

HOUSE OF ASSEMBLY**Wednesday 28 June 1995****ESTIMATES COMMITTEE A****Chairman:**

The Hon. H. Allison

Members:

The Hon. Frank Blevins
 Mr R.L. Brokenshire
 Mr C.J. Caudell
 Mr K.O. Foley
 Mrs J. Hall
 Ms P.L. White

The Committee met at 11 a.m.

 South Australian Tourism Commission, \$19 538 000
Witness:

The Hon. G.A. Ingerson, Minister for Tourism.

Departmental Advisers:

Mr Michael Gleeson, Chief Executive Officer, Tourism Commission.
 Ms Lesley Dalby, Manager, Corporate Services.
 Mr Dean Lambert, Manager, Tourism Development.
 Mr Godfrey Santer, Group Manager, International Marketing.
 Mr Brian Price, National Marketing Manager.
 Ms Sheila Saville, Manager, Media and Advertising.

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

The Hon. G.A. Ingerson: Yes, Mr Chairman. First, I should like to announce formally that the Tourism Commission across Australia is to dress all its travel centre staff in clothing which has been obtained from R.M. Williams. I am wearing one of the tops now, even though there has been some comment about the casualness of the dress. I suggest that if any members would like tops they apply to the commission, which will supply them at a reasonable charge.

Mr Foley interjecting:

The Hon. G.A. Ingerson: As I said, it could be reasonable—the reasonableness of the charge will be negotiated. In making that comment it is important to identify two issues: first, we believe it is very important to identify the new logo that the commission has set up, and that is primarily to promote the wine industry as a major sector of our tourism industry; and secondly—and as important—any clothing or identification we use should be produced by South Australian companies. As members would be aware, the R.M. Williams company is a very important, traditional company in South Australia. I understand that it is developing some brand new programs and is opening a very big office in London. The Tourism Commission is very proud to use it as our prime manufacturer.

We believe that the decline in South Australian tourism has turned around. The recently released international visitor survey figures reveal that international visitors to South Australia in 1994 increased by 22 per cent. This is the first increase South Australia has seen for five years and is even more exceptional when compared with the same figures for Australia as a whole, which recorded growth of 12 per cent. In specific markets the growth is even more spectacular with Asia up 51 per cent. That figure of 51 per cent comes from a small base and, whilst it is quite spectacular, it is still only a very small increase in actual numbers out of Asia. However, most importantly it is a very significant increase for us as a State. Visitors from Central Europe grew by 27 per cent, compared with a national increase of 13 per cent; visitors from the United Kingdom and Ireland grew by 21 per cent, compared with 7.3 per cent nationally; and visitors from the United States of America grew a staggering 32 per cent, compared with a national average of only 3.1 per cent.

Tourism is the world's largest industry, representing a little more than 10 per cent of world gross domestic product. Tourism in Australia is growing four times faster than the world average, particularly as an export industry. What many people fail to realise is that tourism is Australia's top export industry. Travellers in South Australia spend \$2 billion a year, and that means expenditure in excess of \$200 000 every hour, every day in this State. The tourism industry sustains 34 000 South Australian jobs.

By the year 2000, the value of South Australian tourism will have increased to \$2.4 billion annually. That achievement will create more than 10 000 additional jobs in this State, as well as new opportunities for investment and the replacement or refurbishment of existing accommodation and attractions.

Key components of our tourism marketing expansion plans include the greater promotion of our food and wine industries, festivals and special events, and convention and incentive travel opportunities. The development of tourism infrastructure for South Australia is also important, with negotiations proceeding on the Wilpena Resort development and the Granite Island redevelopment, and the Wirrina Cove Resort development is well under way.

I am pleased to remind members of the announcement last weekend of the Government's support of the new Faith Lutheran convention and entertainment facility in the Barossa Valley with capacity for up to 1 800 people. This single facility will greatly enhance the convention and performance options for that important tourism region of the State. It will also present a viable country location for larger conventions.

On Monday, the Minister for the Environment and Natural Resources announced the redevelopment of the Mount Lofty summit, to restore it to its proper place among the State's tourism attractions. Providing unsurpassed views over the city from the highest point in the Mount Lofty Ranges for more than 400 000 visitors annually, the site has attracted criticism since it was razed in the Ash Wednesday bushfires 10 years ago. In 12 months, the site will no longer be the target of criticism for lack of development. The new facilities will include a viewing platform, kiosk, walkways, visitor information boards, emphasis on Aboriginal links with the area, and upgraded toilets and car parking.

Continental Europe, South Australia's largest tourism market, will be the site of the commission's push for a bigger share of international tourism. The commission will set up an office in Frankfurt, Germany, to launch South Australian promotion into key European markets. For the first time, the

State will be represented directly in key markets which are home to about 50 per cent of South Australia's international visitors, 25 per cent of whom come solely from Germany. The SATC's Frankfurt office will implement promotional and advertising programs developed by the commission, and staff will work with key travel wholesalers and retailers to ensure that South Australian product is included in brochures.

There is intense competition among the States for a market share of tourism activity. The promotion and expansion of South Australia's tourism industry for the benefit of residents and visitors will achieve a strengthening gross product through increased direct visitor expenditure and employment, strengthening commercial and community confidence, increasing investment, improving facilities and infrastructure, contribution to the conservation of the State's natural and cultural heritage, and enhanced recreational amenity.

Consumer trends in tourism show that consumer attitudes and behaviour are affected by concern for the environment, an escape from stress, a sense of nostalgia, a desire for participatory experiences, and a search for a national identity. South Australia offers a gracious, warm, comfortable, friendly destination where people can relax and enjoy the environment and the finer things in life. It is a place where you are welcomed as a visitor, not just as a tourist. That is one of the foundations of our 'Come to your senses, come to South Australia' program. We are looking at the finer qualities of life in South Australia which our research had clearly identified and which we should be pushing.

We will establish a strong sense of brand identity based on the State's and Adelaide's sense of difference, our gracious character, heritage, climate, lifestyle, and access to the Australian outdoors. The Government is committed to realising the potential of tourism to contribute to additional earnings, investment and jobs in the South Australian economy.

Mr FOLEY: As we have indicated on a number of occasions, the Opposition clearly supports the general thrust of the Government's plans in tourism, particularly with the focus on increasing our international arrivals. It is always difficult for an Opposition to play a substantial role in tourism policy but, as has been acknowledged by the Minister for Industry, Manufacturing, Small Business and Regional Development, the Opposition's role in convincing our Federal colleagues of the need to upgrade Adelaide Airport was an example where we could have some influence over Government policy. The decision of the ALP national conference last year to particularly identify Adelaide Airport as a target for specific capital expenditure—which has now been followed through—was in part due to the work of the Leader of the Opposition. The actions of the Government have been supported in the main by the Opposition. We have some concerns about some aspects of that policy, but we welcome the general thrust.

With respect to Frankfurt, the traditional focus in Europe has been London, Governments of both persuasions having put many resources into our infrastructure there. The Minister said that there is now a high component of German tourist numbers. Why has Frankfurt been chosen as a specific base, and does that mean a downgrading on the emphasis on the London office in terms of tourism?

The Hon. G.A. Ingerson: No, it does not mean that. We intend to continue to expand the office in London. We have just appointed Robert Hardless, a private operator, to run our office in London. His responsibility will be to develop the UK market, as well as that in France, and the office in

Frankfurt will be used to expand the role in central Europe, which primarily includes Italy, Germany and Switzerland. Some 50 per cent of all European visitors come from a Swiss-German background. It is our view that we should be more directly represented in that market. It now means we will have two very strong offices in Europe.

Mr FOLEY: Will the Minister provide the costings of the consultancy in London and the budget for the Frankfurt operation?

The Hon. G.A. Ingerson: I am advised that the cost of the agency in London is \$300 000. In addition to that, \$100 000 will be allocated to the Frankfurt office. The two offices will be working very closely together in making sure that all the services that come out of the commission here are channelled into the Frankfurt office, as well as the London office.

Mr FOLEY: I am a little surprised at that \$100 000 for the Frankfurt office. What does that involve? I would not have thought \$100 000 in Germany would go a long way.

The Hon. G.A. Ingerson: The \$100 000 is the set-up costs of the office, staff and provision of motor vehicles. The actual advertising or marketing dollars will come out of the general international budget. The \$100 000 is purely and simply administration costs. As part of our international marketing, we will have a whole thrust into Europe with that office picking up the Swiss-German component.

Mr FOLEY: What is the staff profile of the Frankfurt office?

The Hon. G.A. Ingerson: The one staff member in Germany will report directly to Robert Hardless in London, who will supervise the whole European general direction of the commission.

Mr FOLEY: Is that a local German or an officer of the Tourism Commission?

The Hon. G.A. Ingerson: We have interviewed a South Australian who is currently based in Germany and who has been working for the Australian Tourism Commission for the past few years. We are again continuing to support South Australian employment in Europe.

Mrs HALL: My question refers to international tourism and I note the remarks made in the Minister's opening statement. As he said, inbound tourism over the past five years for Australia as a whole has been booming, and the Minister gave the figure of a 12 per cent increase in 1994. I refer to the Program Estimates at page 196 dealing with international marketing. Specifically, what is the South Australian Tourism Commission doing to ensure that South Australia is a beneficiary of the economic growth generated by international tourism?

The Hon. G.A. Ingerson: Until recently, South Australia was not known as regards overseas promotion. While a tremendous amount of money had been spent on tourism over the last 20 years the effectiveness of that expenditure was pretty poor, but the change in marketing direction of the commission has started to change that perception. We are trying to encourage holiday packages into our State and that can be easily done by having better commercial brochures and providing more market brochures than had been the case previously, but another important issue is to have people placed in the right markets. One of the major reasons for going to Frankfurt is that Continental Europe is our No. 1 region. It is important that we have contacts in the market, and it has been brought home to us very clearly that we need to have people working in the market who understand South Australia in order to achieve results. That is the prime reason

for going into Frankfurt. It is also important in this modern day of cutting costs and doing so as efficiently as possible that we link the United Kingdom office under Robert Hardless' direction with Frankfurt.

Unless you are actually present in Europe the wholesalers, the people who actually sell the product, do not want to deal with you, and it is important that we are located in Frankfurt to help sell the product. Some of the results that have come out in recent days are interesting. We have had a 22 per cent increase in international visitor numbers—from 214 000 in 1993 to 260 000, compared to a growth of 12 per cent nationally. This is the first increase in five years, as I said earlier, and it is significant. It is mainly due to the new Government's marketing direction; in fact, we have turned it around.

The Hon. Frank Blevins interjecting:

The Hon. G.A. Ingerson: When it goes down, it will be our fault. If it goes down, it means the commission is not doing its job. The only thing I know for certain is that the growth rate will not go down, because we will continue to do an excellent job. As to international arrivals, the market has increased from 7.7 to 8.4 per cent. In other words, we are now at the sort of percentage we ought to be at relative to our population, and that is pretty important. We want to target a 50 per cent increase, so we are having a real go at this market and not just sitting around saying that we want a 5 or 6 per cent increase. We want to get after the market because we did so badly over the past 10 years. As I said earlier, Asia has grown by 51 per cent, from 22 000 to 32 000, which is not a lot, but at least it is going the right way and that is important. Out of Europe it has grown from 67 400 to 86 300, a 28 per cent increase. From the UK and Ireland it has increased from 44 000 to 53 000 and the United States is an interesting market which has grown from 26 000 to 34 000.

That is totally opposite to the national trend and is a very interesting expansion. It has been interesting talking to our Tourist Bureau people in Rundle Mall about the visitors who come through there. Swiss-German and American have been the two groups that they have identified as the largest growing number of people coming through. That is why we need to target particularly in Frankfurt, and we have our office in the United States.

Mr BROKENSHIRE: On behalf of my constituents I am pleased to see that the commission has taken on a new logo, particularly with our wine industry and the proactive development of tourism down our way. However, I agree with the member for Giles that it would have looked better if all the Estimates Committee members were wearing those nice R.M. Williams shirts.

One of the problems that constituents have been raising with me for some time has been what they see as an almost total absence of dedicated South Australian tourist information brochures being available for travel agents interstate. I understand that considerable work has been undertaken by the commission in the interstate marketplace with tourism wholesalers and also, most importantly, with airlines to provide new brochures for the South Australian tourism marketing program. How many tour products will be available in the national market by the end of this year?

The Hon. G.A. Ingerson: I know that the honourable member is very much interested in the McLaren Vale area, particularly the wine industry, and keen on making sure that that magnificent interpretive centre will be opened early next year. It will be a gateway to the whole southern area, and I am quite sure that the honourable member will work very

hard to make sure that it is open on time. We have been able to get a dozen brochures covering all regions of South Australia into tour wholesalers and airlines. As I said earlier, one of the most important things that we need to continue to do is give people product to sell. Coming from a selling background, I recognise clearly that, if wholesalers—the people who are virtually primarily selling right around the tourism market—do not have product, you have no chance of ever getting anywhere.

It has been tremendous to see those new brochures put out. I always found it amazing that we did not have a QANTAS or Ansett brochure in the market for five years. When you think that they have been our national carriers for years and we have not had any brochures, it is just incredible. There is a whole range of other wholesalers, which I will name because I think it important to do so: TAPA Tours; 1 Call Australia; Great Aussie Holidays; and Ansett/Kendell. That Ansett/Kendell brochure is an interesting one, because it is the first time that product with an ecotourism base has been put together by an airline to sell right across South Australia. With Kendell being the regional airline, for the first time we have the regional economy being brought into these brochures.

We have QANTAS, as I have mentioned; Australian Scenic Tours; Australian National Travel; Travel Marvel; NRMA; AAT Kings; Captain Cook Cruises; KI Sealink; Proud Australia Holidays; Archer Tours; Best Western; and Flag. We just did not have any of that prior to our coming into government, and it is staggering that that should be the case. It is fantastic that we have been able to put this together in such a short period. It shows that the marketing direction of the Tourism Commission has turned the corner and is doing an excellent job. As well as that, a national Short Breaks brochure is now available to all interstate travel centres. The brochure was produced specifically for the commission for short-term holidays within our own State.

Mr CAUDELL: Following my discussions with businesses involved in the tourism industry the growth in tourism in South Australia is obvious. As a result of the growth in the Tourism Commission's marketing activities there is potential to significantly increase the number of tourists visiting this State. What measures are being taken to ensure that sufficient facilities and attractions are developed to accommodate this influx of tourists?

The Hon. G.A. Ingerson: This is probably the most important single development issue undertaken by the Government. Not only has it made available \$8 million to a general development fund but also \$2.5 million over two years to be directly invested to ensure that some of the major projects we believe ought to get up in South Australia actually happen. Those major projects relate to the Flinders and Barossa areas and Kangaroo Island. This development fund will help to break new ground in attracting investors to South Australia.

One of the major problems in this area is that many investors have between 80 and 90 per cent of the funds but cannot make up that gap to get the project finally over the line. That has been a major problem in South Australia, the Northern Territory and Victoria. It is less so in New South Wales and Queensland. We believe that this extra \$2.5 million will get a couple of major projects off the ground, and the Government will have an investment to make sure that those projects happen. The \$8 million fund will be used for a lot of minor development works. The first development

announced was the Faith Lutheran Convention Centre in the Barossa Valley at a cost of \$1.5 million over five years.

The funds, which will come out of the general development fund, will be a very positive investment for the State. In the major areas of the Flinders (primarily Wilpena), the Barossa and Kangaroo Island the Government is looking at investing up to 20 per cent of funds to make sure that major developments occur there. Over the next three months we will be calling for expressions of interest in the investment market so that we can get these developments off the ground.

Mr FOLEY: One could be forgiven for gaining the impression from the Minister that, ever since the arrival of the Minister and this Government, tourism has suddenly taken on a new focus. To educate all those present in this hallowed Chamber it is important to provide a little bit of history.

The Hon. G.A. Ingerson interjecting:

Mr FOLEY: Exactly. I am about to give some accurate history. When Lynn Arnold was the Minister of Industry, he convinced the then Bannon Government to undertake a very important report into this State's economy. That report—the Arthur D. Little report—was a very important milestone in respect of this economy facing up to its difficulties. It identified the potential for tourism in this State and made the comment the Minister has alluded to: that we have not done enough in tourism, we did not have our structures in place and our financial commitment to tourism was nowhere near what it needed to be. Following that report, the work of Lynn Arnold, in his capacity as Minister and then as Premier, and through Mike Rann as the then Minister, we saw the establishment of the Tourism Commission in South Australia, which was the first recommendation of the Arthur D. Little report.

The other critical element of the Arthur D. Little report was that Governments had to tell State Treasuries that tourism was a major economic generator for any economy and that the resources that Treasury was prepared to make available to the tourism industry were far from sufficient. That was due to the work of Lynn Arnold and Mike Rann. However, I particularly wish to pay tribute to the work of Lynn Arnold, because I was present at many meetings with the then Premier and Treasurer, John Bannon, when we had to browbeat Treasury officials to accept an extra commitment of funding, and at that time an extra \$10 million was made available on a per annum basis.

That funding would not have been available had it not been for the work of Lynn Arnold and subsequently Mike Rann. I will go even further and say that the Chief Executive Officer of Tourism SA was appointed by the former Labor Government. All the important milestones, building blocks and hard decisions were made at the end of Labor's term in government. Clearly the former Labor Government played a very important role in putting in that infrastructure and making the tough decisions of which this Minister is now reaping the benefit. So be it: those are the fruits of office. The Minister's job has been made that much easier because all the hard work was done by the former Labor Government. Good luck to you, Minister. I have refreshed members' memories about history, because one could otherwise be forgiven for thinking that Graham Ingerson had done all this on his own.

Last year in the Estimates Committee the Minister made the point that the Government's aim was to increase employment in the tourism industry from under 35 000 last year to 45 000 by the year 2000. In the past year we have seen massive job growth nationally. However, according to the ABS data, employment growth in this State has been

extremely sluggish. Can you give me some up-to-date information on how far down the track we are to increasing employment in the tourism industry?

The Hon. G.A. Ingerson: While I am getting that information, I should like to make a few points. It is always fascinating to me how the chiefs of staff of former Premiers like to come into this place and make sure that their ex-Premier looks good in the public arena. A couple of points need to be corrected and put on the record. The first is that the previous Government sat on the Arthur D. Little report for 18 months. There was no recognition by the previous Government that tourism was important. The honourable member clearly made the point that it was a Treasury problem. Of course, it is a Treasury problem. However, if the Minister is not capable of arguing that his portfolio ought to be increased, it has to be the Minister's problem. The fact that both the previous Premier and Minister Rann were unable to get an increase is an absolute indictment of the previous Government for not even believing that tourism was important. The fact that they sat on the report and could not get any more money is, in essence, an indictment in itself.

During the past 18 months I have heard the member for Hart many times say how well the previous Government, particularly Lynn Arnold, did. In fact, we went backwards at the fastest rate possible during that time. In the last 18 months under Premier Arnold this State got into a bigger mess than it had under Bannon, and that is an indictment again. I find it quite amazing that the member for Hart, who was a chief of staff at that stage and probably the personal economic adviser to the Premier, should have the gall to say that he and the former Premier did a good job in tourism.

