriate for me to be sitting here discussing the specifics of legislation until it has been formally approved by Cabinet for introduction into the Parliament, or for broad consultation with the community. I do not think it is appropriate at this stage to discuss it further until Cabinet has given any proposal that sort of approval. Points also need to be considered in terms of the Martin, QC, report which looks at this matter of discrimination, and they also form part of the Government's consideration.

It must also be appreciated that at present we have a period of public consultation. That period has almost closed but there is a process we are going through with the Martin,

QC, report relating to broader discrimination. Mr Martin, QC, has touched on this area and so we need to consider at the same time those points raised by him.

**The Hon. M.D. RANN:** The Premier told the Parliament that the draft Bill on racial vilification has already been prepared, and I asked whether it would include criminal sanctions as well as conciliation and mediation for proven cases of racial vilification. The Premier would be aware of the New South Wales and Western Australian models—which are quite different but each has its own individual integrity—as well as the Federal model for racial vilification legislation. In order to facilitate a bipartisan approach to racial vilification legislation, can the Premier outline to this Committee what form of public consultation will take place in terms of both the ethnic communities and the broader community before the legislation is actually presented?

**The Hon. Dean Brown:** I have not made decisions about that because we are still working on the legislation. I cannot identify at present the specific process of consultation we will go through.

**The Hon. M.D. RANN:** I thought the legislation had been prepared?

**The Hon. Dean Brown:** As I indicated to the House some weeks ago, draft legislation is prepared and we are assessing whether that draft legislation is the right legislation. Issues have been raised by the Martin, QC, report that need to be considered at the same time. Once Cabinet has approved draft legislation then I need to decide what sort of process of consultation would be involved; I have not done so yet.

**The Hon. M.D. RANN:** Will the draft legislation be considered and commented on by the Ethnic Affairs Commission either before or after being presented to Parliament?

**The CHAIRMAN:** There seems to be some doubt as to whether this is a valid line of questioning. The legislation is not currently before the House and therefore I will allow questions as to the intent of the legislation if the Premier is unable to provide the specifics.

**The Hon. Dean Brown:** Because Cabinet has not yet finalised the legislation it is inappropriate to discuss details of it. When Cabinet has moved some way down that process I will decide what level of public consultation there should be and the best way of achieving it.

**The Hon. M.D. RANN:** Given that the line is the promotion of multiculturalism, and any racism in the community is directly opposite to the promotion of multiculturalism—so they are appropriate questions to ask—does the Premier support the development in consultation with the South Australian Multicultural and Ethnic Affairs Commission and ethnic communities of a multicultural charter which actually recognises the rights to diversity of various ethnic groups within South Australia? The Premier would be aware that the Ethnic Communities Council has endorsed a multicultural charter to be included, for instance, amongst the constitutional changes being considered in the lead up to 2001, the centenary of Federation. So, there has been a suggestion of incorporation of the actual formal recognition of Australia being a multicultural nation in the Australian Constitution and also within South Australian legislation. Is work being done on that and does the Premier support such an approach?

**The Hon. Dean Brown:** The Office of Multicultural and Ethnic Affairs organised a community relations forum on the topic of racial vilification a month or so ago. It was very well attended by more than 100 people. It is a subject that the Government has been actively pursuing. The Government is

looking at a multicultural charter. It was discussed at the Ministers' meeting which I attended in Perth on Friday. We obtained a copy of the Western Australian Government's multicultural charter while we were there, and it was discussed by the Ministers. We are looking at adopting one here as well.

**The Hon. M.D. RANN:** Will it be incorporated in legislation?

**The Hon. Dean Brown:** No, it is a charter. I do not think there are any that have actually been incorporated in legislation. They are a charter and as such are adopted by Government as policy.

**Mr ATKINSON:** How much translation work by Government departments is being subcontracted overseas by E-mail?

**Mr CONDOUS:** Mr Chairman, why did you give the member for Spence the right after the Leader of the Opposition—

**The CHAIRMAN:** The Leader asked one question and indicated that rather than ask a second he would defer to the member for Spence.

**Mr CONDOUS:** I thought it was a series of about half a dozen questions; he asked six questions.

**The CHAIRMAN:** I must admit that I had understood that Government members were not going to ask any further questions in the course of the evening. If that assumption was incorrect I offer my apologies.