A research program is being discussed with the Centre for Economic Studies to find out how these numbers sit. As the member for Hart will know, it is very difficult to separate out of ABS figures any individual growth in tourism. As I said, we are now discussing with the Centre for Economic Studies how we can do that and get a better measurement. One of the major problems in tourism is the statistical information that we get. I think it is clear from all statistical information that we get in this State that the ABS figures are suspect. I am not saying they are wrong; but they are suspect. We want to make sure that we use people in this State—our own Centre for Economic Studies—to give us that sort of information.

It is only now that we have the 1994 figures. The trends that are coming through now are in the early part of our government. Some of that would have been due to the previous Government, but nobody in this Committee could say what the actual figures are. My seat of the pants feeling tells me that the significant increase in that area in South Australia has been due entirely to the efforts not of the Minister but of the Tourism Commission through turning around and setting up a very good marketing concept for this State.

Mr FOLEY: I do not think that a lot will be served by our tennis match on history. The former Government did not sit on the Arthur D. Little report for 18 months; it moved quickly to implement it. I reiterate that tourism got a great bucket of money—an extra \$10 million—that it never had before. It was not enough, but it was a quantum leap in the resources made available to tourism. I know that the present Government and Minister are very pleased that we were able to achieve that for them.

Last year you mentioned that you were concerned that South Australia accounted for only 5 per cent of the total value of tourism expenditure in Australia, but that increased

expenditure would make an immediate and sustainable contribution to rebuilding our economy. Has that share increased or are you not at this stage able to give us that statistical information?

The Hon. G.A. Ingerson: I shall have to take that question on notice and give a considered reply. I do not have the actual figures.

Mr FOLEY: The total trip expenditure of a backpacker is estimated to be up to six times that of an average visitor with a high potential of return to Australia. In 1993 it was estimated that the number of international backpackers had increased by 10 per cent per year over the past five years. By how much has the number of backpacker visitor nights increased in 1993, 1994 and 1995? Is there any up-to-date data on that aspect?

The Hon. G.A. Ingerson: I am advised that backpacker figures, or any very small market figures, are not and never have been available. Again, this will be part of the discussions with the Centre for Economic Studies, so that we can start to get some realistic statistics in the relative markets. In the past three months a chain of hotels has got together in an effort to expand the backpacker market. As the member for Hart said, it is probably one of the best and most effective groups of people in terms of the economy. They spend a lot of money in the economy because they are usually here for two to three weeks.

From some preliminary research, I understand that this group spends about \$24 million a year in the State. But that is preliminary research and needs to be properly backed up with research from the Centre for Economic Studies. The whole area of tourism statistics is one that I spend a lot of time arguing to and fro with the chief executive. First, they are so much out of date, which is the major issue with them but, secondly, you can almost poke holes through them just by looking at them. It is an issue which I know all States are concerned about, and we have been talking, through the Federal Minister, to the Bureau of Tourism Economics in Canberra to try to get better figures that provide proper trend lines. I suspect the member for Hart is saying that we need to know this information accurately, and I support the honourable member strongly in that argument.

Mr FOLEY: The Minister's answer pre-empted my final question in this series. I was leading to the fact that it is very difficult for us to measure tourism. I suspect that, in terms of just about any other economic indicator, such as State Treasury or the economic think tanks within Government, you probably have all the models you need to find out about the hard core economic data. I suspect that tourism has never been monitored closely by the State Government. What sort of mechanisms can you put in place? If we give tourism the economic profile and importance it deserves, and if we identify it as a key economic generator, we will not pick the trends, changes or shifts if we continually rely only on the gut feel of our officers. We need that statistical data to pick those trends and to have benchmarks and performance indicators as to how well we are actually going. Will the Minister consider the establishment of a facility within his own agency? Will the Centre for Economic Studies be that agency: will it occur under Dick Blandy or under the think tank that the Premier has organised in terms of whatever infrastructure he has put in place? Somewhere within Government we need to have a sharp focus on these economic statistics.

The Hon. G.A. Ingerson: I spoke to Dick Blandy earlier this week about his role. He is keen to make sure that he

works with whomever we would want to appoint—in this case we are talking of the Centre for Economic Studies—to make sure we get the best statistics. Having run a business for 25 years of my life, I know full well, that if you do not know the trends and you only think you know what you are, you have a problem. The Australian Tourism Commission (ATC) as part of Partnership Australia has for the first time recognised the need for research money to be put in to getting better statistics. It is a major problem nationally and obviously at a State level. It is an area that we intend to try to work harder on. The other night I sat down with a group of small business people in the tourism area and they want to get better information in terms of trends in operating their own businesses. There is a whole push within the industry to better understand where we are going.

Mrs HALL: I refer to the Program Estimates, page 187, 'Tourism industry development' which refers specifically to whale watching. As the Minister well knows, I consider that to be a fairly magical experience. I have been one of those people who were lucky enough to experience that, particularly in the Great Australian Bight. What is the South Australian Tourism Commission doing to ensure that South Australia is promoted as a destination that offers that fabulous experience? What is the commission doing to ensure that the tourism impact on the whales' environment is properly managed? I specifically refer to the Bight: having been there, I know that the facilities are limited. I note that it is not specifically referred to as a target or objective for the coming 12 months?

The Hon. G.A. Ingerson: As all members of our Party know, the member for Coles has a special interest in whales and has been talking at length to me and to anyone else who will listen about the need for us to develop more specific facilities, basically to capitalise on what potentially is a huge industry. In the past few weeks I have been staggered by the number of people who have visited Victor Harbor purely and simply in the hope that they might see whales. It has been quite staggering to me, because I have not seen it personally as a very important issue. The member for Coles has and is encouraging us at length to make sure we do something about it.

The first point is that Victor Harbor is close and probably has benefited most of all from whales coming into that harbor. Some excellent tours have been set up to capitalise on that. The most exciting issue is that of the whales in their birth place, in essence, at the head of the Bight. The Minister for the Environment and Natural Resources gave a very lengthy reply about what the Government intends to do in the Bight in terms of the nursery that we are to support and help prolong. From a tourism point of view, we have to make sure that we do what has been done on the Victorian coast. You have to provide safe viewing platforms which protect the environment of the cliff face and which give everybody the opportunity to view what is a unique experience.

As a matter of fact, the tourism backbench committee is going to see what sort of facilities need to be developed in the next couple of months, because private sector investors are interested in building accommodation closer to the site than is presently the case. We want to talk to them about what they are prepared to do and what the Government needs to do to help them get it off the ground, but more importantly what we need to do to make sure that the viewing platforms and information interpretative centre is placed at the head of the Bight.

Mr BROKENSHIRE: I refer to the European market. I was recently there looking at tourism, amongst other things, and clearly Europe is South Australia's largest international market. What is the commission doing to ensure that South Australia gets an increasing share of this vital source of tourists?

The Hon. G.A. Ingerson: As far as Germany is concerned, we discussed that earlier and I will touch on it again. There is also a huge opportunity for us in France, Switzerland, Italy and Greece. There is particular opportunity in the latter two countries because of our migrant population in South Australia. We have neglected that opportunity in both a tourist and economic sense, particularly in terms of Greece and Italy. All Governments—it does not matter what they are—need to be held to task for not promoting as well as we could have promoted in those two areas. There is no doubt that our own migrant population is very interested in trade: most of us know that the Greek and Italian communities are probably two of the most important trading groups in our community. For us not to have chased that up from both a tourism and a trading point of view in the past has been pretty negligent. So, we intend to do that. The Frankfurt office, which I mentioned, will really be the key to future growth in Europe. It is up to the commission, with its office in the United Kingdom, to make sure that, first, the wine industry in particular and, secondly, the ecotourism opportunity are our major pushes into Europe, particularly through Frankfurt.

One of the interesting side issues, which the member for Hart mentioned, is the backpacker group. Most of those who called into the Mall were backpackers, and a high percentage of them were Swiss or German. They spend a lot of time in our wine areas, particularly in the South-East, which is interesting, and on Kangaroo Island. The feedback from operators on the island is that the number of Swiss and Germans at the moment is quite large. As a consequence, we need to push the German office in Frankfurt.

I have mentioned France and Italy, but we are also considering Belgium, The Netherlands and Luxembourg. We have migrants from all those countries, and we should encourage people from those countries to come here and have a look. The major wholesalers support our promotion. Again, that is very important because, as I have said, unless the wholesale market sells your product, you have nowhere to go. That is a very important part of the promotion. Europe will be a major Government push over the next five years.

Mr CAUDELL: I am sure that the Minister has a bit of a chuckle, as I do, when he hears the Opposition, particularly the member for Hart, rewriting the history of tourism in South Australia. I must remind the member for Hart that the *Los Angeles Times* did a spread on Australia and the South Pacific, and there was not one reference to South Australia. The premium wine growing district in this area was allegedly in New Zealand. Also, the Kangaroo Island road report, which was commissioned by the previous Government, said, 'If you don't spend any money on roads, the economic development of Kangaroo Island will go backwards.' The previous Government sat on the report and never released it. It has a lot to answer for.

My question deals with regional restructuring. Regional tourism plays an important role for tourism operators at local level. Over the past 12 months, we have seen a restructuring of regional tourism organisations, reducing the number of groups from 13 to 9 by creating regional marketing boards. How has the process of regional restructuring progressed

during 1994-95? What support is the South Australian Tourism Commission providing the new marketing boards?

The Hon. G.A. Ingerson: As everyone knows, about 12 months ago we started the regional restructuring program. As with most restructuring programs, we have had a lot of success and a lot of difficulties. Anyone who has worked in the regional sector will know that change takes place slowly but, provided that the commission is able to keep on showing the people concerned that the direction in which it wants to go is in line with the direction in which they want input, we will have much more rapid change in the next 12 months.

It is clear that the 'Come to your senses, come to South Australia' program, along with the marketing grants that we have given the regions, has had a dramatic effect in the improvement of regional tourism in our State. We grant funds ranging from \$150 000 to \$200 000 a year to the regional boards. There are now 9 instead of 13 boards. General marketing support for the boards has been excellent.

Another important issue is to ask the regions to become involved in deciding what image they want to promote. Although it was slow initially, it is working very well, and the regions understand that the South Australian Tourism Commission is there to support them, not to direct them as to the way in which tourism marketing should take place.

A range of documentation and agreements has been set up. Many of the regions had no constitutions, yet they were legal entities. We needed to make sure that those matters were set in place. We have senior officers in planning and research assisting all the marketing boards, so the commission, instead of driving regional tourism, is now in a totally supportive role and is working with all the marketing boards to develop images that they want to fall in line with the overall marketing plan of 'Come to your senses, come to South Australia'.

Regular meetings are now held with all liaison marketing officers to make sure that what the commission and they are saying is principally the same. Obviously, some areas will want to do the same thing in a different way, but generally it is important to make sure that we work together. As I have said, regional restructuring is not a simple exercise, but the commission and I think that we have come a long way in 12 months, and we expect to see massive improvement in the next 12 months.

Mr FOLEY: I was deeply wounded by that onslaught by the member for Mitchell but, as is my usual style, I will not debate it with him. I shall just ignore the irrelevance of the honourable member's comments.

I should like to talk about infrastructure. I am a great believer in the fact that we have to do a lot—I know that the Minister is also of that view—in respect of infrastructure and having the facilities in place when people come to South Australia. I have criticised past decisions that have caused us to miss some excellent opportunities further to develop our infrastructure. I should like to tease out those issues.

I was interested to hear Michael Gleeson on the radio the other day talking about Mount Lofty and the fact that 400 000 people each year visit Mount Lofty. I was staggered when I heard that number. I am not an expert, but anything that could attract up to 400 000 people per annum as well as, obviously, many locals would be in the big league of tourist attractions anywhere in the country. I suspect that a facility that attracts 500 000 visitors a year is a significant drawcard. I know that I am leading with the question out of which the Minister might like to make some political mileage.

I welcome the Government's decision or ability to get some development on Mount Lofty, but I am also prepared

to say that I am perhaps a little disappointed that we might not be making the best possible use of the summit. I have always supported a more substantial development on Mount Lofty. That might not be the view of some of my colleagues, some of the Minister's colleagues and perhaps the Minister himself. The thought of a coffee shop on Mount Lofty, as nice as it is, reminds me of when Mum and Dad took me up there 25 years ago. You would pay 5¢, look through the binoculars and see Adelaide. I would have hoped that something more substantial would be put on Mount Lofty. This is not an attempt to politicise the issue, but you obviously support what is going on. Do you share my view that, perhaps, we have missed an opportunity to develop a grander facility on Mount Lofty?

The Hon. G.A. Ingerson: The member for Hart supports the project. I do not think that anybody would doubt that it is probably the prime business opportunity in tourism if we get it right. Any business that had 400 000 visitors a year would like to open a shop there. It is important to note that, at this stage, the suggested plans have only just been put out. They are calling for expressions of interest in what should be done up there. The project will be an interpretive centre as well as a kiosk and retail operation.

As I said earlier, it will incorporate walks down to Cleland, and it will seen as a major development on the summit. I do not believe it will be as small as the honourable member might suggest. I do not mean that as a criticism, but he will find it will be much larger than he expects. The cost will be borne in two ways. The Department of Environment and Natural Resources is putting in the water and sewerage, etc., at a cost of about \$2 million. I am quite sure that the Tourism Commission will be asked to support the development as well as having the private investor supporting the business and the building itself.

This is seen as an important visitor interpretive centre. The St Michaels development, further down the hill at Mount Lofty, is in essence dependent on attracting another investor. The honourable member would be aware that that project has been on the drawing boards for some time. Seen currently as a major investment, it will comprise a joint project involving both the summit and St Michaels. The Government is going ahead with the summit project because it believes that is the best investment centre at this stage. Car and bus parking is a major issue at the summit. Whilst we need to have as big a centre as we can get, we must bear in mind the need to park cars and buses there. The 400 000 visitors each year take up a lot of room during the week. It will be a significant development and much bigger than perhaps the honourable member may suspect at this stage.

Mr FOLEY: This is not official Opposition policy, but I have always been a personal supporter of the concept of a tower on Mount Lofty. From what the Minister has said, I suspect that it is a forlorn hope that we will see a grand tower there. I think it lends itself beautifully to that, having seen one in Canberra and Seoul, Korea, where they make great use of vantage points from their mountains. I just wish we could have done that here. Will the Minister expand on the Government's intentions and policy in respect of infrastructure and resort developments in terms of national parks?

The Hon. G.A. Ingerson: We are currently discussing with the Department of Environment and Natural Resources the development of projects within parks, as we have some already. The most significant one is at Rocky River. It is currently rather tired, having been there for a long time. Rocky River in particular, as a group of cabins, needs to be

re-examined, and we are currently doing that. There is no commitment to do so, but nevertheless it is being examined.

It is the view of the Tourism Commission that our national parks are our best possible opportunity to open up tourism, particularly ecotourism development and usage, in our State. At this stage there is no commitment within or outside any of the parks to undertake any major development. The Government recognises that there is a sensitivity by the community at large to developments within the parks, and that will always be taken into consideration if we undertake any development at all.

One area being upgraded is Wilpena, within the national park. That operation, which has existed for a long time, will be upgraded, and that development will be quite significant, although not nearly as grandiose or extensive as the Ophix development. It will obviously be within the park because we already have that existing operation. We have spent a lot of time talking about it with the Conservation Council, which would prefer development not to continue on that site. However, it will be developed on that site following consultation with the council and making sure that the environment is maintained at all costs. As the previous Minister who initiated this area of ecotourism would know, unless you maintain the environment you are trying to sell in as close to pristine condition as possible, you will not attract people to ecotourism as we want to sell it in our State.

I am advised that, at officer level, discussions are now occurring as to how we can attract private sector investment inside and outside parks, including consideration of the nature of tenure, the nature of development and the type of performance measures that may be required. Those options are being considered, but there is no direction by the Government in this regard, other than the Wilpena and Kangaroo Island developments, both of which are on existing sites. I have been advised that as a major promotional exercise we are also working with the Northern Territory Tourism Commission on the use of its national parks.

Mr FOLEY: I acknowledge I am dancing around some fairly sensitive areas, both politically and policy-wise, but these are the views of the shadow Minister: they are not Opposition policy. The Minister has covered what I was going to say about the Flinders, but one of the great places in South Australia is the Innes National Park and the absolutely outstanding beaches and coastline at the foot of Yorke Peninsula. I would go so far as to say the quality of those beaches is as good as anything Queensland can offer. Obviously that is ecologically a very sensitive area. Again, there is the logistical problem of getting people over there. It is a fairly lengthy visit by road, and the infrastructure is not in place to get people in by air. Is the Tourism Commission looking at how we can perhaps sensitively expand the opportunities available to us at Innes National Park? It is the most outstanding asset we have in this State next to the Flinders.

The Hon. G.A. Ingerson: It is not very often that I agree with the member for Hart, but he has hit on one of the best kept secrets of South Australia, and one of the major issues the Tourism Commission has been addressing is the possibility of opening up some of these areas. The point about sensitivity is absolutely correct. If there is one national park which you could almost categorically say should not accommodate any development, it is that national park. It does open up in the surrounding towns and in the area adjoining that national park the opportunity to develop some very high quality accommodation, sympathetic to the local environ-

ment, for visitors to that area. It is, in my personal view, the best national park and opens up more opportunities than may exist elsewhere.

As well as having had some initial discussions with the Department of Environment and Natural Resources, we understand that the development of the marina at Wirrina would open up the opportunity of providing a link across to Edithburgh, so that, once the marina is established at Wirrina, sailing enthusiasts will be involved in using our gulf line more regularly than it is used at present. There is nothing on the drawing board in that regard at present.

Mrs HALL: With respect to infrastructure development, I refer to page 187 of Program Estimates, concerning Kangaroo Island. The Government obviously is making a considerable effort to attract tourists to Kangaroo Island. We know that we want them to return to the island and we want them to encourage their friends to go as well. We also know that the roads over there have been criticised occasionally because of their poor condition, particularly those leading to Seal Bay and Flinders Chase. Under '1994-95 Specific targets and objectives', it refers to the support that we are talking about giving to the interpretive and visitor centres at a range of destinations including Penneshaw and Seal Bay. Will the Minister outline what action is being taken to improve those roads? When can we look forward to a smooth ride to those two unique destinations?

The Hon. G.A. Ingerson: I refer the honourable member to the answer given by the Minister for Transport in much more detail than I can give about the actual costs in connection with these roads. I will comment briefly, but a much more detailed answer is available in the Transport Estimates Committee, at page 56.

With the ferry service, we have had 25 000 new visitors going to the island on a day visit basis, and that has created several major problems. For example, with 400 or 500 people a day visiting the island, there are distribution problems. It exacerbates not only the problems involving roads on the island but also the hassles that we have in respect of some of our ecotourism destinations, primarily Seal Bay and Emu Bay. At Seal Bay we have worked with the local government authority and the Federal Government in connection with the boardwalks and the interpretive centre, namely, the explanation of the site and the control of people on the beach at Seal Bay. Those issues have become important, and we must continue to keep them under consideration, otherwise we may destroy one of the best ecotourism opportunities on the island. The south coast and Seal Bay roads are both in a terrible state and need to be upgraded over a period.

In the Minister for Transport's detailed answer she said that over five years \$12 million would be spent on sealing the Seal Bay and south coast roads. We are currently discussing with the Minister the opportunity to bring that project forward under a new financing deal and use the money that is available over that five years to repay the cost of the project. That matter is very much in its infancy at this stage but it is a real concern for the Tourism Commission to try to get those roads sealed as soon as possible. Commencement of road sealing will take place in January 1996 and will be completed as soon as practicable after that.

A small tourism project fund is available for small sections of road on Kangaroo Island and operates in conjunction with both district councils on the island.

Mr BROKENSHIRE: I wish to ask a question about the use of the media and promotion within the commission. Late last year I was fortunate enough, through the South Australian

Tourism Commission in association with the Australian Tourism Commission, to have a great group of specialist Asian rural travel agents come to the Mawson electorate to look around McLaren Vale and the Fleurieu Peninsula and hopefully to introduce promotion activities in Asia designed to get rural packages for South Australia. As politicians, we know the power of the media, which is often claimed to be all encompassing. Not only from the visit to my electorate, but generally I understand that the commission hosts a number of journalists and travel trade VIPs from other countries and interstate each year. What benefits do you see this providing for our State?

The Hon. G.A. Ingerson: Members know how powerful the media is and how important it is that the media is on side when we try to promote South Australia. We have two major programs, one being a media familiarisation program and we also have a trade familiarisation program. Those programs are important in ensuring that trade wholesalers and VIPs to South Australia are taken to the areas we wish to promote. If they happen to involve the media, we encourage them to write about their experiences in South Australia. We have a good group in our media and trade familiarisation area and we are getting some outstanding reports of quality made on our State. We have had coverage in *Vogue Living*, *Australian Geographic*, *Le Monde* in Italy, and *Conde Nast Traveller* in USA; we have had television coverage on *Getaway*, *Healthy Wealthy & Wise*, *Talk to the Animals*, *Canale 5 Troupe* from Canada and six television segments on Japanese television. We have had newspaper coverage in the *Australian*, the *Sydney Morning Herald*, *Daily Telegraph Mirror*, *New Zealand Herald*, *The Times* in the United Kingdom, the *Los Angeles Daily News* in the US, the *Nichigo Press* in Japan, the *New Straits Times* in Asia and the *Cape Times* in South Africa. That is only some of the media coverage we are getting.

As at 31 May a total of 717 industry and media representatives, as well as VIPs, were hosted in the last financial year from both international and domestic markets. This has resulted in media exposure conservatively estimated to be worth \$78 million, which is a large return on the investment by SATC of about \$390 000. A fantastic example I have seen relates to a group of writers in Adelaide for Writers' Week last year. A woman wrote an article on South Australia in two international magazines which really sold our wine, food and restaurant industries as well as our close-in city destinations and also Kangaroo Island. These articles, which cost nothing, came about because these writers were here for Writers' Week and they just loved the State. That is the sort of thing that this division is doing well and most of it is free. That is what we need to cultivate more and more, and it is all part of getting rid of this best kept secret image. We really have to tell the world what we have got here if we are going to get tourists to come. That has been the major thrust in the past 18 months.

Mr BROKENSHIRE: As to promotion, the South Australian Travel Centre has a prominent site on the corner of North Terrace and King William Street which provides easy access for both residents and visitors to the city to obtain tourist information and make holiday bookings. On the promotional side, some people have been critical of the Travel Centre in past years and claim it has not been focused enough on the basic benchmarking and direction at which the centre should aim. The location of the centre is now clearly obvious; indeed, when we walk out of Parliament House we can easily see it. It has a new image and its

visibility has been enhanced. Can the Minister comment on the South Australian Travel Centre's performance, particularly during 1994-95?

The Hon. G.A. Ingerson: As the honourable member knows, about 12 months ago there was a major upgrade at 1 King William Street, which is probably the best tourism address in Adelaide; that is, aside from its parking problems but, in terms of being able to sell South Australia as a centre, it is in an excellent location.

We have had a very minor increase in sales, due to the change in the way people are buying their product. Initially, there was no product in the market with Ansett or Qantas or all these other travel agents, so some of the sales have obviously returned to where we are happy to see them, that is, with private sector industry. Next month we will be identifying everyone here with the R.M. Williams gear. We have it in Sydney and Melbourne, and we will be doing the same here. Generally, the information going out of the Travel Centre has no sales value at all; in other words, there is no income from it, but it is a tremendous information centre in terms of selling South Australia. The centre is now open seven days a week and will be open at the same hours at which shops in Adelaide are open. Basically, it is there as an information service centre, but we hope to get some sales coming in to enable us to pay for the centre itself.

Mr CAUDELL: We have heard in recent times that ecotourism is a strong marketing tool for South Australia. What exactly is happening with ecotourism and with the Aboriginal tourism strategy?

The Hon. G.A. Ingerson: Along with the wine industry, this is probably the most important opportunity for us. We have some very special destinations in our State, and there is no doubt that our national parks and Kangaroo Island, in particular, are major opportunities in the ecotourism area. One of the major problems is the need for better accommodation and more of it. We will be attempting to get some expressions of interest in three major areas and also to encourage people to go to many other parts of the State which traditionally have not been looked at, such as the Gawler Ranges. In my view, the Outback generally is under-utilised as a tourism destination and we need to make sure that, as part of this whole ecotourism thrust, we look at some of the tours that are traditionally not available in South Australia. Obviously, the Aboriginal community will need to be very much involved in some of those Outback tours.

About three months ago we had a special release with the Mimili community, and we have prepared a brochure that is being marketed with it to get more people to go into that part of the State and, importantly, to get the Aboriginal community involved. We have the best selection of Aboriginal art and artefacts in the world at the Adelaide Museum, and we are working with the museum and with Tandanya to make sure that the Aboriginal side of tourism in this State is improved and continues to improve. There are many other products we need to work with to develop this area, but two areas need major work done on them.

The first one is accreditation, that is, to make sure that the product which comes on the market and which we are asked to sell on behalf of the owner-operator is up to the best standard in whichever quality area it is. In other words, we should be promoting the best of every star—one star, two star, three star and all the way through—and we should be accrediting at that level and not at a lower level. Secondly, the training of managers, operators and staff needs to be improved. One of the special things we must be able to do

(and we do it pretty well) is to make sure that our service in this State is the best in Australia. If we do not, it will be difficult to get more tourists to come here, because many destinations in the rest of Australia are as good as those which we think are good here in South Australia. Quality of accommodation and service are the two major issues: fortunately, we are good at them but we need to improve them so we become the best. Those are really the most important issues we need to deal with in this ecotourism-Aboriginal tourism area.

The CHAIRMAN: Before the member for Hart questions the Minister, the tentative arrangements were for the Grand Prix Board to attend at 12.30. Did the Minister give the Committee to understand that he thought we were adjourning at 1.30?

The Hon. G.A. Ingerson: Yes, Mr Chairman.

The CHAIRMAN: There is no provision for a 1.30 adjournment. The vote of the House was for the Committees to adjourn at 10 p.m. each evening, and Standing Orders only permit an adjournment precisely at 1 p.m. and precisely at 6 p.m. The Chair has absolutely no discretion, therefore it will necessitate the Grand Prix Board's returning after lunch. As I say, the discretion does not lie within the Chair or the Committee but with only a full vote of the House or the concurrence of the Speaker. I am sorry about that.

The Hon. G.A. Ingerson: Thank you for giving me that advice. It is unfortunate that that should be the case, because we corresponded with the Speaker and it was our understanding that it could be done. I understood that the Committee was in full charge of its conduct and could in essence vote on it, but if that is not the case we will have to work within the rules and I will take it up afterwards.

The CHAIRMAN: If the Speaker is in the House and wishes to give the Committee permission within the next 25 minutes, if the rest of the Committee concurs, that could be done. But it also affects logistics within the House if there is a later rising.

The Hon. G.A. Ingerson: We will attempt to do that, because there is a letter from the Speaker enabling us to do it, and it was an agreed position amongst the Committee members that we would do that.

The CHAIRMAN: The Chair has not been informed, and the resumption time and the logistics for the kitchen also enter into it. I am in the Committee's hands: I am quite open about it.

The Hon. G.A. Ingerson: We will continue until it is sorted out.

Mr FOLEY: The Minister has received the resignation of two of his appointments to the Tourism Commission Board, Wolf Blass and Kay Hannaford. Media reports stated that their resignations were given because of personal commitments that made their continuation on the board not possible. Of course, those resignations were only a month or two before their term of office was up anyway. I do not want to read too much into that, but the Minister has alluded many times to my previous occupation, which tells me that when two high profile appointments of the Government resign prior to their term of office expiring it indicates that perhaps not all is well on the commission. Will the Minister comment on that?

The Hon. G.A. Ingerson: As the honourable member would be aware, all the commissioners were appointed for 12 months; the two the honourable member named have given me their resignation to apply as of the end of their term, which is 21 July. Regrettably, we have accepted both those

resignations. The honourable member can read nothing into it other than that both of them have chosen to finish at the end of the 12 months.

Mr FOLEY: I do not expect I will get any further comment from the Minister on that. With the terms of office expiring over the next three or four weeks, does the Minister expect that the existing members, including the Chairman, will be reappointed?

The Hon. G.A. Ingerson: Discussions are taking place at the moment and I would expect that to be the case. As the honourable member would be aware, we can change anything at anytime, but I would expect the commission to continue, and I will be discussing the membership with the Chairman over the next three or four weeks.

Mr FOLEY: Mr Les Penley, who is a member of the Tourism Commission Board, is a very high profile business person connected with KI Sealink. I am concerned that the Government has two substantial commitments in respect of servicing Kangaroo Island: KI Sealink and the fast ferry service. The member for Mitchell and I had the pleasure of getting somewhat green around the gills on the opening run of the fast ferry service. A number of comments have been made by Mr Penley, in his capacity as General Manager of KI Sealink, that I would consider to be mildly critical of the operation of the fast ferry service, but I would not expect any less given the competitive nature of the two operations.

Given the Minister's and the Premier's substantial financial and personal commitment toward both these operations, does the Minister feel that Mr Penley's ability to serve the commission in an objective way can continue, or does this conflict of interest make it more difficult? I make no direct criticism of Mr Penley; I merely point out that a conflict of interest can create a difficult situation.

The Hon. G.A. Ingerson: I find it quite amazing that someone should ask such a question and then qualify it by saying that they are really not trying to stick it up Mr Penley, or anyone else on the board. I understand the honourable member's question because all boards, whether they are Liberal or Labor appointments, or even Democrat appointments, if ever such a freak accident should occur, have members who will have a conflict of interest at some time. As the honourable member would understand, all boards advise members that, if they have a specific conflict of interest, they must remove themselves from the board while it is discussed.

I understand that no such conflict of interest requiring Mr Penley or, for that matter, any board member, to leave the room has come before the board. I will have that checked and, if there has been, I will advise the Committee later. When one has an industry board, which primarily the Tourism Commission is, one must expect board members at some time to experience a conflict of interest. The prime reason for appointing industry people to boards was to remove the shemuzzle created by the previous Government. Boards appointed by the previous Government had no industry connection; they had to stand as a bureaucratic body and make decisions without involving or talking to anyone in the industry.

The previous Minister, Mike Rann, changed that direction. We supported that change at that time and have supported it ever since. As long as we have an industry board we will have the potential for conflicts of interest. As I have said, I have not had any report from the Chairman suggesting that there have been any conflicts of interest. He knows, as do the members of all Government boards, that, if there is any

chance of a conflict of interest arising, the board member or members must leave the room and not be involved.

Mr FOLEY: Minister, you took that slightly out of context. I was not necessarily suggesting conflict of interest in respect of internal board discussions. I am fully aware of the provisions available to the Chair and to board members, and they would obviously be observed in terms of discussing any specific issue on the commission. That was not the thrust of my question. I have every expectation that both the Chair and Mr Penley are well aware of those provisions. I simply make the point that, like many others, I have heard Mr Penley mildly rebuke and criticise the operation of KI Fast Ferries which, as I said, is not an unreasonable expectation given that Mr Penley's operation is a competitor of KI Fast Ferries.

I draw attention to the fact that there is the potential for conflict between the internal workings of the board and the fact that the Government is providing significant financial incentives to KI Fast Ferries to get it up and running. I still feel a level of discomfort having someone on the Tourism Commission Board, which promotes the general thrust of our tourism policy, in such an open conflict position with another competitor. That is the context within which my previous question was asked; it was not in terms of whether he declares himself on the board, which I am sure he would do.

The Hon. G.A. Ingerson: If that were the sort of criterion by which the board had to run, it would mean that I could not appoint George Van Holst to the board because he is in competition with the Hyatt or the Inter-Continental, or that Wolf Blass should not have been appointed because he is in competition with every other winery in the State. That is a nonsense argument. If a person from an industry is appointed to an industry-driven board representing and working with industry, there will always be potential for some sort of competition. In fact, Mr Penley and Mr Kitcher are in direct opposition to one another.

Whilst I do not and cannot hear every media comment, I have never heard Mr Penley, as a member of the South Australian Tourism Commission, giving Mr Kitcher the stick because he is associated with KI Fast Ferries. I have always heard Les Penley making comments on behalf of his own organisation. I would hope that in this free economy that can continue, otherwise we will not get anyone to join any board in any area. I could cite a number of potential conflicts of interest on the WorkCover board, but there is no criticism of that in terms of its function.

There might be criticism in terms of some of the people who are there, but the function is not criticised. Whilst I understand what the honourable member is saying, it is a nonsense question. The member for Hart is doing a fair amount of political stirring. I understand that, and I would not be at all surprised if it is out there on the airwaves. I find it amazing that, without a specific example of malpractice levelled at Mr Penley or, for that matter, any other member of the board, the honourable member should raise this, because it is an industry-driven board.

Mr FOLEY: This is not a political exercise, and I have no intention of proffering it as such. The Minister said he understood my question, and then he called it a nonsense question. There is a slight difference in the analogy. This is not a reflection on Mr Penley; in fact, I am trying to make life a little easier for Mr Penley. I am saying that your analogies were irrelevant to the extent that we do not hear Wolf Blass on the airwaves consistently being critical of other wine makers, and we do not hear the Manager of the Hyatt on the airwaves being critical of the Manager of the Hilton.

Like the Minister and the Government, I am a supporter of KI Fast Ferries. I have felt that Mr Penley's comments, as understandable as they are, have been strikingly critical of KI Fast Ferries in a commercial sense. We do not need to continue the debate; we obviously have different views. I am attempting to be as sensitive and constructive as I can by asking whether that causes the commission some difficulty. Mr Penley is Manager of KI Sealink and also represents the Tourism Commission. I simply leave it at that.

The Hon. FRANK BLEVINS: I am part of a committee which is looking to assist Eyre Peninsula get out of the doldrums in which it has been for a little while. I do not want to overstate the problems, but they are significant in some areas. One area in which some activity is occurring is tourism. I understand that a larger number of tourists visit the Eyre Peninsula than the Barossa Valley. I do not know whether that is correct. However, there is also the criticism that is usually valid outside the metropolitan area of not getting a fair share of attention from metropolitan-based bureaucrats. Everybody who lives in Adelaide is known as a bureaucrat, of course. What proportion of tourism funds is spent on promotion of the Iron Triangle and the Eyre Peninsula? Also, what amount of funds is used by Tourism SA on the location of staff, and so on? If you do not have the figures, it does not matter; we can have them later.

The Hon. G.A. Ingerson: We will get answers for some of those detailed questions and supply them to the Committee. Kangaroo Island gets \$150 000 and the Barossa gets \$150 000. The Eyre Peninsula, the same as the other seven regions, gets \$200 000 per year to promote the tourism potential of its own region. That is supplied to the marketing board. All the other major regions, except the Barossa Valley and Kangaroo Island, get a large sum of money from the commission. We give them back-up facilities in helping them to do that.

We have recently done a photo shoot in the Eyre Peninsula, and as a flow on from the photo shoot a brochure will be produced very quickly. In the images that we are using nationally in the 'Come to Your Senses, Come to South Australia' program, a significant part of the photography is on the West Coast. When talking to the chairman of the marketing board about regional tourism, he advised us that their level of tourism was significantly higher than they had expected. There was one area, which we discussed earlier, that they think is having some effect, and that is whale watching at the top of the Bight. He is from Port Lincoln. He said that a surprising number of tourists were coming to Port Lincoln and consequently up the coast that way, and suggested that someone had changed the signpost.

There has been a surprising increase in tourism from Western Australia. We think that, because of the whales and other general developments in the Gawler Ranges, the Eyre Peninsula will become one of the major destinations in terms of ecotourism because of its own natural resources. I understand that we are to assist the Gawler Ranges project—a private sector development—to the extent of \$200 000. We will be helping them basically with infrastructure and project design. It is an exciting ecotourism based development. I will get the rest of the information for the honourable member.

The Hon. FRANK BLEVINS: I was disappointed, when the debate about hunting holidays came up a couple of months ago, that it was dismissed out of hand by a number of people. Given the minimal nature of the debate, I am not quite sure on what side of the argument I would come down if there were a decent debate. There are many goats in the

Gammon Ranges. If somebody wanted to come along and shoot them, it could perhaps have beneficial effects from an environmental point of view and in terms of generating income on the Eyre Peninsula. I know also that wild pigs on Kangaroo Island come out of the national parks and do an enormous amount of damage to those properties adjacent to the national parks. It seems to me that it is worthy of a better debate than it got. It may be that the Aboriginal communities could be involved in this debate. They may like this to be considered as part of their commercial activities. It is a very big industry in New Zealand, and I do not see New Zealand as being too different from us. Has any more work been done on it, other than the quick response on the telephone to the journo who depicts it as hundreds of thousands of Rambo's coming here with flame throwers despoiling our landscape, which obviously nobody wants? I think it is worthy of more debate.

The Hon. G.A. Ingerson: I thank the honourable member for his question. The response was given specifically in relation to a whole lot of Rambo-style tourists coming to this State. We do not support that, but, having said that, a policy is being developed between the Department of Environment and Natural Resources and the South Australian Sporting Shooters Association for the controlled shooting of goats in the Flinders and Gammon Ranges, and we are not opposed to that at all. I understand the comment made by the honourable member, and I agree that we need more debate. However, we are not prepared to accept the proposition put forward by the President of the South Australian Sporting Shooters Association that we should have huge numbers of tourists coming here and being uncontrolled. That was the key to the comment that was made. Discussions are taking place to see whether the existing controlled shooting can continue and be expanded.

The CHAIRMAN: I declare the examination of the vote completed.

Minister for Tourism and Minister for Industrial Affairs—
Other Payments, \$31 148 000

Departmental Advisers:

Mr Sam Ciccarello, Executive Director, Australian Formula One Grand Prix.

Mr Pieter van der Hoeven, General Manager, Adelaide Convention Centre.

Mr W.T. Spurr, Chief Executive Officer, Australian Major Events.

Mr Andrew Daniels, Deputy Executive Director, Australian Formula One Grand Prix.

Mr Geoff Ashman, Administration Manager, Adelaide Convention Centre.

Mr Ian Fraser, General Manager, Adelaide Entertainment Centre.

Mr Richard Kerslake, Finance and Commercial Manager, Adelaide Entertainment Centre.

The CHAIRMAN: I declare the proposed payments open for examination. Does the Minister wish to make a statement?