**Mr CONDOUS:** Not on this line, Sir.

**The CHAIRMAN:** It is force of habit. I must apologise.

**The Hon. Dean Brown:** The answer is 'None.'

**Mr CONDOUS:** At page 54 of the Program Estimates and Information mention is made of the collocation of the country specific chambers of commerce and the establishment of a grants program. What grants are now available?

**The Hon. Dean Brown:** We have collocated the country specific chambers of commerce. There are now 20 chambers of commerce located in the one facility on Greenhill Road. They all have their own desk, filing cabinet and a few chairs. They have a common secretariat and a common executive officer of the facility, who is experienced in trade, particularly international trade, and they have some common meeting rooms as well. It is working remarkably well. We are finding a level of enthusiasm for this, and not just in terms of their activity. What has been most pleasing is the extent to which this whole area has grown in terms of the interest shown by South Australians and South Australian companies in these country specific chambers.

For example, I was an active member of the Chinese Chamber of Commerce. Ten of us, if we were lucky, and sometimes seven, would sit around a table in a small restaurant comparing notes on what it was like to do business in China. That is about all the interest there was. Last year we had the opening of the Shandong Business Council, which was attended by 75 people. Earlier this year we had the opening of the Vietnamese-Australian Chamber of Commerce, where they packed the restaurant with 95 people. Recently we had the Asian Businesswomen's Chamber, when about 250 or 260 people packed out the ballroom of the Hilton Hotel. Interest in these chambers as they form is mushrooming. The last two I talked about were inaugural meetings. It just shows that, whereas previously we could get only five to 10 people for China, now, for even smaller countries, we are able to get absolutely huge numbers.

The Government has allocated \$500 000, which comes out of the economic development program. This is specifically

to pay for accommodation and centralised staff expenses. Establishment costs of about \$1 000 are allowed per chamber. It may be that Mr Nocella would like to outline the four types of grants. Grants are also available to attend overseas trade fairs, such as the Thessaloniki Trade Fair, where the Hellenic Chamber of Commerce went. The South African Chamber of Commerce or Business Council attended the Johannesburg Trade Fair. Then there was the CIBUS International Food Exhibition which the Italian Chamber attended last year.

**Mr CONDOUS:** Do you have the amounts spent on these?

**The Hon. Dean Brown:** Yes, I can give those figures. The Italian Chamber of Commerce had \$45 869 for the International Food Exhibition in Parma. The Hellenic Chamber had \$41 357.50 for the Thessaloniki Trade Fair, and an advance of \$27 453 has been paid to enable the chamber to participate in the 1995 Thessaloniki Trade Fair. A grant of \$47 684 was paid to the Russian-Australian Chamber to attend a trade mission to Moscow in September 1994, and the Australian-Southern Africa Business Council received an advance payment of \$35 175 to take part in a trade exhibition in South Africa at the World Trade Centre in Johannesburg in April this year.

*Mr Foley interjecting:*

**The Hon. Dean Brown:** No, you are wrong. There was no collocation. The collocation was started by this Government.

*Mr Foley interjecting:*

**The Hon. Dean Brown:** I do not see that. I announced it as part of our policy. In fact, nothing was done up to the election.

*Mr Foley interjecting:*

**The Hon. Dean Brown:** Here we are throwing out \$500 000, while the former Government allowed \$3 000 for an ethnic chamber to form. There is a subtle difference—

*Mr Foley interjecting:*

**The Hon. Dean Brown:** In terms of the four areas where grants are made, I will ask the Chairman to give that detail.

**Mr CONDOUS:** I attended the opening on Greenhill Road and was most impressed by the many countries that set up their own trade and commerce centres. One obvious thing was the enormous amount of enthusiasm shown by the individuals involved. Has any training been instigated to help those individuals become better acquainted with their proper role in dealing in international commerce and trade?

**The Hon. Dean Brown:** Certainly. The Chairman can answer that. There is help, yes.

**Dr Nocella:** To provide additional information, the grant program is articulated on the basis of four different types of grants. As the Premier mentioned, there is a small establishment grant which is normally provided at the very beginning of an organisation's existence, just to help it along and to show it support and encouragement. It is only \$1 000, but it covers the initial cost of registration, incorporation and so on.