The Hon. G.A. Ingerson: As everyone knows, the Grand Prix this year will be the last in Adelaide. The board and management are planning a magnificent grand finale. It will

be a hallmark event which will become part of South Australia's events history, an event which will be regarded as the benchmark for standards of excellence in event management in the world. The City of Adelaide will be profiled under the banner 'Sensational Adelaide' with the South Australian Tourism Commission providing massive displays around the city. The early response for this year's event from patrons is fantastic. There is already a feeling of excitement in Adelaide which is reflected in the early ticket and corporate sales, which are approximately 20 to 25 per cent up. There has been a similar response both interstate and overseas. Sponsorship support has been extremely strong, and at this time, some 4½ months before the event, we are ahead of last year's figures.

In relation to the Convention Centre, last weekend during an open day the public of South Australia learned a considerable amount about the success of the centre. Groups of 500 to 2 000 delegates over four days throughout the year is not, however, attention grabbing. The latest figures from the International Congress and Convention Association shed more light on the success of Adelaide globally. It is important to note that, in terms of number of conventions, we rank thirtieth in the world. That is a fantastic achievement of which we should be proud.

Our share of international conventions has increased from 14 per cent last year to 17 per cent. Understandably, we are very keen on global business, because international conventions of 2 000 delegates held in the centre generated \$5.3 million last year. The centre's operating profit this year will be about \$1.1 million.

The South Australian Government has announced the establishment of Australian Major Events, an agency which was established to attract, develop and market major national and international events in this State. The board, which reports directly to me as Minister for Tourism, comprises 10 members and is chaired by John Heard. We recently appointed Mr Bill Spurr as Executive Director.

For events to qualify for consideration by AME, they must show a capacity to bring substantial economic benefit to the State. The securing of events is an intensely competitive business, as everyone knows, and this year the Government has allocated \$2 million to that activity, but there is an extra \$1 million flow-over from the previous year.

I am extremely pleased to report an outstanding result by the Adelaide Entertainment Centre, which will bring in a profit of about \$1.9 million this year, compared with about \$1.2 million last year. The centre is exceptionally well managed and has been able to attract much more international clientele.

Mr FOLEY: I do not intend to make an opening statement, but perhaps we could start with the Grand Prix line and the ramifications should the Government not sign a contract with EDS. What assessment does the Grand Prix office have should EDS not sponsor the Grand Prix, or are you of the view that, regardless of the outcome of the Government's IT contract, EDS sponsorship is locked in?

The Hon. G.A. Ingerson: The contract will enable us to run the Grand Prix under EDS sponsorship.

Mr FOLEY: To clarify what you are saying, there is a firm contract, so regardless of the outcome of the Government's commercial negotiations with EDS, on which I am not asking you to comment, the Grand Prix sponsorship is locked in for this year?

The Hon. G.A. Ingerson: The contract was signed on 5 October and guarantees that EDS will be the sponsor.

Mr FOLEY: So it is in, whether or not it gets the contract for IT?

The Hon. G.A. Ingerson: We signed on 5 October. It will guarantee that EDS is the sponsor.

Mr FOLEY: It is a good move, and I welcome it. I just wanted to clarify it.

The Hon. G.A. Ingerson: I thought that you would have. It is a very good sponsorship. It is a signed sponsorship. EDS has its people here, and they have been here some three or four months working with us on the project, quite independent of whatever else might be decided by the Government. EDS signed a contract on 5 October to be the major sponsor.

Mr FOLEY: It seems that I find ways, whatever Minister I face on these Committees, to throw in an EDS question.

The Hon. G.A. Ingerson: Are you paranoid about EDS?

Mr FOLEY: Probably, with good reason. If the contract for IT does not proceed with the Government, will you then hold EDS to the contract to sponsor this year's Grand Prix?

The Hon. G.A. Ingerson: It is a signed contract.

Mr FOLEY: So you intend to hold it to it, obviously?

The Hon. G.A. Ingerson: Contracts are contracts. We can talk about the Grand Prix contract at great length, but we have been through that fiasco. The one reason that we are losing the Grand Prix is that the previous Government did not sign and did not get a long-term contract. One of the things we have obtained in this instance is a signed contract, with a commitment from EDS to be the major sponsor. That clearly says that EDS has an obligation, and it is fulfilling that obligation in a fantastic way. There is no suggestion from it that it does not want to sponsor that event.

Mr FOLEY: Nor was I suggesting that. I was simply trying to clarify—

The Hon. G.A. Ingerson: You were getting close to it.

Mr FOLEY: Not at all. As you will have seen, I have continually been a cautious supporter of the Government's role and involvement with EDS. Let us remember that I was the one who, some 12 or 18 months ago, said that EDS, not IBM, would be the preferred choice of tenderer. My record is clear. I hope that EDS remains the sponsor of the Grand Prix: it was a good move that the Government was able to sign EDS. I am always trying to help you out, because there had been media speculation—

The Hon. G.A. Ingerson: Created by you.

Mr FOLEY: I did not start that one. It did not have my fingerprints on it.

The Hon. G.A. Ingerson: We are here to answer questions from you.

Mr FOLEY: I have asked my three questions. I am happy to hear some dorothies from the other side.

Mrs HALL: I will leave the Grand Prix to the member for Hart for next time. Will the Minister outline the projected operating profit for the Adelaide Entertainment Centre for the year ending 30 June 1996? Can he provide any information on forward bookings and perhaps some comparisons with the performance of, say, several years ago?

The Hon. G.A. Ingerson: The Entertainment Centre, under this Government's control and under the excellent management of the Grand Prix marketing group, and of Ian Fraser in particular, has been able significantly to improve the profitability of the centre. We had hoped that we could announce today that we would reach \$2 million profit, but we will not quite do so; it will be \$1.9 million, which is a fantastic improvement on last year. It is a preliminary return of about \$899 000 to Government, which again is a fantastic turnaround.

That is due to several factors, primarily the Entertainment Centre management. When we started in Government, there were 22 full-time employees at the centre, and today there are seven. Those seven permanent staff, who are managing the centre far more efficiently and progressively, are backed up by some 350 casual people. Ian Fraser has been able to organise an enterprise agreement which enables all those casual staff to work in all operations of the Entertainment Centre. It is a registered enterprise agreement. All staff work in all areas at the same rate per hour at any time 24 hours a day, any seven days a week. It is a fantastic enterprise agreement which has been reached between management and the staff. The union movement, of course, has been involved in supporting it.

We expect next year to have about 118 performances compared with 106 this year. I cannot advise the Committee of all the exciting people who will come here, because others could steal a marketing advantage and the publicity we will receive in the next six months, but some fantastic international entertainers are coming to this State.

Another important issue is that, although the centre is being managed better now than ever before, there has also been a turnaround in the number of entertainers coming to Australia. There have been a lot of furrphies, particularly reported in the *Advertiser*, about our inability to attract every entertainer to our centre. Once and for all, no entertainers of note who have come to Australia have not come to the Adelaide Entertainment Centre. That is due to the management expertise of the group who have made sure that that occurs.

Mr BROKENSHIRE: I congratulate Mr Bill Spurr on his recent appointment. I have had the opportunity of working on the sidelines with Mr Spurr, as have other people in tourism to whom I have spoken. It is an excellent appointment. There will be many exciting benefits, and we will be able to capitalise on what we talked about this morning; that is, the increased development of tourism in this State. I wish Mr Spurr well in his appointment.

With respect to Australian Major Events, and particularly the recent announcement regarding the support of the *Ring Cycle* to be staged by the State Opera of South Australia in 1998 which has received very positive publicity, particularly on the eastern seaboard, will the Minister indicate what impact the *Ring Cycle* performance will have on the State's economy?

The Hon. G.A. Ingerson: We also ought to refer to a reply from the Minister for the Arts, who has gone into great detail on the artistic merits, and so forth, of the *Ring Cycle*. The Major Events Committee has been set up to make sure that any events held in South Australia are accountable and run with good accountancy principles. One of its major roles is to reduce the cost compared to the estimate whilst still giving us the best possible event. The best example of that was our involvement this year with WomAdelaide. Initially we were asked for a commitment of about \$600 000, of which \$200 000 was up front and \$400 000 for potential losses. In essence, we paid \$200 000 and, with good management and support from the WomAdelaide organisation, we were able to get a return not only to WomAdelaide but also to the Major Events Committee in reducing our costs.

It is a very important function of the Major Events Committee to ensure that all these events are accountable. History shows us that, in connection with the arts, sport and certain other areas, people have a hand-out mentality, and unless there are some very good controls it results in cost

blow-outs. The previous Government would have known about that in many areas.

Wagner's *Ring Cycle* is considered to be the Mount Everest of operas. It has never been performed in the Southern Hemisphere. Consequently, it will attract, in my view, very significant national and international interest. It is staged in four parts over one week, and it is estimated that we could have up to 2 000 international visitors to Adelaide for that event, conservatively estimated to be worth as much as \$20 million in economic value to the State, but it will directly generate about \$6.5 million in income. We are already receiving inquiries for tickets, both from interstate and overseas, and we believe it will be one of the most exciting events in 1998.

It is important to note that already AME has been involved in WomAdelaide, a hockey event, a world cycling event and a world bowls event, and that is really a flow-on from the role of the Grand Prix Board in that area, and also the Barossa Music Festival. It is my view that the Barossa Music Festival is potentially one of the biggest opportunities for us to develop a major event of our own source into an international event. The Faith Lutheran-Government project announced last week will be very involved in that activity.

Mr CAUDELL: I am led to believe that statistics are maintained on a global basis on the number of conventions held and in which countries. Will the Minister advise where Australia, and Adelaide in particular, are positioned in the international convention market?

The Hon. G.A. Ingerson: The most under-rated tourism organisation in this State is AFTA, and the most important facility in this State in terms of conventions is obviously the Convention Centre. We do not promote anywhere near as much as we could or recognise how valuable the convention business is to the tourism industry in this State, and we will be looking at how we can improve that situation over the next 12 months. We are very fortunate, as well, in that last year the General Manager of the Convention Centre, Pieter Van Der Hoeven, was made the World President of ICA, the International Convention Associations, and Pieter is doing a tremendous job in that position. There is a spin-off for South Australia, as having our own Convention Centre and Pieter recognised as World President has been very important for our business here.

Another important point that I made in that very brief introduction is that Adelaide is the thirtieth ranked convention business centre in the world, not just Australia. When one thinks of all the countries involved in the convention business, the fact that Adelaide can be the thirtieth in the world is fantastic, when Sydney is nineteenth and Melbourne twentieth. The convention business in Australia is very important. Adelaide obtains 20 per cent of the total international events compared with 25 per cent in both Sydney and Melbourne. We have done a very good job in promoting our Convention Centre in South Australia, and I congratulate everybody concerned. It is interesting that, whilst we get about 16 international events, the world leader, Vienna, gets only 59, so we are really doing very well in that area.

Mr FOLEY: I have just realised that it is probably costing this State's economy something in the order of many thousands of dollars if we have these highly skilled and well paid officials sitting around for an hour during lunch and another hour after that. As my contribution to the State's good economic management, I am prepared to wrap up this examination in 12 minutes, with the Committee's concurrence. With respect to the Grand Prix, the infrastructure sale

to Victoria of the grandstands, barriers, etc., may have been clinched and I am not aware of it, but has that deal been wrapped up?

The Hon. G.A. Ingerson: Apart from the actual pit building, all other assets that we offered to Victoria have been sold. They take over those assets directly after the event, but we have to deliver them by 8 January. That includes all the barriers, etc. The final contract is to be paid to us over five years, with approximately 60 per cent to be paid up front. I can assure members that it is a very good sale.

Mr FOLEY: Is there any reason why they did not want to buy our pits?

The Hon. G.A. Ingerson: They are building theirs within their own track as a permanent structure. We are considering two things: whether we should sell the pit building or whether we can utilise that pit building in some other form within the State. They are our two options.

Mr FOLEY: I will refer to the Entertainment Centre, but I cannot let this go without reminding members that one of the great critics of the Entertainment Centre has been the present Minister. Is it not just one of the great twists of fate, when a change of role occurs, how one becomes such a devoted convert? We must remind ourselves that this was the member who was stridently critical of the Entertainment Centre. I thought I would throw that in, given the fact that the Minister has not missed an opportunity to dig deep into the problems of the former Government. The Minister was a great proponent of selling the Entertainment Centre. Is that totally off the agenda now?

The Hon. G.A. Ingerson: Yes.

Mr FOLEY: Why?

The Hon. G.A. Ingerson: Because it is not economic to sell it at the price we could probably get for it. One of the things this Government will not do, unlike the previous Government, is give things away. There is not much point in having fire sales. When we came to government the managing board was aware that, if it could be turned into a profitable business that was saleable on the market and could return between \$30 million and \$50 million to the Government, it was for sale. That has not been the case and is still not the case. It is always interesting when Opposition members start to wave flags from history. It is important to put the facts on the table. We were critical because we were told that the Entertainment Centre would be built for \$25 million yet it cost \$53 million. That is an important fact.

Another issue is that we believed that the centre was not being utilised or managed as well as it ought to be. As I said earlier, it started off with 22 full-time staff, and that is an example of the sort of profligacy that the previous Government used to enjoy. It probably said, 'Put on as many people as you like. It does not matter whether or not it is profitable or economic.' As soon as the existing manager came on board—he was appointed by the previous Government—he began to make changes and since then, in the time we have been in, the number of staff has gone from 22 to seven. That in itself has been important. The other important issue is that the management of the Entertainment Centre knows that the Government expects it to run the centre efficiently and profitably within commercial guidelines.

It has reacted positively to the Government's directions. As I said before, I have no qualms in congratulating the centre's management on taking it from what was a potential disaster for the State to now showing a significant improvement overall in every area. The food and everything else has

improved at the centre, and it is all because of very good management and the Liberal Government.

Mr FOLEY: I am glad the Minister chooses to be brief. We could be here all day dealing with the last answer, which was interesting to say the least, but we do not have time. Turning to the Convention Centre, I suspect that if one flicked through *Hansard* of years gone by we would find that the former Liberal Opposition was pretty critical of it. In the past two financial years the Convention Centre has made an operating profit of over \$1.5 million. What is the operating profit or loss for the Convention Centre so far this year?

The Hon. G.A. Ingerson: It is \$1.1 million this year. The prime reason is that there has been a significant drop of \$400 000 a year in sales or usage of the car park. The centre itself is operating as efficiently as it ever has. It is ahead of schedule and is operating better than it has before and it is still producing. There are two reasons. The car park is down because of the Casino, so generally the car park is not being used. We are attempting to turn that around.

Mr FOLEY: The Minister should not feel sensitive about that because, unlike previous Oppositions, I will not make a political point about the slight drop in profit. The Minister appears to have had no luck in convincing the Treasurer that the Convention Centre's accounts should purely reflect the operating costs and income of the centre, as the only mention for the centre is the grant which has increased to about \$9.7 million. Is that an issue that the Minister continues to push in terms of the centre's operation?

The Hon. G.A. Ingerson: I am sorry to disappoint the member for Hart but at the last board meeting the Treasurer okayed the transfer of all assets out of the hands of the Convention Centre to the Treasurer. It has been a very positive result for the centre, and it will probably be made public in the Auditor-General's Report this year. It was a very successful negotiation by the Minister, but more importantly by the Convention Centre's staff who were involved in making sure that happened.

Mr FOLEY: I do not know how South Australia has survived the past 180 years without the Minister in the chair. It is a miracle that we have got this far without you, because everything you touch is transformed.

The Hon. G.A. Ingerson: I am happy to answer. We said last year that we would set out to do it. At its last meeting the board received formal notification from the Treasurer that this had been achieved.

Mr FOLEY: Two years ago it was recommended that the Minister take to Cabinet a plan for a new financial charter for the centre, including a rolling three year business plan and a deposit account with enough working capital to allow it to operate with confidence and a different arrangement for the mix of debt and equity to allow the setting of realistic returns on investment targets for the centre. I assume that that is wrapped up in what the Minister has said.

The Hon. G.A. Ingerson: The charter has not changed. A five year business plan has been implemented and supported by the Treasurer.

Mr FOLEY: One of the problems with the change in the budget cycle has been the difficulty of not having the Auditor-General's Report and the annual reports of a number of organisations. I do not expect the Minister to answer other than by saying he will take it on board, but our request is for agencies to consider providing some accounts to assist in this process.

The Hon. G.A. Ingerson: That is a common and reasonable request. As the member would be aware, at the end of

August when the Auditor-General's Report comes down there will be an opportunity to question us again. I understand what the member is saying. This issue was discussed in Cabinet because the Government wants to make sure that everyone sees clearly the position up front and knows what we are doing and what our estimates are.

Mr FOLEY: As to the Major Events Corporation, I join with the member for Mawson in welcoming the appointment of Bill Sparr, which is a good and sound appointment. Bill has the support and best wishes of the Opposition. Having said that, I have only two or three minutes and, in fairness to Bill, the Major Events Corporation has been extremely long in coming, and the time spent in getting it up and running has been a bit disappointing. It is difficult to put any major questions to the current CEO. As to the \$2 million put aside for the corporation, is that sufficient? If it proves to be insufficient, what flexibility is there for top up and special purpose grants, should they be required?

The Hon. G.A. Ingerson: No major events funding is ever sufficient. That is the first point, and all Governments would recognise that. As I said earlier, \$1 million will flow over that was not used last year, and the base budget is \$3 million. The Cabinet has agreed that there will be \$3 million for the next four years, giving a total of \$12 million. If in any year spending exceeds \$3 million, with the approval of the Minister and the Premier we can go to Cabinet to have some of that money brought forward. The reason is that we cannot predict or negotiate events other than two, three or five years out, so we might need more money in one year and less in another.

Mr FOLEY: Given its special nature, is it possible that funds will be permitted to be carried over on a permanent basis? Although that is not the operating style of State Treasury, given the special nature of the corporation perhaps it is similar to the position of the Minister for Industry, Manufacturing, Small Business and Regional Development's line where the State Development Fund is a revolving fund. Is there capacity for that, because it is important to remember that the Government subsidy to the Grand Prix—although I do not know what the final figure will be—was of great concern to you when in Opposition. Perhaps you have a different approach to it now, but I assume it is in the order of \$6 million or \$8 million. I think the Government has a real capacity to increase the funding made available to the corporation. I know that the Treasurer will not think that but, given your recent win against him, I have great confidence that you will be able to look at further expansion of that fund. We are still quite a few million dollars ahead of where we were had the Grand Prix still been running in terms of available cash.

The Hon. G.A. Ingerson: That is a legitimate concern. When the final Grand Prix is over you will have to measure the Government on its concern for major events over the year, depending on the amount of money it puts into it.

Mr FOLEY: Mr Sparr can be assured that next year there will be more questions for him.

The Hon. G.A. Ingerson: There will be more interesting announcements, too.

[Sitting suspended from 1.30 to 2.30 p.m.]

Building Management, \$14 194 000

Membership:

Mr Andrew substituted for Mr Brokenshire.

Mr Ashenden substituted for Mrs Hall.

Mr Clarke substituted for Mr Foley.

Mr Wade substituted for Mr Caudell.

Departmental advisers:

Mr D. Mitchell, Director, Human Resources and Marketing.

Ms A. Howe, Chief Executive Officer.

Mr B. Miller, Director, Finance and Systems.

Ms M. Marsland, Director, Consultancy Services.

Mr B. Griffin, Director, Government Employee Housing Division.

Mr P. Hankinson, Director, Building Maintenance Division.

Mr R. Frinsdorf, Director, Office Accommodation Division.

Mr R. Muncey, Director, Policy.

The CHAIRMAN: I declare the proposed payments open for examination. Does the Minister wish to make an opening speech?

The Hon. G.A. Ingerson: In introducing the estimates of expenditure for the Department for Building Management, I should like to make a statement about our budgetary context. During 1994-95 the Department for Building Management successfully implemented a large-scale restructuring and downsizing program that will deliver savings to Government and achieve improved utilisation of resources. In response to Government policy initiatives the department has, over past months, progressively withdrawn from the provision of construction and design services to Government agencies. This process, which was completed on 30 June, has opened up new opportunities for the private sector in these areas of building work.

The restructuring of the department has also achieved substantial reductions in work force numbers with the shedding of over 200 jobs. The department plans to reach its work force target of just over 500 employees by June 1996. The department's withdrawal from many of the traditional activities it undertook under the SACON (Department of Housing and Construction) banner has been accompanied by a significant refocussing of its work force resources to enable it to take on a new role for Government. Like the public works authorities of other States, the Department for Building Management has a core responsibility to assist the Government to plan and manage the State's building assets effectively and efficiently. The department's recurrent allocation of \$11.4 million in 1995-96 reflects the refocussing of its activities in asset and risk management for the State's built assets.

This allocation includes a once only \$2 million payment of a rental subsidy relating to the Riverside building occupied by the South Australian Housing Trust and an additional \$1 million to offset losses related to STA House, which now forms part of the office accommodation portfolio. There is a resultant net increase from the 1994-95 recurrent budget of \$6 million (1994-95 recurrent \$7.8 million). Two new divisions have been created within the department to support its changed role: a policy division, charged with the responsibility for developing building asset management policies and procedures for application across Government; and a consultancy services division, comprised of multidisciplinary teams of building asset consultants and planners, project managers, professional architects and engineers who are assisting Government agencies to implement the Govern-

ment's policy requirements. Until these systems are in place, the department will continue to provide maintenance and minor work services to agencies. Within the next two years these services will also be opened up to competition from the private sector.

The department's expertise and technical capabilities are being utilised by the Public Works Committee in the capital works approval process and deployed to manage the risks associated with the procurement of building works and services by agencies. A total of \$2.35 million has been designated specifically for the provision of risk management services that will protect the Government's and the community's interests in capital works procurement. For some time the department has also been working with the industry, both locally and in national forums, on the introduction of a code of practice and other reform initiatives that will contribute to a more efficient and economically viable building and construction sector.

The Building Land Assets Management System (BLAMS), which the department manages and maintains, holds information on over 10 000 building assets. This year the department has budgeted \$1.4 million for the enhancement of this critical asset management tool, which aids life cycle costing and supports the development of management and maintenance plans for Government building assets. The department is also responsible for the management of Government employee housing stock and of Government office accommodation in Government owned or leased buildings.

The CHAIRMAN: Does the member for Ross Smith wish to make an opening statement?

Mr CLARKE: Only very briefly. It is really to reiterate what the Opposition stated last year in the Estimates Committee, that is, that we have consistently opposed the rundown of the old SACON department, for reasons which are well known to the Government. We do not believe that it is in the best interests of the State. Nonetheless, the Government has gone about its business and ultimately will be held accountable for its actions. Without further ado, we are happy to go onto questions.

The Hon. FRANK BLEVINS: My question relates to market rates for rental charges for employee housing tenants. I do not want to be parochial because I know this affects people right throughout the State, but it obviously affects a lot of people in my electorate, and I would argue that it impacts far more on Government tenants in non-metropolitan areas than it might do in the metropolitan area. Constituents have contacted me about what appears to be an excessive increase. The initial increase is 7 per cent, which is a little more than the Minister is offering the same employees as a wage increase. Obviously, Sir, as you would know, very few incentives are given to attract people to country areas and regional cities, and this increase will make it a great deal harder. Apart from the initial increase, I am concerned about the open-ended nature of the threat to these particular tenants.

The papers talk about 'market related' figures, but I am not quite sure how the market is assessed in some of these country areas. For example, I know that Whyalla is a most peculiar market and it has some very ordinary housing renting at something like \$180 per week. I suppose the bulk of the rental market is set by the South Australian Housing Trust with rents as low as \$30 a fortnight. How will the Minister set these market rates and what kind of increase can people expect after the initial increase that has been flagged in the Minister's statements?

The Hon. G.A. Ingerson: The market-rate rent is based on Government policy. It is the starting figure. It is not meant in any form to be the figure which people will end up paying. The rate people will end up paying will depend entirely on the negotiated subsidy that will occur on a department-by-department basis. The two prime areas where significant subsidies are made are the Department for Education and Children's Services and the Police Department, and there is a very significant variation between those two departments. Both the departments, in essence, subsidise those going rates at the moment.

Negotiation is taking place with SAIT, the Department for Education and Children's Services, the police unions and the Police Department about how we move from the existing high level of subsidy of both departments to a more realistic level and over what period of time it should take place. Clearly, as the member for Giles has pointed out, there is a very significant difference in market rents across the State and in how they can be calculated. We have decided to ask the Valuer-General to give a market rate as the base rental figure and those market rates will be the point from which we negotiate down.

That is the only reference that relates to market rent. There is no suggestion in these subsidised areas, particularly in the outer country areas, of any relationship between the market rent and what people actually pay. It is there only because we need an upper limit from which to start the negotiations. There will be a difference in subsidies depending on the area. In other words, I would expect that an area such as Whyalla, or even further out, would be significantly different from Mount Gambier or Victor Harbor, and so different rates will be calculated.

The one thing in common will be the starting point and that is the market rate. The actual figure will not be the same but the principle of using market rate will be consistent right across the State. As I said, we are having continuing negotiations with both the education and police departments. We also have an advisory committee to the Minister comprised of representatives of all departments and also employees who are directly affected. That committee advises me how it should be implemented.

The Hon. FRANK BLEVINS: By way of supplementary question, how many employees—and I do not expect the Minister to have these figures at his fingertips—will be affected by the change; what is the occupational break down of people in Government employee housing, for example, how many police and how many teachers etc., and, although it might be speculation, what will be the average rent rise? My second question relates particularly to the police. As the Minister would be well aware, the police on paper appear to pay very low rents compared with other Government employees.

The Minister would also be aware of the special reason for that: police officers are not allowed to buy houses; they must live where they are told; they can be uprooted at a moment's notice, and the are; and it is a genuine South Australian Police Force as opposed to some of the other Government departments, where it appears to be only an Adelaide department, if one listens to some of the people in those other areas. If the Minister increases rents for police officers to a similar level to other Government employees, will similar conditions apply, that is, can they buy the house and settle down in the particular city if they wish and not be subjected to the quite proper whims, in my view, of the Police Department?

The Hon. G.A. Ingerson: I insert in *Hansard* a table on housing statistics from 1 July 1994 to 30 June 1995, setting out the number of Government-owned houses and the number of houses by agency that are rented and owned.

Government Employee Housing Division Housing Statistics 1/7/94 to 30/6/95		
Description	27/6/95	30/6/94
1. No. of Government owned houses	2 394	2 534
2. No. of private leased houses	97	109
Total housing stock	2 491	2 643
3. No. of houses on Aboriginal lands	81	82
4. No. of houses in Metro Adelaide	59	62
5. No. of houses in each location (> = 15) See Appendix 1		
6. No. of houses by agency:		
Education and CHSO	1 055	1 162
Police	595	594
TAFE	51	51
EWS	70	82
FACS	42	58
DENR	89	102
DRT	47	56
Primary Ind.	99	110
GEHD	363	295
Correctional Services	34	47
Other	46	86
7. No. of private tenants	124	115
8. No. of:		
Housing applications 30/6/94—current	1 175	1 244
Housing occupations 30/6/94—current	842	N/A
Housing allocations 30/6/94—current	1 027	1 039
9. No. of properties sold this year—auction	112	175
10. No. of properties sold this year— tenant sales	34	36
11. No. of properties sold this year—vacant land	10	2
12. No. of block of vacant land	48	58
13. Total no. of Government owned properties (Houses + land)	2 442	2 592

Currently, all police living in Government housing pay \$25 per week irrespective of where they are located. As the member for Giles rightly said, the reason is that they can be moved at 24 hours notice. It is the intention in the negotiations to bring them more in line with all other people in Government housing and to enable them to have the same set of rules so that, if they do wish to purchase their house and they are moved, they can still own that property. That will all be part of current negotiations with the police in an industrial sense so that, whatever package is finally decided, it will be relative to an enterprise bargaining outcome as well as the Government employee housing position.

However, having said that, it is my view and the view of Government that there always will be a very high subsidy level as it relates to the police because of the very argument the honourable member puts, that is, that the Commissioner will still need significant flexibility. We are working through all those issues as part of our negotiation as it relates to the Office of Government Housing and my own negotiations as Minister for Industrial Affairs.

Mr CLARKE: What is the occupancy rate of accommodation in the Government sector; how does it compare with the past financial year; what is the level of occupancy in Terrace Towers in the Myer development; who are the tenants; and what is the rental per square metre? If the Minister does not have the information readily available, I am happy for him to take that question on notice.

The Hon. G.A. Ingerson: In a general sense we can give the Committee the answer: 2.3 per cent of all space that we own is uncommitted. In the Government-owned area it is 4.3 per cent of committed space; in Government-leased it is .1 per cent; and in private leased it is 1.3 per cent. Of the total

leased space that we have, it is 2.3 per cent on average. My advice is that in the private market it is about 19 per cent. Overall, the management of Government properties is being done at a very good level. We do not have information on Terrace Towers, but we will get it for the Committee.

Mr CLARKE: Last year I asked how the department would ensure that private contractors winning competitive tenders fulfilled the conditions of the tender in all areas, including quality and specified time frames. Given your decision to abolish the programs 'Design Maintenance and Construction Services' and 'Client Services,' together with most of their functions, how will the Government ensure that tenders are met in full?

The Hon. G.A. Ingerson: During this financial year the department commissioned Arthur Andersen to report on its role and procedures relating to contracting. As the Government's manager for risks and construction, we ensure that all contractors are licensed, carry sufficient insurance and are capable of undertaking the scope of the contract prior to letting it. On large contracts there are two parts to the process: first, open registration and, secondly, assessment of those registrants. In the case of consultant construction management projects, the selection criteria are pre-advised to potential tenderers and an assessment matrix is used to determine the most suitable contractor or consultant. In 1995-96 it is intended that formal consultant-contractor registers will be introduced with pre-qualification criteria established for the selection of consultants and contractors. The register will be based on the Construction Industry Development Agency documentation and will assess financial and technical capability, relevant experience and general performance data.

DBM has also retained a core of skilled project managers and contract managers to appraise and evaluate these submissions and to make sure that the risks are minimised and that the most appropriate consultants are selected. In its risk management role, it works with the agents on major projects by defining those projects and establishing parameters of cost, time and quality and, through the consultant-contractor selection, ensures that potential bidders tender fair and equitable prices. In other words, it is done under a Federal agreement with CIDA, which has set down documentation procedures. As a matter of course, the Government, through DBM, ensures that all the risks which have been suggested are followed through in a quality as well as a cost sense.

Mr CLARKE: By way of a supplementary question, how many inspectors are there?

The Hon. G.A. Ingerson: There are now four specialist inspectors on major projects: two building and two engineering. One is an electronics inspector and one is a mechanical inspector. They are now part of the inspectorate.

Mr ASHENDEN: I should like to ask the Minister about office accommodation and property services. The Minister will be aware that recently there has been considerable publicity and statements, in some cases quite misleading, relating to Edmund Wright House. What is the Government's intention with regard to the future of Edmund Wright House in King William Street?

The Hon. G.A. Ingerson: The Registrar of Births, Deaths and Marriages completed relocation from Edmund Wright House to Chesser House on 6 June 1995. With anticipation of this relocation, marketing for new Government tenants commenced in January 1995.

The building will be retained as a Government-owned asset—and that is an important point—in recognition of its

unique cultural significance to the State. Discussions with the Department of Arts and Cultural Development are being held on the potential for establishing a long-term tenancy for mixed cultural and office use. In particular, the History Trust has registered interest, and feasibility studies are being undertaken.

Final occupancy terms and confirmed capability of the building to meet full functional requirements will result from an extensive building audit being undertaken by the Department for Building Management. This assessment will be completed by private sector consultants in late July or early August 1995. There has been a very rough estimate of what that might be. At this stage it is suggested as being between \$600 000 and \$1 million. It is no more than an estimate at this stage.

Audit coverage will include legislative compliance with fire safety, occupational health and safety, building codes, and so on. Reviewed essential building services and structural integrity will result in costed maintenance programs and the timing of required upgrading to efficiently maximise the life of the building. Reference to conservation reports in the audit will reflect appropriate treatment of heritage items.

One of the major areas about which the Government has been concerned is that there have been no ongoing maintenance policies for a large majority of our heritage buildings. We need to bring the building back into a useable state and consider future maintenance programs so that it does not deteriorate at a rapid rate. Fortunately, this building is in reasonable condition, but there are some safety, general lift and other areas that need to be updated.

The Australian Society for Keyboard Music has been provided with an extension to its periodic licence to use the chamber hall for public concerts until the end of 1995. During this period discussions will take place on the future means of meeting community needs.

Mr WADE: There has been a significant investment in the development and maintenance of the Department for Building Management's building and land asset management system. How is the investment being used to support other whole of Government asset information needs and, in particular, the State asset register?

The Hon. G.A. Ingerson: This area is probably the key to some of the State's asset management that we need to implement. It is an essential building block for us to develop and expand throughout Government. As I said in relation to Edmund Wright House, the building and land asset management system has not been as good as it ought to be, and that is being kind. Therefore, we need to put in place not only an arrangement from Treasury that money will be available but actual management systems which will enable that money to be properly spent and monitored.

A report of the Economic and Finance Committee, of which I was a member, talked about the lack of information and understanding of the situation concerning our building assets. This land system is really part of expanding that report and bringing it to fruition. The report was set up initially in the Department of Building and Management—SACON as it then was. It has been used extensively in some Education Department programs. It is a program of which Government generally should be proud and should use extensively. Primarily, it sets up data in location of property and description, date of acquisition, remaining life components and replacement value. It has a whole lot of other systems and management capabilities. Generally, it will be used as the basis for our whole management of building assets.

Mr ANDREW: I refer the Minister to the Program Estimates under inter-agency support service items not allocated to programs where I note an item 'redeployees': what arrangements are being made to manage effectively any employees identified as surplus to the department's current requirements?

The Hon. G.A. Ingerson: In this case, all positions within the revised departmental structure have been reviewed and in many cases significantly redesigned. Placements to positions in the new organisation have been made through open selections. Selections are limited to a classification level or through assessment of an existing substantial occupant of a position. A number of employees have been declared excess to the requirements as a result of the reduced number of positions within the new organisation. A placement services unit with dedicated departmental resources has been established to provide support and assistance to employees considering TVSP, seeking employment elsewhere in the public sector or considering options for employment outside the Public Service.

A wide range of support, including financial advice, Commonwealth Government services and private sector placement services, has been provided to both GME Act and weekly paid employees through this placement service unit. Currently, some 90 employees are identified as possibly requiring assistance: 60 are under the GME Act and 30 are paid weekly. The placement services unit will continue to operate while there is an ongoing need to support employees identified as excess to requirements.

One of the other important issues I have been very happy about is that there has been virtually no significant industrial relations issue or industrial strife because of the department's decision—and I believe it was a correct decision—to sit down with the unions concerned and work out this change. I think that has been a very important issue in the whole downsizing of the department, in that the department has gone out of its way to make sure that, if it is possible to place people in either the public or private sector, it is done with consideration and support.

Mr CLARKE: During this year we noticed further roadside pollution with the installation of various roadside signs extolling the virtues (to state the obvious) of Government funds being used to construct buildings or whatever: how many of these signs are actually in South Australia? How much have they cost to date and what is the projection for the forthcoming year? How is it, Minister, that we missed out on your smiling face on one of those boards *à la* Laurie Brereton some years ago in New South Wales when he was Public Works Minister? When the Government actually puts a sign up on a building or some other piece of infrastructure where there is significant Commonwealth funds involved, will the department also give due recognition to the fact that the Commonwealth Government is contributing a significant amount of money? I refer, as an example, to the Botanic Garden and the Palm House restoration work, where the Commonwealth Government contributed some \$1.5 million towards restoration and there is no mention or any acknowledgment whatsoever at all on the State sign of Commonwealth funds. If you are not grateful for it then I am sure it will not necessarily provide you with the funds.

The Hon. G.A. Ingerson: I thank the member for his very inquiring question. I have been advised that about 30 signs have been erected. My face is not on them because they did not want my popularity to increase. The reality is that in this Government we do not recognise any Minister in particular

or anyone standing out: it is a team effort. We make sure that everybody in the team gets due recognition. In relation to Commonwealth funds, if there is one sign out there that does not specify that, it is not done intentionally. I know one in particular, which I saw the other day, at Port Adelaide in connection with the restoration of the old police station where it in fact states clearly that not only the Commonwealth Government but also local government is involved. For obvious reasons there is no intention to leave out the Commonwealth. We are grateful that it is prepared to contribute to any project we can possibly get it to contribute to. On that issue, if there is anyone out there who would like to bring such a sign to our notice it will be changed very quickly—it is not intentional.

Mr CLARKE: That is one and I will bring any others to the Minister's attention. What about the cost of these signs?

The Hon. G.A. Ingerson: I am not aware of that, but I will get a detailed answer for the Committee.

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

Industrial Affairs, \$20 145 000

Departmental Advisers:

Ms Mary Beasley, Chief Executive Officer, Industrial Affairs.

Mr Paul Case, Director, Industrial Affairs.

Ms Jennifer Taylor, Director, Corporate Services.

Mr Nicholas Wilson, Director, Industrial Services and Policy (Private Sector).

Mr Bill Cutts, Manager, Corporate Services.

Mr Colin Carter, Director, Planning and Review.

Dr Milton Lewis, Director, Occupational Health.

Mr Barry Apsey, Director, Regional and Technical Services.

The CHAIRMAN: I declare the proposed payments open for examination. As I have said, the 'Minister for Tourism and Minister for Industrial Affairs—Other Payments' line is still open. I refer members to pages 79 to 82 in the Estimates of Receipts and Payments and to pages 189 to 105 in the Program Estimates and Information.

The Hon. G.A. Ingerson: I should like to make a fairly lengthy opening statement to set out the excellent direction of the Department for Industrial Affairs. The department was formed in 1993, following the Government's election to office, to focus on the implementation of key initiatives such as industrial relations and occupational health and safety. A review of departmental operations was carried out, and the department was reorganised to reflect that focus. The department has developed a clear role, which is:

To promote and encourage effective occupational health, safety and welfare and industrial practices in South Australia by informing and educating employers and employees of their responsibilities, rights and obligations and by ensuring compliance with relevant legislation.