The second type of grant is a training grant up to \$1 500, which is normally understood to be dollar for dollar. In other words, the organisation provides the balance of funds, and it is up to the individual chamber or business council to use this money in the proposal for the purpose of training its members and officials. The subjects are many and varied. It can be customs legislation, relative to a particular country, or export requirements or financial insurance requirements when goods are dispatched overseas. Only three weeks ago the Asia Pacific Business Council for Women organised a very well attended seminar. It brought in two highly qualified speakers

from Sydney who illustrated how to do business with South-East Asia, not only from the perspective of women in business but also from a more general perspective of the geographical and mercantile implications of the area.

In addition, there is a grant of up to \$5 000 for non-specified export initiatives—in other words, initiatives that have as a common outcome a benefit for the State of South Australia in terms of trade or export. Finally, the large one, as the Premier mentioned, is the grant up to \$50 000 to enable organisations to arrange trade participation, trade delegations to fairs and exhibitions around the world.

**The Hon. Dean Brown:** This coming year we are looking at a slight variation to that. There could be two that are part of the Grand Prix promotion, although those details have not yet been finalised. The grant is likely to be \$60 000, because of the additional costs required for that promotion. That will be done under my authority.

**Mr ATKINSON:** Has the interpreter card improved access to interpreting services or has it denied access to some people who previously used the service? How do you account for the sharp reduction in the number of interpreting and translating assignments performed by the office?

**Dr Nocella:** The reason for the variation and reduction in income for our interpreting and translating centre can be reconciled in two or three different ways. One is that as a commission we actively encourage the various State agencies to make better use of their language services dollar. In other words, we counsel them to bulk the assignments, to book interpreters not just for individual assignments thus incurring individual charges but for, say, an afternoon, so that clients of the same language group can make use of two or three hours of services one after the other, thereby achieving some savings, which results in reduced income for the centre. That is one reason.

The second reason is that we have faced increased competition from private agencies and private providers; some are former employees of our centre who have set up their own individual agencies and have taken up a certain amount of business themselves. Thirdly, the full impact of the reduction of the rates that we introduced has now been felt and therefore that has contributed again to the reduced amount of income. From the commission's point of view, the purpose is not so much to produce a profit but to recover full costs, and that has been observed in all cases, because *vis-a-vis* the reduced income there is also reduced expenditure.

**The Hon. Dean Brown:** I highlight the fact that I have sent a memo to all Ministers saying that, all things being equal in terms of price and quality of service, they are now required to use the translator service of OMEA. Also, as the Chairman has said, we have looked at the rate structure and have tried to come up with something that is much more competitive. The structure that had been there for a couple of years was really not very competitive compared with the marketplace, so we found that Government agencies were going elsewhere simply because they could not afford the Government service or could argue quite legitimately that its rate was very expensive compared with services of equal quality they could get out in the community. As an example, a minimum of two hours was charged for a translation service on an assignment that lasted 10 minutes. As the honourable member can imagine, that was not an attractive offer to make to anyone, be it a private or Government agency.

We are also looking at ways to expand the operation of the service outside Government itself. We have made offers to various companies, which we are trying to attract to this State

and which are looking at setting up national and regional quarters here, that we would be only too willing to negotiate a contract to allow them to use and pay for the translation and interpreting services of OMEA on a routine basis. We are finding that these companies that may come here and set up regional headquarters are looking for a very specific language capability within the community, and we have that excellent standard of service.

**Mr ATKINSON:** As a supplementary question: if the Premier concedes that some translating is being contracted outside the Office of Multicultural and Ethnic Affairs, how can he so emphatically reply to my first question that none of the Government department translating is being subcontracted overseas by e-mail? Could it not be subcontracted by the private translators whom the Government departments are using?

**Dr Nocella:** We have no knowledge of any Government department going overseas by means of e-mail to obtain translations. We have never done so and do not anticipate the need. However, it is possible that some private providers of language services that might have obtained some work, perhaps in the health area, might have gone overseas themselves to obtain translation more cheaply from countries such as Hong Kong, China or other places. That is possible, but we have no evidence of that at this stage.

**The Hon. Dean Brown:** Equally, it is fair to say that in health, for instance, most of the service provided is an interpreter service rather than a translation service. In other words, it is required that someone who has that language capability sit there during the presence of a doctor, and you can hardly send that on an e-mail system.