Consequently, the department's intent is to contribute to the economic development and sustainable growth of this State by working with industry, the public sector and the community to promote good industrial relations practices, promote and protect the health, safety and welfare of people at work, promote the introduction of enterprise bargaining,

and promote the better management of workers compensation in the public sector. In achieving those aims, the staff of the department have adopted a strategic approach to the management of their functions.

The department has a proposed budget for 1995-96 of \$30.168 million. That is a reduction of \$9.404 million compared with the 1994-95 estimate of \$39.572 million. The majority of that reduction, \$9 million, occurred because of the transfer from the Government workers compensation fund of \$9 million to the budgets of large departments, to enable them to take greater responsibility for the management of their workers compensation claims and expenditure. That action is part of the continuing devolution of the function to agencies, and it obviously complements the chief executive officers' responsibility to ensure that employees work in safe and healthy workplaces.

The department still has a role in the 'hands-on' management of workers compensation for 12 small agencies. It has, however, adopted a role in relation to the broader public sector of the development of strategies to assist chief executive officers to attain excellence in their occupational health and safety practices. It provides a high level of consulting service as required, and coordinates training.

Another significant role is the monitoring of whole-of-Government compensation statistics, resulting in the identification of trouble spots and emerging issues and the development and marketing of strategies to combat them.

Occupational health and safety, in its broadest sense, has often been considered in a somewhat negative way. People, perhaps naturally, tend to think mainly of the injuries that occur and of the related social and economic costs. A major step forward will be to change that somewhat negative approach and to engender a positive attitude to the benefits that can accrue to everybody by the implementation of best practice in occupational health and safety.

The Department for Industrial Affairs, which has a key responsibility for the public sector in this matter, has established an occupational health and safety group to develop key initiatives. That group comprises people with expertise in occupational health and safety. It has taken a positive and integrated approach to its task and has already developed programs and support material for use by agencies' chief executive officers.

A good example of the strategic approach occurs in respect of psychological injuries, or stress, which has been a major concern of the Government and its chief executive officers. In 1992-93, psychological injury accounted for 9.3 per cent or 601 of all claims lodged, and 32.8 per cent of the total compensation costs. As a result of strategies developed within the department, it is anticipated that the decline in costs and incidence seen in 1994-95, projected to be 7 per cent or 340 of all claims lodged and 22.9 per cent of total compensation costs, will continue into future years.

In line with its strategic approach to the management of its functions, the department has tackled psychological injuries in an integrated manner, covering prevention of psychological injury, management of claims and rehabilitation and a continuing program of awareness-raising of associated issues.

The department's psychological health consultant has established and refined a range of awareness-raising projects, such as the work carried out with the Australian Medical Association, developing guidelines for medical practitioners on the handling of stress cases. Other publications for employers and employees on the subject have also been

prepared and distributed. In addition, training courses and seminars on psychological health are conducted regularly to reinforce publications and to maintain a high level of awareness of the issues.

Departmental staff have developed the 'Guide to Best Practice Management of Stress-related Injury', which I recently launched and provided to agencies' chief executive officers. It provides managers, claims administrators, rehabilitation coordinators, advisers and providers with a simple approach to the best practice management of injury.

Other specific action has been the development of the 'Changing Styles' video training package, which was designed specifically for the training of managers in the early identification and management of stress. I will shortly release the 'Changing Styles' package. Both products are excellent professionally developed packages that will assist chief executive officers to meet the Government's aim of implementing excellent occupational health and safety practices in agencies and the targets established for the reduction of workers compensation in the public sector.

Regarding rehabilitation and worker's compensation in the public sector generally, it is pleasing to report that significant gains have been made in reducing the incidence and costs of worker's compensation across all agencies. The Government has set targets for reductions in the cost and incidence of worker's compensation of 30 per cent over three years across the public sector, and to date the Government is on line to meet these targets. The department is working closely with chief executive officers and their managers to ensure that appropriate prevention and injury management programs are in place. A number of training and information programs have been conducted by the department which concentrate on the practicalities of injury management. Future programs include the issue of an updated manual, based on best practice, for claims management, rehabilitation and fraud prevention, targeting of departments with poor performance records and expanding programs which address the major causes of injury, such as manual handling.

The Department for Industrial Affairs also has a very significant role for occupational health and safety in relation to both the public and private sectors by way of providing advice and appropriate enforcement action in relation to achieving compliance with legislative requirements. In line with the less prescriptive approach of the new consolidated regulations, the department is focusing the resources of its inspectors and placing greater emphasis on areas of high risk.

The department has given a major priority to obtaining relevant data from WorkCover, and a sound and highly cooperative relationship has been established between the agencies. Departmental inspectors and WorkCover are engaged in joint programs, and strategies are in place to ensure the roles are complementary and highly effective. A total of 21 industries have been identified as having an increasing trend in the number of claims, and the department is also selecting another 150 employers for comprehensive safety audits.

The department has provided me with a report in relation to the development of the inspectorate, and a high priority will be given to the provision of appropriate data and technology, focusing on evaluation and training for the inspectorate. This change in emphasis of the way in which the department will work will not impact upon its regulatory role where there is a clear demonstration that all other reasonable efforts to achieve compliance with legislation have failed.

A key element of the Government's industrial relations program is the implementation of enterprise agreements in both the public and private sectors. The Government has established the necessary framework to facilitate the smooth implementation of this concept. I have established within the Department for Industrial Affairs an industrial policy (private sector) division which is responsible for assisting people in the private sector to establish enterprise agreements. Its objective is to promote and inform the community about our new industrial relations system in South Australia with a view to increasing the quantity and quality of enterprise agreements. It is also responsible for raising the awareness of the business community in the area of industrial relations and does this through the development of relevant publications and resource materials.

The division is committed to working with relevant industry associations to implement, where necessary, specific programs which meet the needs and expectations of industry specific groups. At this stage 71 enterprise agreements covering 10 206 employees have been approved in accordance with the provisions of the Industrial and Employee Relations Act. If the pace of enterprise bargaining continues at the same rate over the next two months, we can expect a more than satisfactory take-up rate for enterprise agreements at the time of the first anniversary of the new laws.

Within the public sector, enterprise bargaining has progressed well since the Government adopted an agency by agency approach. At this stage over 10 500 employees in 24 agencies have accepted an enterprise bargaining wages offer. The single bargaining centres in these agencies and others are working towards finalising draft agreements. The Enterprise Bargaining Commissioner has approved the enterprise agreement for the EWS Department (on 2 June 1995), the Department of Environment and Natural Resources (on 22 June 1995) and the Department for Family and Community Services (on 23 June 1995).

A number of unions have sought Federal award coverage for public sector employees who are presently covered by awards of the Industrial Commission of South Australia. To date, and almost 18 months since the Liberal Government came to power, no new Federal awards covering public sector employees have been made, reflecting the success of the Government's strategy. During the year action was taken to implement the requirement of the Industrial and Employee Relations Act that the Industrial Relations Court of South Australia become a participating court under the provisions of the Courts Administration Act. This arrangement has worked successfully, with administrative facilities necessary to support the court being provided by the Department for Industrial Affairs. Appropriate financial adjustments have been made between the two agencies.

I am pleased to have had this opportunity to provide the Committee with information about the department's activities and to highlight some of the significant achievements that have occurred during the year. With the strategies that have already been put in place and those that are being developed, the Government will continue to make significant advances in the fields of industrial and employee relations and occupational health and safety in the coming year.

Mr CLARKE: I notice in today's *Advertiser* an article about the number of employees covered by enterprise agreements in South Australia. I also want to put that in context. When the Industrial and Employee Relations Act was introduced last year, the Government's stated objective was to increase the number of enterprise agreements in the

State jurisdiction. The reason for that was the horde of employers and employees, particularly in the non-union sector, who were absolutely desperate to get on with enterprise bargaining. The only impediment to getting on with enterprise bargaining was their reluctance to deal with the trade union movement as provided for under the previous State legislation and under the existing Federal legislation with respect to enterprise bargaining. The facts speak for themselves.

Since the Act came into force, having been proclaimed on 8 August last year, through until 23 June 1995, the agreements which have been done solely with the non-union workplace—they may have involved the Employee Ombudsman but had no involvement of any trade union—total 31 out of 86 lodged, covering a total of 1 187 employees out of a total work force covered under awards or agreements in this State of about 300 000 workers or, in percentage terms, 0.4 per cent. If we look at those statistics again, we see that, of the 1 187 employees covered by a total non-union agreement, 725 were covered by three agreements, one of which involved one employer covering 481 employees, namely the South Australian Cooperative Bulk Handling Country Silos industrial agreement, where overwhelmingly those employees are not members of a union because they are mainly cockies or sons of cockies who work only about eight weeks of the year during the harvest season.

Rather than the legislation opening up this new era towards enterprise bargaining, the facts of the matter are very clear. That is, employees, whether they be union or non-union, and employers, whether they be employers of an enterprise either unionised or non-unionised, overwhelmingly prefer to remain within the existing award safety net and award safety structure. This bears out the experience in New South Wales where, under the former Government (if I can recall the statistics as at the end of December 1993, when I last looked at them), if you looked at the enterprise agreements in that State and took out the unionised public sector, in particular the teachers, nurses and the like, and looked purely at the private sector where there was no involvement of any trade union in those enterprise agreements, less than 6 per cent of the State's work force covered under State awards in the private sector were covered by non-union enterprise agreements.

I would suggest that, with respect to this legislation, which the Government introduced with such fanfare last year, it is exactly what the Opposition predicted and said last year would be the case—it is true today, and it will be true next year and the year after—that is, employers, particularly small employers and their employees, prefer to remain within the award structure. They like the certainty of it. They like the level playing field, and it underlines the absolute necessity to retain the award structure as a relevant, secure safety net for all employees. I found those statistics exceedingly interesting. I close my comments there and look forward to questions.

I refer to the Program Estimates at page 198 and the establishment of an ongoing program for the promotion of enterprise bargaining. I am happy for the question to be taken on notice, but can the Minister advise the cost of the travelling road show after the new legislation was proclaimed? What are the details of those costs and what are the cost projections for the promotion of enterprise bargaining in the forthcoming financial year?

The Hon. G.A. Ingerson: The cost of the brochure, publications and newsletters was \$26 891.90; the briefings in September and October and advertising, \$5 345.45; venue

and catering, \$10 883.45; travel and accommodation, \$6 584.55; and resource materials, \$7 444.03. The total roadshow cost was \$30 257.48. It is my view and that of the industry generally that that was the best \$30 000 spent in the sense of not only promoting enterprise bargaining and the concepts available to the public but also enabling people to understand the whole process of enterprise bargaining, to develop contacts with the Department for Industrial Affairs and to enable us as operators in the department to get out into the community and meet people who are concerned about change. It is important that the department makes sure that, whatever the process is, it becomes well known in the community.

Mr CLARKE: What about the cost projections for promotion next financial year?

The Hon. G.A. Ingerson: The estimate for promotional activities and materials for 1995-96 is \$117 000, consultancy services to small and medium business \$100 000, and training and research materials \$80 000, giving a total of \$297 000 compared with about \$53 000 for 1994-95.

Mr CLARKE: As to the consultancy fees and the figure of \$297 000, has the Minister a break down? Obviously it is not all literature that is being distributed. Where are those additional expenses being incurred and who is receiving the funds?

The Hon. G.A. Ingerson: I refer the honourable member to 'Promotional activities and materials', which provides the following breakdown: literature and pamphlets, \$40 000; newsletter, \$40 000; briefing program, \$18 500; and venue hire, travel and advertising, \$18 500. The total expenditure is \$117 000. There is then consultancy services for small business and project work by the South Australian Employers' Chamber of \$75 000 and project work by other groups of \$25 000, making a total of \$100 000. A third category is training and research materials, which has total expenditure of \$80 000, with the following breakdown: case studies, \$20 000; training materials, \$20 000; computer data base, \$20 000; and video project part funding, \$20 000. The all up total for the three areas is \$297 000.

Mr CLARKE: As a supplementary question, is the \$75 000 to the Employers' Chamber being matched by a comparable grant to the UTLC? Is it a straight out cash grant? What is the position?

The Hon. G.A. Ingerson: I am advised that the project work by the chamber comes from a strong request by the member for Ross Smith for the work to be done in the private sector. As a consequence, we are working with the Employers' Chamber to ensure that the Government is not directly involved in all the project work but that the relevant associations are available to do it. As a consequence of your positive suggestion we have moved to do it.

Mr CLARKE: I have never been thanked. I refer to the Program Estimates at page 197 and the prosecutions listed with respect to award enforcement. There were 263 cases in 1991-92, in 1992-93 there were 458, in 1993-94 there were 102, in 1994-95 there were 74, and for the forthcoming year the estimate is 100 cases. Why has there been such a reduction in the number of prosecutions in respect of award enforcement? Has there been a policy change in relation to the enforcement of award obligations by employers? Is there a shortage of inspectors to undertake enforcement procedures?

The Hon. G.A. Ingerson: There has been no change in policy regarding the inspectorate. We have the same policy and, if the rules of the Act or the guidelines are breached, the

first approach is to talk to the company or the employee concerned and attempt to have the matter resolved without prosecution. If that cannot be achieved, a series of notices can be placed. In essence, those notices are no different and are enforced in exactly the same way as all Governments have attempted to implement them.

The numbers in the inspectorate are about the same. We have put in two additional inspectors, but the numbers generally have not changed much at all. What has changed is that we as a Government have a very strong view that the inspectorate ought to be involved in education and in the improvement of health and safety in the workplace as well as its general inspectorial role. That has come about after much discussion with the inspectorate and in the department. We need to make sure that the people who are in regular contact with industry are giving people professional advice on how to improve their premises without having to go there and issue notices, which are really policemen notices. There really has not been any change. I can only hope that the number has dropped because of fewer problems in the workplace. I say 'hope' because I do not necessarily believe that is the case. But there is no intentional reduction of service as far as the Government is concerned.

It has also been brought to my attention that we have put in more than \$500 000 for the engineering and dangerous substance branches, which will assist in the provision of administration and support for the inspectors. Updated data and better computing services have been implemented. One of the major issues was that we had inspectors going into premises, an issue would come up and they would either have to ring up or go back later with the answer to questions. We are now giving them lap top computers so that they can access this information within the department. In my view, that will be a very important change to the current process.

Mr ASHENDEN: I take up a point that was touched on by the Deputy Leader of the Opposition, who was negative in his comments about enterprise bargaining: what has been the progress of enterprise bargaining under South Australia's industrial relations laws since the Liberal Government's new legislation came into operation in August last year?

The Hon. G.A. Ingerson: This question highlights how in politics you can twist figures any way you like, because the way you interpret them is really the key to the whole exercise. Before we came to office there were 166 industrial agreements with 40 000 employees involved. Those industrial agreements were, in essence, enterprise agreements. Those agreements are fundamentally still in place. Since then, a further 75 industrial agreements have been entered into involving a further 10 300 employees, so we now have 50 000 employees in the State under what one would call enterprise agreements. As well, another seven private sector companies are waiting to be endorsed by the Enterprise Agreement Commissioner and, as the Minister responsible for industrial relations in the public sector, I have a further 10 000 public servants waiting to be recognised under this system. We will have, I think within a month, close on 65 000, compared with the 40 000 who were there before we came to office.

Another point that needs to be made is that those 166 industrial agreements took place over about five or six years. The 75 industrial agreements that have been put in place have taken less than six months, because the legislation has been in position for only 10 months and it would take at least four months for people to be established and start the process. In the Government sector it has taken us nearly six months to

negotiate our agreements. I think it is a pretty fantastic result and, whilst the numbers are still small, it is a more than 60 per cent increase in people on enterprise agreements since we have come to power. That is a very important issue.

A fair amount of nonsense is spoken by the Opposition, in particular by the member for Ross Smith, about the safety net. The safety net of the award has always been the underpinning of the enterprise agreement system, the reason being that this Government recognised that there would be a lot of small business, in particular, that would choose to stay in the award. We do not have any problem with that: it is a fundamental safety net that needs to be in place. All we have done is to give some pretty good access. When you look at well in excess of 20 000 new employees over and above those who were there before, you see that it is a pretty big improvement in less than six months. Even though the system has been in place for 10 months, it has taken a long time for people to understand it.

The other issue that is important when you look at those 75 agreements is their actual make-up: 83 per cent of them involve small or medium sized enterprises. None of those had the possibility of enterprise agreements before, because the enterprise agreement that was registered had to be union driven, whereas today it does not. There is nothing to say that unions cannot be involved, but it is not the absolute province of the union and the employer to do it: anyone can do it today. Thirty-three per cent have been negotiated directly with the employees, and this is the part that I am always excited about, because employees are recognising that they are capable of sitting down and working out their own employee-employer relationships. Sixty-seven per cent involve the unions, and members have never heard us complain about that.

I have no hassles if the unions actually get off their bronze and get involved with this process, because the biggest failing of our industrial system was that the union officers would sit in their office, twiddle their thumbs in their suits and bow ties, and never go out and see the workplace, whereas now they are forced out into the workplace. One of the interesting comments I have had from this road show that went around Australia, when it was in Port Pirie, came from one of the union supervisors on the floor. He worked for one of the major unionised shops in Port Pirie, and he said, 'Minister, you do not understand what you have done with this Act, but I will tell you what you have done. You have given us the biggest amount of freedom and right that we have ever had, and it is fantastic, because we can now say to our bosses who sit in Adelaide, "We are not going to tolerate that nonsense, because it does not suit our factory or system." We are now back in control of our own destiny.'

That is a vital part of this whole exercise. Whether or not you are a union member is irrelevant: what is relevant is that you can set up this enterprise agreement in your own factory and, if the unions are involved, good; if they are not involved, it is also good. That is really the key to the change.

The other important issue is that 39 per cent, or nearly four out of 10, have the direct involvement of the Office of the Employee Ombudsman. That is a very clear message to the union movement. The requirement for an independent employee officer to be involved in 40 per cent of agreements would suggest a huge opportunity for the union movement if it gets its act together, and this Government is not opposed to that. We are saying that the enterprise ought to be doing it and it ought to be doing it of its own free will. The other interesting point is that a range of industries are involved and

not purely and simply the retail or the manufacturing industry. We are very satisfied with the extent of change that has occurred, because we are nearly 50 per cent up on the figures the previous Government took six years to achieve with its unionised industrial agreements.

Mr WADE: Will the Minister advise what strategies and resources the Department for Industrial Affairs has undertaken and committed for the promotion and marketing of the enterprise agreements under the South Australian industrial relations laws?

The Hon. G.A. Ingerson: Since the introduction of these new enterprise agreement laws, the department has created an Enterprise Agreements Unit responsible to the Director of Industrial Policy. The unit is comprised of three staff who give most but not all of their time to promoting enterprise agreements. We have no qualms about saying that any principle that is to be developed in the community must be promoted. The UTLC and the Federal representatives from the ACTU keep telling me they want more enterprise agreements. It seems to me that for the Government to be promoting something with which the union movement and the employees agree is a pretty positive step to take.

The role of this unit is to increase both quantity and quality. Instead of the old hat traditional bickering with respect to industrial relations, we ought to have a situation where people sit down as professionals on both sides to organise a good, long-term working arrangement. That is one of the major roles of this unit. It is also involved in tailoring the advice and publications we distribute to help people understand what enterprise bargaining is all about. It also undertakes any research that might be needed. It works closely with the Enterprise Agreement Commissioner and the Employee Ombudsman.

Another area which has not been recognised sufficiently is the role of the Enterprise Agreement Commissioner. His role is to promote this whole exercise. People who have been before him in the commission tell me that it is the best industrial relations commission system they have ever been before, because it is helpful and, in the end, decisive. In the process of reaching a decision, it is helpful in terms of the outcome: getting an enterprise agreement is what it is all about. The unit also organised the official launch of the industrial relations system in August last year, conducted briefings, and is now focusing on industry and company-specific promotion and marketing.

It is very important, in my view, to recognise that we are only at the first step of a long ladder, that whatever the rules of enterprise bargaining may be and however they change over the years, it is a long-term process. It is not something that will suddenly happen overnight. We need in that process people who can give advice and support, and that is primarily what this unit is all about.

Mr ANDREW: What is the current status of work being undertaken specifically by the Department for Industrial Affairs to progress enterprise bargaining in the South Australian public sector?

The Hon. G.A. Ingerson: This is the most fruitful set of negotiations that taken place in the whole time I have been in government. Initially we were told that the public sector would not be at all interested in cooperating in enterprise bargaining. We now have a situation where over 10 500 employees in 24 agencies have accepted the enterprise bargaining wage offer of the Government, with all but the EWS being offered \$15, \$10, \$10 per week. The EWS was offered \$17, \$10, \$10, and its \$17 was because it was clearly

able to show not only to the Government but also to the Enterprise Bargaining Commissioner that it had made significant productivity improvements over a period of time.

Mr Clarke interjecting:

The Hon. G.A. Ingerson: No. The single bargaining centres and the agencies concerned are now working towards finalising these agreements. The Commissioner has approved the EWS, FACS and DENR situations, covering about 5 000 employees. These agreements are in addition to the enterprise agreements previously ratified for ETSA, TransAdelaide, the TAB, the Adelaide Festival Centre Trust, State Theatre, WorkCover, the Pipelines Authority and the Ports Corporation. Industrial relations consultants for the department are presently working with more than 40 agencies in the development and implementation of further changes.

As I said earlier, just because this first agreement has occurred it is not the end of the ladder. Enterprise bargaining is about continual improvement and reasonable pay outcomes for that continual improvement in productivity.

Mr CLARKE: I refer the Minister to page 204 of the Program Estimates, 'Prohibition Notices, Improvement Notices and Prosecutions'. My question is probably largely statistical so I am quite happy for the Minister to take it on notice. Under the Occupational Health, Safety and Welfare Act inspectors of the department are quite rightly given significant statutory powers to ensure help-enforced work place safety. Inspectors sometimes have no choice but to exercise their powers through prohibition notices and improvement notices. It is also necessary for inspectors to initiate action which leads to prosecution for breaches of work, health and safety laws.

What are the year-to-date figures on the number of prohibition and improvement notices issued by inspectors under this Act, and how does that compare with a similar period for the previous two years? If the Minister can give figures for only the first three quarters of the year, that will be sufficient. What are the year-to-date figures for the number of prosecutions under the Act and its regulations? How many convictions have been recorded, what is the total amount of fines levied, and how does this compare with a similar period for the previous two years?

The Hon. G.A. Ingerson: Annual reports for the past three years show that improvement notices have fallen from 711 in 1991-92 to 446 during 1992-93, which was during the period of the previous Government. A further fall to 327 in 1993-94 continued this trend and, for the year to date, that is, to the end of May 1995, the figure is 196. Prohibition notices fell from 88 in 1991-92 to 72 in 1992-93; 64 in 1993-94; and at the end of May 1995, 57. They were about the same as last year. The same picture is apparent regarding prosecutions, with a high point of 134 for 1991-92, which fell to 70 during 1992-93. The trend continued during 1993-94, showing a further fall to 30. It is evident that the most dramatic fall during these years has been during the time of the previous Government, as shown by these figures, which appear as a public record in the annual reports for those years. The trend of reduction in notice of accidents continues. As at the end of May, we have seen significant reductions.

I have indicated in the strongest possible terms to the Chief Executive of the Department for Industrial Affairs that inspectors must have the support they require to take appropriate steps to ensure that serious hazards in the workplace are immediately addressed. Inspectors have my assurance that if they need to issue improvement or prohibition notices in circumstances where they are necessary and

appropriate they have the full support of the Government. Clearly, a change has occurred. I hope that the change is due to an improvement not only in education, but, more importantly, in awareness that an unsafe workplace is not acceptable.

Mr CLARKE: Do you have a year to date figure for prosecutions? The last figure I had was 30 for 1993-94.

The Hon. G.A. Ingerson: I do not think we have that figure, but we will get it for you.

Mr CLARKE: I refer to page 204 and to the department's protocol in relation to the issuing of improvement and prohibition notices. Last year the Government produced a protocol on how inspectors were to go about their job of enforcing the Occupational Health, Safety and Welfare Act and their powers to issue improvement and prohibition notices. It seems to place a series of hurdles, reviews and obstacles in the path of inspectors attempting to do their job. It also seems to set up a series of bodies to second guess an inspector's decision on the placement of these notices. We are talking not about prosecutions but about the issuing of notices. The protocol states that an inspector would—not 'may'—'canvass the issues . . . with senior officers and other relevant parties to satisfy himself or herself that the opinion for the determination to issue a notice is sound'.

The decision is subject to a review panel if someone objects to the notice, not the Review Committee, as provided for under the Act. Another review panel will consider the full circumstances of the notice, including the party who is objecting to the notice. In the event that this panel does not support the inspector, the inspector can continue with the matter but would be totally liable for any costs and would not be supported with legal representation. This is despite the fact that inspectors are office holders with statutory powers. Section 51(1) of the Act provides:

No personal liability attaches to an inspector or an officer. . . engaged in the administration or enforcement of this Act for an act or omission by the inspector. . .

The protocol states:

Whilst it is recognised that the inspector may not legally have the power to revoke a notice once issued, the course of action which may be pursued by an inspector in the event that the department does not support the issuance of the notice would be to fail to call evidence at the review committee hearing.

This clearly places undue pressure on inspectors not to place improvement and prohibition notices. It sends out a clear message to inspectors, 'Be extremely careful when you issue notices. The department may fail to back you up. You'll be on your own. Don't err on the side of worker safety; err on the side of the employer to cover your own back.' It makes a mockery of your claims earlier about being tough on work safety. Can you explain the purpose of this protocol and say why it puts further impediments in the way of inspectors fulfilling their statutory duties; and is this measure designed to restrain health and safety inspectors in placing improvement and prohibition notices?

The Hon. G.A. Ingerson: In reality, it is quite the reverse. The protocol says to all inspectors, 'Before you take the final step of issuing a prohibition notice, you have a group of independent people who are prepared to sit down with you and you can bounce off them the reasons why you want to do it before you issue it.' The reason for that is clear. If an inspector decides to take action on a very serious case involving a large national or international company, that company will have tremendous resources at its disposal to take all sorts of actions against an inspector if he or she

should be slightly wrong; they do not have to be any more than marginally wrong for that to occur. The Government's strong view is that we ought to have an internal process that backs up the inspector. When the inspector places that notice, clearly he will know that the whole Government is standing behind him and that his statutory responsibilities under the Act are covered. It is a total back-up system for inspectors, with whom we have discussed this.

My advice is that the inspectors generally are happy with the back-up and that it will be available for support. Otherwise, although they have statutory powers, they are on their own. If they do not have an opportunity to take it to senior people within their own department and formally discuss it as a protocol, they are on their own. The Government totally supports that action, our legal advice also supports that action, and it is my clear understanding that the inspectors generally support that action as well.

Mr CLARKE: The difficulty I have with what you have just said is that you are sending out the wrong signals to large businesses. If they believe that inspectors will not get the backing of the department and they are big enough in their own right to threaten the Government with legal action, you are saying to big business, 'Go your hardest, because at the end of the day we will not back our inspector with sufficient resources to enable a prosecution to be launched or a prohibition notice to be issued.' Again, I draw attention to section 51(1) of the Act, which provides:

No personal liability attaches to an inspector or an officer of the Corporation engaged in the administration or enforcement of this Act for an act or omission by the inspector or officer in good faith in the exercise or discharge, or purported exercise or discharge, of an official power or function under this Act.

The protocol goes on to state:

In the event that the review panel does not support the issuance of the notice, the inspector may exercise his or her discretion to continue with the matter by requiring full determination of the matter at the review committee or beyond. However, in this situation the inspector would not be supported with legal representation and would be totally liable for any costs which may arise out of the decision to pursue the matter without the support of the department and Crown Solicitor.

The situation certainly preserves the statutory independence of the inspector to make and issue notices, but it says to the inspector, 'You do so at your own risk and personal cost. Even if you are doing what you believe is right and in accordance with your legal obligations as an inspector, we can drop you in the soup and you will meet the full costs.' That leads me to my last question: why does the protocol conflict with the Act in relation to the liability of inspectors, because section 51(1) clearly provides they are not legally liable; and why does it impose extra review processes second guessing the inspector's decision process which are not provided for under the Act?

The Hon. G.A. Ingerson: The advice from the Crown Solicitor is total support for the protocol and that we ought to set up a protocol. The purpose of the protocol is to guarantee that the inspector is protected. The only reason why an inspector would lose the case that he put to review would be if his fellow inspectors or review officers thought he or she was wrong. It is in everybody's best interests, whether the employer, the employee or whoever, to have the best possible inspectorate. It is a matter of the inspector going to his senior colleagues and saying, 'I have all this information before me and this is the action I want to take: what do you think?' If he is opposed to their advice, he goes ahead and does it.

There is nothing in that protocol that prevents him from going ahead and doing it. We have already had an example where an inspector did that, and the cost to the Government in terms of legal support was \$63 000 plus an extra \$25 600 for a consultant's report. In my term the Government has already backed an inspector to the extent of \$85 600 in his request to proceed and argue a point. That case is very well known. In fact, in that case the inspector lost. We want to make sure that, if a prohibition notice is put on, it is not lost legally, because that is absolutely stupid. The member for Ross Smith would agree that, if an inspector puts on a prohibition notice—when he or she believes there is a genuine purpose—and loses, it has wasted everybody's time, money and effort. At the end of the day, the legal system makes these rules. As the honourable member knows, under the Act anyone can challenge the prohibition notice. If we have to go down that line we want to improve the percentage wins, and it is no more or no less than that. I think the sinister meaning being placed on it by whoever is feeding information to the member for Ross Smith is wrong.

I would have thought it made sense to have a review within your department of senior people to back you up—to back up the junior inspectorate in any particular case—and to get their support. It is pretty clear that it is all about making sure that, if a prohibition notice is put on, it is not lost legally, because that is absolutely stupid. The member for Ross Smith would agree that, if an inspector puts on a prohibition notice—when he or she believes there is a genuine purpose—and loses, it has wasted everybody's time, money and effort. At the end of the day, the legal system makes these rules. As the honourable member knows, under the Act anyone can challenge the prohibition notice. If we have to go down that line we want to improve the percentage wins, and it is no more or no less than that. I think the sinister meaning being placed on it by whoever is feeding information to the member for Ross Smith is wrong.

Mr CLARKE: Under this protocol the Government is saying that an inspector who goes along to a review committee, which is not supported by his peer group, if you like, is dropped in the soup and that it is potentially at his own cost. That is in direct contradiction to section 51(1) of the Act which provides that no personal liability attaches to the inspector. Upon what basis was the advice given to the Government that this protocol, which is not an Act of Parliament, can override an express power and provision of an Act of this Parliament?

The Hon. G.A. Ingerson: I am advised that section 51(1) relates to the review process. The reality is that an officer had costs awarded against him in the Supreme Court. It is on that advice that the Crown Solicitor advised us that we ought to set up a process that minimises the chance of any inspector being liable for costs.

Mr CLARKE: Was the inspector or the Government personally liable?

The Hon. G.A. Ingerson: My advice is that he was personally liable, but I will get that checked. It was issued by the Supreme Court. The point is that prohibition notices are put on in very serious conditions. Surely, the inspector ought to have the best possible advice to him or her when they put that prohibition notice on. One of the faults of the Act—and we might have to go back to the Act—is that we are placing in it tremendous responsibility on one person, whereas it seems to me that one person may make a much stronger and better decision that holds up the prohibition notice in the legal sense if you are able to take that collective advice. It is a system the department has implemented which is correct and which needs to be continued with.

I would have thought it made a lot of sense for us to win in front of the magistrate than to lose as we did in a recent case. I do not think it is very sensible for an inspector to go into the Magistrates Court and find that the evidence they have collected—whether in good faith or genuine or not—results in their losing in the Magistrates Court. In other

words, it sends a wrong message. If you have a review system and it sends the exact same message and the person wins, it seems to me that is the best process. That is really the basis of the whole argument.

Mr ASHENDEN: I refer to workers' rehabilitation and compensation claims in relation to the department itself. What initiatives have been undertaken by the Department for Industrial Affairs to reduce workers compensation claims and costs in the public sector by the target of 30 per cent announced last year? What has been the experience so far in working towards that target?

The Hon. G.A. Ingerson: In 1994 the Premier advised CEOs that the Government had an objective of reducing workers compensation claims and costs by 30 per cent by June 1997. This commitment was reaffirmed in March by Cabinet, which has agreed to devolve from the department to chief executives responsibility for managing occupational health and safety from 1 April to 30 June this year. The most important thing in occupational health and safety is to make the manager or the chief executive of the department responsible for the safety of all of their work force. The minute it becomes the responsibility of someone else in a department miles away you lose that direct contact with your staff. That is a very important issue in devolving this responsibility to chief executives.

At a recent meeting we also asked that it be the No. 1 item in every agenda on which executives of a department meet, so that they have to consider the safety issue before anything else happens. Devolving the budget to chief executives, excluding lump sums, has gone to the agencies other than the 14 small ones. The department will still have a continuing role in the provision of policy advice, monitoring and support services, particularly in occupational health and safety and compensation. We will establish the public risk management forum which will meet quarterly. It will be chaired by me and will bring together all the chief executives to discuss issues involved in managing occupational health and safety and workers compensation. Whilst it is not compulsory, those CEOs who do not come will be noted.

Savings will also be achieved through the reduction of costs to be used towards introducing new management information systems and other occupational health and safety initiatives. The projected results indicate that good progress has been made. It is expected that claims will reduce by more than 20 per cent with a 9 per cent reduction in net claims expenditure. If TSP related payments are excluded, the net claims expenditure is expected to reduce by 16.7 per cent. It is extremely pleasing that the projected reduction to date of 20 per cent far exceeds the expected reduction of 5.7 per cent in the size of the work force for those agencies.

The total number of claims recorded in 1994-95 was 4 700, which is the lowest level of claims recorded since the recording of workers compensation data commenced in 1976-77. The Government is not only on target to reduce its claims but believes it is ahead of it. The net claims expenditure, that is, the total expenditure less third party recoveries, is projected to decrease in 1994-95 by \$4.6 million (9 per cent) to \$46 million. This is an even better result than last year's estimated expenditure of \$47 million. The reduction of expenditure is the first since 1988-89. In line with the reduction in the number of new claims, the cost of new claims has also reduced substantially from \$11.3 million to \$8.1 million, a reduction of 28 per cent. In addition, the average cost per claim has reduced by 8.7 per cent, and the average time lost per claim has reduced by 10.4 per cent.

Those results are a clear indication of success in the early stages of the Government's occupational health and safety initiatives in the public sector. They reflect improved prevention strategies, improved management of claims (especially by chief executive officers), improved training, a better return-to-work culture and coordinated strategies on specific priority issues such as stress management. One reason for that is that there has been a fantastic response from the Department for Industrial Affairs group that is managing the process. It has been able to put together a team that has the support of other agencies. When you sit down with people and work with them instead of having an automatic 'them and us' attitude, you get some fantastic results. The division within the department needs to be congratulated on its fantastic effort in that matter.

Mr WADE: Under the industrial and employee relations program, a specific target or objective is to provide industrial relations support to the Crown Solicitor in opposing applications for Federal award coverage for Public Service employees. How many such awards have been made?

The Hon. G.A. Ingerson: Before I am asked questions by the Opposition, I point out that the Attorney-General is supplying information on costs in that matter. That information will become available during the Committee stage. To date, almost 18 months since we came to power, there have been no new Federal awards covering public sector employees. That in itself suggests a pretty successful strategy. That result illustrates the excellent work of the department, in particular those in the industrial relations division and in the Crown Law Office. Federal logs of claims have been served on various authorities by a number of unions seeking Federal coverage for public sector employees presently covered by the South Australian system. Obviously, we are prepared to work with those who are already federally covered.

There are presently 26 active logs of claims involving 14 unions. All such logs of claims are being opposed, using a specially established group of lawyers in Crown Law for that purpose. Employees of the industrial relations division in my department are providing significant industrial relations support to Crown Law personnel in the conduct of proceedings before the Australian Industrial Relations Court and the commission.

Legal opinion would suggest that a recent decision of the High Court of Australia handed down in respect of applications by State Governments, including South Australia, questioning the ability of the Australian Industrial Relations Commission to make awards covering State Government employees, could make the unions' role of Federal award coverage more difficult because of the uncertainties that it raises, particularly as it relates to minimum wage awards. The failure to have new Federal awards made so far is a reminder to unions that have embarked on a Federal award push, and it equally vindicates the stance of other unions that have demonstrated loyalty to the State industrial relations system because of its superior outcomes and ease of access.

Mr ANDREW: I refer to occupational health and safety and prevention strategies specifically in the public sector. What steps have been taken by the Department for Industrial Affairs to prevent workplace injuries in the public sector? What strategies are planned for 1995-96?

The Hon. G.A. Ingerson: We have developed a multi-dimensional strategy which includes several elements. It is important to record them, because a fair amount of nonsense has been spoken publicly about the Government not having a specific interest in occupational health and safety. Those

elements clearly show how professional the Government, and the department in particular, has been in this matter.

Those elements include the provision of consultancy services to agencies in occupational health and safety, claims, rehabilitation and fraud; establishment of a trainer network from which agencies can select trainers; development of a Department for Industrial Affairs occupational health and safety strategy group to address the issue on a whole-of-Government basis; development and distribution of an occupational health and safety information kit, detailing services and providing guidelines for policy and program development; development and distribution of a flow chart for the prevention audit process; development of a public sector occupational health and safety resource centre with catalogued materials; and development and distribution of an occupational health and safety training schedule.

Further elements include participation in the development and testing of the concept occupational health and safety module; development, trial and implementation of the best practice model in occupational health and safety management; and development and distribution of monthly reports to each agency to monitor workers' compensation statistics and progress towards achieving a 30 per cent reduction in incidence, cost and duration. As an aside, the chief executive officers are focused on the costs of workers' compensation and, in particular, their safety record. The development of those reports in that form has been a major contributor.

Other elements are personal visits to chief executive officers to discuss strategies for reducing the incidence, duration and cost of claims; devolution of responsibility to agencies, which we have already spoken about; training sessions for claims administrators to enhance their skills development and performance; development of a guide to best-practice management of stress-related injury; monthly 'bring your own lunch' professional development seminars; production and distribution of COMPress, a quarterly newsletter on workers' compensation management; and presentation of fraud awareness programs to executive and relevant personnel.