**Mr ATKINSON:** Which classes of person entitled to access to interpreter services on 11 December 1993 are still entitled, and which new class of person has become entitled owing to the interpreter card?

**The Hon. Dean Brown:** There has been no change in access for everyone who is entitled to services in that regard. In relation to the interpreter card, the new card that I launched last year to encourage new arrivals to readily access interpreter and translator services, that is available to all new arrivals.

**Mr ATKINSON:** In Parliament in April the Opposition raised the issue of the appointment to and abrupt resignation from the South Australian Multicultural and Ethnic Affairs Commission of Abdo Khalil Nassar. Questions raised at that time go to the very heart of the integrity of this Government in its dealings with the portfolio of multicultural affairs. Questions raised by the Opposition during April concerning both Mr Abdo Nassar's role in the Multicultural and Ethnic Affairs Commission and his prominence within the Liberal Party are yet to receive responses from the Government. Did the Premier receive a report from the Police Commissioner at any time concerning the activities of Mr Nassar and, if so, when did he receive this report and what was its content?

**The Hon. Dean Brown:** I do not think that I was in the Parliament at the time; if I remember correctly, I was at the Premiers' Conference when this issue was raised. I cannot recall the exact detail, although I was aware that something had been raised. Mr Abdo Nassar specifically resigned for personal reasons, and that was clearly understood and indicated to the Parliament at the time. At the time of the appointment of Mr Nassar to the Multicultural and Ethnic Affairs Commission, the Government had a process whereby it went through a range of things to check. A check was done and there was nothing that would preclude Mr Nassar from

being appointed to the Multicultural and Ethnic Affairs Commission.

The Government has subsequently checked and found that on 11 July 1988 the former Government appointed Mr Nassar to a position. This had come through in a case involving Mr Nassar and the State of South Australia. The evidence indicated that Mr Nassar obtained the position of ethnic aide at the centre after the Minister for Community Welfare, with whom he was acquainted, recommended to the Director-General for Community Welfare, Ms Sue Vardon, that he be considered for a position in that department. In fact, the Minister at the time who made that specific recommendation was the Hon. Greg Crafter. I am not sure about the allegations being made by the honourable member, but there is clear evidence that the former Government and former Minister recommended him for a position within Government.

**Mr ATKINSON:** The Premier informs the Committee that he did not receive a report from the Police Commissioner before appointing Mr Abdo Nassar, but my question is: did he receive—

**The Hon. Dean Brown:** That is not what I said at all. If the honourable member is going to ask a question and I answer it, surely his mind is big enough or his attention astute enough to listen to the answer.

**Mr ATKINSON:** Was any advice received from the police after the appointment of Mr Abdo Nassar?

**The Hon. Dean Brown:** If the honourable member listens—

*Members interjecting:*

**The CHAIRMAN:** Is the member for Spence repeating his question or disputing the veracity of the Premier's previous reply?

**Mr ATKINSON:** The Premier's answer was that nothing occurred before the appointment of Mr Abdo Nassar that would be a bar to the Government's appointing him, but my supplementary question is whether there was a report to the Government after the appointment of Mr Abdo Nassar?

**The Hon. Dean Brown:** The answer is 'No.' Are you asking if there was a report to the Government after the appointment of Mr Nassar that barred him—

**Mr ATKINSON:** Not necessarily barring him but indicating that it might be wise to resign.

**The Hon. Dean Brown:** There was no report to Government that therefore indicated that his position on the commission could not be legally sustained.

**Mr ATKINSON:** But was there a police report regarding Mr Abdo Nassar after his appointment?

**The Hon. Dean Brown:** I cannot recall any such police report after his appointment.

**The Hon. M.D. RANN:** In terms of the time line set by the Chairman, would the Premier be prepared to come back with a reply indicating whether there was a report from the Police Commissioner?

**The Hon. Dean Brown:** I will check whether there was a police report to me after his appointment. To my recollection there was no police report. We will check the facts and, if it is incorrect, I will correct that.

**The CHAIRMAN:** It is almost 10 o'clock and Standing Orders give the Chairman no discretion: we must close the examination then. I therefore decline any further questions—I know that Government members have some—and declare the examination of the vote completed.

#### ADJOURNMENT

At 9.59 p.m. the Committee adjourned until Wednesday 21 June at 11 a.m.