In 1995-96 the strategy is to complete a new public sector workers' compensation claims, rehabilitation and fraud manual; complete a 'Changing Styles' training package on psychological health; develop a schedule of events for excelling in the WorkCover Rehabilitation Audit; develop a training package on rehabilitation for managers and supervisors; develop training programs; revise and rewrite the Code of General Principles for Occupational Health and Safety Management; coordinate and assist in the implementation of the Concept system; streamline the provision of information to WorkCover from Crown agencies; and develop computer identification of potentially fraudulent claims.

From all that members can see that there is a strong base program to get all the information right. The next step is to make sure that, once the program has been implemented with the base research done, we can produce the goods. Unless we do all that training work and all the production work initially, we will not get anywhere.

Mr CLARKE: In answer to an earlier question, you mentioned protocols and the issuing of notices by inspectors. It is not just prohibition notices, because the protocols apply even to the issuing of improvement notices.

The Hon. G.A. Ingerson: It is in our interests to get it right all the time. You are saying that we have to go to court like idiots and get—

Mr CLARKE: We will deal with that matter later. Do any members of the department's staff, whether consultants, executives or CEOs, or those who are on contract with the Government, have as part of their conditions or performance indicators a reduction in the number of prohibitions or the issuing of improvement notices?

The Hon. G.A. Ingerson: No, none whatsoever.

Mr CLARKE: None whatsoever?

The Hon. G.A. Ingerson: The answer is 'No'. That is really getting to the bottom of the barrel. The clear implication is that the Government would set out contracts of employment which tell people that they do not have to issue notices if they find them to be accurate. In other words, if someone has broken the law or they have an unsafe work practice, they should not do it. That is so absurd, it is nonsense. That is an indication of some of the nonsense questions we are asked.

Mr CLARKE: I refer to page 202 of the Program Estimates, and I note that the cost of the Industrial Policy Unit has increased by \$357 000, even though only 2.5 extra staff have been appointed. I refer to the change of personnel and the role of the Manager of Industrial Policy. Last year, the previous Manager of Industrial Policy was Mr Doug Melvin, who has moved out of that position. The position was advertised and subsequently filled when Mr Wilson was appointed. I understand that Mr Wilson, formerly an employee of the SA Employers Federation, was taken on in that position for about \$30 000 a year more than the previous incumbent, taking the salary up to about \$85 000. I also understand that Mr Wilson's package includes a private plated Government car, a luxury not previously provided to that position.

I also understand that Mr Wilson is not the only former Employers Federation staff member on the Government's payroll. Indeed, several former Employers Federation staff are now being paid by the Government, including Mr Matthew O'Callaghan, the former Director, who became head of Public Sector Reform, and Mr Peter Hampton, who became the Enterprise Bargaining Commissioner. Who was on the selection panel that chose Mr Wilson for the job of Manager of Industrial Policy, and what role did the Minister play in that selection? Is Mr Wilson being paid \$30 000 more in that job with a car and, if so, what was the Minister's role in determining his remuneration by providing him with a vehicle?

The Hon. G.A. Ingerson: A contract was negotiated by the Commissioner for Public Employment, Mr Graham Foreman. He took advice from two senior officers in my department, Paul Case and David Smythe. I had no role whatsoever in the employment of Nick Wilson. In relation to the sum of money in this matter, it includes the programs we talked about earlier, amounting to some \$267 000, as well as the salary and wage component. The whole employment package is under the control of the Public Sector Commissioner. Ministers have no role to play in the employment of public servants other than people in their own ministerial office, and their salaries are negotiated with the Premier.

Mr CLARKE: By way of supplementary question, what has changed in the role in terms of responsibilities or authority between Mr Melvin and Mr Wilson, and how does the Commissioner for Public Employment arrive at a package, whatever the figure might be?

The Hon. G.A. Ingerson: I cannot answer the last question, because I am not the Commissioner for Public Employment. However, I am quite happy to get that informa-

tion for the honourable member. In relation to the different positions, first, the Manager's role has been enlarged as a result of the expansion in the whole process of enterprise agreements in the private sector. Secondly, I am advised that it is an executive role in the department, whereas Mr Melvin's position was not.

Mr CLARKE: Will the Minister supply a detailed breakdown of expenditure under this item, including names of employees, salaries and total remuneration packages, including any vehicles where appropriate?

The Hon. G.A. Ingerson: I will provide that information for the honourable member.

Mr CLARKE: I thank the Minister for giving me credit for the provision of a \$75 000 grant to the Employers Chamber. That was not the point I made in Question Time in the House. Effectively, I was quite happy for the chamber to do its own work, but not at the taxpayers' expense. I did not want the Minister to compete unnecessarily with the Employers Chamber, which I believe is quite capable of doing its own work at its own cost, without the assistance of the taxpayer. Does the policy unit or any other unit in the Minister's department make representations, with respect to enterprise bargaining, to individual employers advocating enterprise bargaining; do they assist employers in drawing up an enterprise bargaining agreement, or give advice as to how to negotiate with employees or trade unions; and do they advise on contemporary standards in awards and/or enterprise agreements, lodge them or in any way represent or assist employers in presenting them before the Enterprise Bargaining Commissioner?

The Hon. G.A. Ingerson: I am advised that there is no negotiating role, nor has there been any negotiating role, by anyone in the policy department, but we have had many examples of going out and advising people, not only on the enterprise bargaining system but on whether and how they can enter into an agreement. The negotiating reference is always made to a relevant association, and the Government through the policy unit encourages private sector companies to be members of associations. I know that the Employee Ombudsman gets plenty of questions in relation to employees. If they request advice in negotiating, he provides it, but in most instances he recommends that they go to their union. Unfortunately, most people come back again because the union cannot do it or does not want to do it.

Mr CLARKE: That is outrageous!

The Hon. G.A. Ingerson: It is not outrageous; it is right.

Mr ASHENDEN: In relation to the Construction Industry Long Service Leave scheme, what steps has the Department for Industrial Affairs taken to implement recent changes to the scheme, and what impact have those recent changes had on employer levy rates to the scheme?

The Hon. G.A. Ingerson: As a result of the recent amendments to the Construction Industry Long Service Leave Act 1987, the scheme will be reducing the levy rate for employers in this industry from 1.25 per cent to 1 per cent as of 1 July 1995. The changes have further modernised the scheme by improving its operational effectiveness and introducing flexibilities in the context of the newly available enterprise agreements under the Industrial and Employee Relations Act. These will result in a reduced cost to employers and an extension of the scheme to employees and subcontractors not previously able to access its benefits; that is, a net benefit to employees and a net saving to employers.

The savings to employers, which include an exemption from the levy for apprentices, are initiatives which should

encourage employment. These reforms are in line with the Liberal Government's policy intention to reduce business operating costs in this State. These changes, which have been facilitated by the Government through extensive consultation with the construction industry, have been implemented with the general support of all parties. The amendments represent the most significant reform package since introduction of the scheme in 1977. Employers will benefit through a reduction in the levy rate and the waiving of levies for apprentices. Self-employed contractors will be able to contribute on a voluntary basis to a new investment scheme. Registered workers will benefit through increased flexibility.

Mr WADE: Will the Minister advise the Committee of South Australia's industrial disputes performance relative to that in other States?

The Hon. G.A. Ingerson: The Opposition always expresses the view that it had good control over the industrial system, particularly in relation to working days lost, and these statistics make interesting reading. In 1990, the number of days lost in South Australia was 230, with an Australian average of 207, and we ranked seventh. We could not get much lower than that. In 1991 the South Australian figure was 111, the Australian average was 248 and we ranked fifth. In 1992 the South Australian figure was 24, the Australian average was 147 and we ranked second. In 1993 the South Australian figure was 50, the Australian average was 100 and we ranked fourth. In 1994 South Australia was way down with 35, the Australian average was 76 and we ranked third. In the past 12 months South Australia has had the lowest number of working days lost per 1 000 employees of the mainland States and we are at a level comparable with Tasmania. South Australia lost only 35 working days per 1 000 employees, compared with an Australian average of 76.

A low dispute rate has been the trend in South Australia since 1992 and in the 12 months to January 1995 South Australia lost 18 300 working days due to disputes. In the public sector, most of the lost time during 1994 resulted from the industrial action by the South Australian Institute of Teachers and the Miscellaneous Workers' Union. Industrial action by teachers was targeted at the Government's decision to reduce the education budget through increased efficiencies and to oppose the Australian Education Union's application for a Federal award for teachers. Significant industrial action was taken by the Miscellaneous Workers' Union's members in support of the union's \$68 per week wage claim and applications to gain Federal award coverage. I note that they are now back in the South Australian commission. Apart from these two unions, the excellent result in South Australia in relation to the low number of industrial disputes is a product of the cooperative and consultative approach of the Government and peak employer and union bodies. There was excellent consultation.

Mr ANDREW: Through my involvement with the Minister for Primary Industries, as a member of his back bench committee, and through my colleague the member for Flinders, I am aware of the tremendous growth and potential now being realised within the aquaculture industry, particularly tuna farming at Port Lincoln. What steps are being taken by the Department of Industrial Affairs to improve occupational health and safety in the aquaculture and tuna farming industries in Port Lincoln?

The Hon. G.A. Ingerson: I thank the member for his question, because this has been one of the best developments that has resulted from having decent statistics. The statistics highlighted that during 1994 we ended up with a total of 18

claims from the Port Lincoln tuna fishing operations by divers who were treated at the hyperbaric unit of the Royal Adelaide Hospital and who experienced decompression illness (the bends) in relation to these injuries. The total medical cost of those claims was a disgraceful and staggering \$350 000 in one year.

A joint program was immediately set up by the Department for Industrial Affairs and WorkCover. It has commenced and involves a dedicated commitment by an industrial inspector specialising in diving and a WorkCover consultant. It is unacceptable to have 18 people badly injured in tuna fishing operations in one year. We have put in place some excellent programs now where we are getting the Tuna Boat Owners' Association, the department and WorkCover together to make sure that decent occupational health and safety is implemented in what can be potentially the most exciting tuna industry in Australia. If we muck it up, because we cannot get the safety programs right, this Government and employers will be at fault.

Thanks to good statistics and early warnings from WorkCover, we have been able to get in and set up a very positive operation, in which our inspectorate is involved. This is a perfect example in my view of the change of direction of the inspectorate, where we now have them working in a proactive sense making sure that these divers at least recognise the problems of going up and down as quickly as they were doing and, more importantly, making sure that they come up the last time in a safe manner. It was ridiculous to continue in the way they were doing. Both WorkCover and the department have got together with boat owners to try to solve an important problem in the industry.

Mr CLARKE: My question relates to page 204 of the Program Estimates dealing with public sector workers, compensation, occupational health and safety issues. Part of the answer to my questions will be statistical and I shall be happy for the Minister to take those questions on notice and other parts the Minister may be able to answer straight away. Under 'Issues/Trends' the report states:

Stress claims are projected to fall by over 25 per cent in 1994-95. . . a target reduction of 30 per cent in claims numbers and costs over the next three years.

Can the Minister advise how much of the reduction in claims has been due, first, to the toughening up of the eligibility criteria for workers to receive workers' compensation benefits, for example journey accidents and stress claims and, secondly, to the reduction in employment numbers, particularly in blue collar areas, where accidents are more likely to occur, for example, in SACON and EWS?

There is plenty of anecdotal evidence of some public servants, in their desire to get a TSP, being prepared to find another doctor to say that they are fit and healthy so that they can get off the system rather than having to remain within it. Can the Minister supply statistics for each Government agency and statutory authority as to the number of accidents, compensable or otherwise, the trends, classes of injury, and particularly stress claims in education, police and correctional services? What is the number of inspectors employed and what is the number of women inspectors? I understand that there are only two women inspectors. Is there a plan to increase the gender balance and to address what I believe is a need for inspectors from non-English speaking backgrounds, because I do not believe that there are such inspectors now?

The Hon. G.A. Ingerson: We will provide all the statistics in our answer at a later date. As to the reductions,

my advice is that the reduction in the number of claims is more than the number of people who have left the public sector. Obviously, while there is a reduction because fewer people are employed, the reduction is in excess of that, and I will get the figures for the member. I am advised that journey accidents represented 7 per cent of claims and new claims obviously are no longer accepted. There are a number of ongoing journey accident claims yet to be finalised. It is estimated that expenditure on journey claims will reduce by about one-third, or \$1 million in 1994-95, and it will progressively decrease over the next five or six years. That does not totally answer the question, but we will get further information to answer the question.

Mr CLARKE: As the Minister is a devotee of equal opportunity, I refer to page 201 of the Program Estimates. Among the reasons for the major resource variation in this budget it states:

The 1995-96 budget reflects the completion of the 1994 women's suffrage centenary and the reallocation of resources to the public sector industrial relations program as part of the strategy to mainstream initiatives previously undertaken under this program.

What are these initiatives and what resources—human and material—will be provided? Will the unit still maintain its 3.4 full-time employment equivalents and their project dollar allocations?

Ms Beasley: The arrangements for the Women's Adviser's Unit were considered by the executive of the Department for Industrial Affairs in light of a commitment to ensure that all services of the department meet the needs of women. Individual divisions in the department have been allocated responsibility for effective delivery of services within their sphere of operations which meet the special needs of women workers. This includes the special allocation of responsibility relating to enterprise bargaining and to the two divisions covering the matter in the public and private sectors. All divisions will be supported in their task by the establishment of a new position of Women's Desk.

The responsible officer will have access to the executive and be responsible for preparation of a report each year detailing the comparative position of women workers and identifying actions the department can take to minimise any disadvantage that is identified. The new arrangements mean that at least the former level of resources will continue to be directed towards women's needs. However, not all resources will be separately identified.

The Hon. G.A. Ingerson: The 3.4 have been absorbed within the department in other areas. The previous head of this division is now working in the industrial relations division, and the others (who were clerical back-up) have been absorbed within the department. The Employee Ombudsman has picked up many of the equal opportunity issues that were coming into the department, particularly as they relate to outworkers and that sort of thing. Much of that is no longer being directly supplied by the department but is being supplied through the Employee Ombudsman.

Mr CLARKE: I note that there was a consultancy of \$15 000 assigned for last year which has now been increased to \$100 000 for 1995-96. What are the details surrounding this increase in the consultancy? Who is to be paid the increase, if anything? Why the increase and what is the end result the Government is looking for?

The Hon. G.A. Ingerson: The \$15 000 was not spent, and the \$100 000 in this budget is that \$100 000 I spoke of before, which had the \$75 000 for the consultancy to the Employers Chamber. The \$25 000 has not been allocated yet,

but the \$75 000 was that allocation from the policy division to the Employers Chamber.

Mr CLARKE: There has been total elimination of the grant made by the Minister's department of \$70 000 to the Migrant Workers Centre. The Migrant Workers Centre is funded by the Trades and Labor Council of South Australia by more than \$70 000; by the Federal Department of Industrial Relations, which pays at least \$70 000, if not more; and also until now by the State Government, with \$70 000. It provides a number of initiatives that have assisted industry partners with workplace English language and literacy training, including information to and education of industry partners, community service providers and migrant workers on industrial relations and migrant worker participation, providing industry with resource guides and multilingual information. The effect of such a cutback on the Migrant Workers Centre will be extremely severe and will mean massive curtailment of the work it has been able to do.

Over 50 per cent of the centre's inquiries come from the non-union sector, predominantly, obviously, from women from a non-English speaking background, often wanting to deal with enterprise bargaining agreements that their employers have raised, and health and safety issues. Given that that is an area of significant injury at work, because of their non-English speaking background, this is a unit that deserves support by the State Government to allow it to do its job, which will enhance safety on the job and provide a valuable resource to those who are amongst the most disadvantaged people in our community. The centre's management has written to the Minister on a number of occasions pointing out what it sees as its advantages. Is the Government prepared to reconsider its decision with respect to the awarding of this grant?

The Hon. G.A. Ingerson: Twelve months ago the Government advised the Migrant Workers Centre that its grant would be cut out this year. It was not a decision made in this budget: it was notified through the UTLC some 12 months ago. Since that time, the Government through the WorkCover organisation has made a grant of \$130 000 to the UTLC as part of occupational health, safety and welfare training. It was part of that grant that that would be made through the Working Women's Centre. The department has put an extra \$50 000 into its base funding of \$215 000. It is our view that the Working Women's Centre is an obvious place in which women can be given advice and counselled in relation to their problems.

I am advised that the centre supplies a very comprehensive service to migrant women, and it seemed to us as a Government that there was a fair amount of duplication going on. We have made a very significant grant to the UTLC of \$130 000, but it is not our position to tell the UTLC how to use that money. If we look at the grants made by the Government in the previous year, we see that there was about \$80 000 in a special grant to the UTLC and about \$75 000 in this area. That is not much short of the total grant now coming through the WorkCover system to be used by the UTLC. The UTLC makes up its own mind and it is my view that, since it funds this, it ought to utilise the funds already coming from Government if it believes that a larger allocation is required in this area. The Government supported the Working Women's Centre last year to the extent of a further \$50 000 of its funding. We believe that there is a lot of duplication of resources.

Mr CLARKE: The Minister would be aware that the money now being re-routed to the UTLC through WorkCover

is money that is not now being paid through the Department for Industrial Affairs, so the net result is still a \$70 000 cut to the Migrant Workers Centre.

The Hon. G.A. Ingerson: It is not a net \$70 000. As I said before, there was about \$80 000 given to the UTLC in a direct training grant and \$70 000 through this, which makes \$150 000. The grant through WorkCover is \$130 000, so there is a \$20 000 difference. In my view it is irrelevant whether the money that the Government paid, an extra \$50 000, comes from WorkCover or from Government sources: it is \$180 000. The \$50 000 has gone to the Working Women's Centre over and above the base budget it gets from the Department for the Arts.

It is our view that that is where the money ought to be directed because the Working Women's Centre is already involved in the supply of migrant services. In other words, we do not see the value of proliferation of similar services through the private sector.

Mr ASHENDEN: How is the Leader of the Opposition's budget determined, and why is his proposed 1994-95 expenditure so much larger?

The Hon. G.A. Ingerson: The Leader's budget is an annual base grant determined by the Premier and escalated by CPI. Any unspent money flows over, as we all understand. It is a formal agreement between the Premier and the Leader of the Opposition of the day, and any special funds are decided by arrangement between the Premier and the Leader. In 1994-95 the base figure was \$515 000.

Mr WADE: What steps are being taken in conjunction with WorkCover to target high risk industries in the private sector, as have been assessed by their work-related injuries and claims?

The Hon. G.A. Ingerson: WorkCover and the Department for Industrial Affairs are working together to achieve a reduction of work-related claims and injuries. Specifically it is targeted to 21 industries which WorkCover, through its claims process, has quickly and easily identified. We are also selecting 150 employers for special audit on information supplied from WorkCover. The department is also conducting some 1 500 help visits in an attempt to improve worker safety in all of those areas where we have identified major problems. It is an employee and employer supported program.

Mr ANDREW: What measures are being taken by the Department for Industrial Affairs to assist with the promotion and implementation of new occupational health and safety regulations?

The Hon. G.A. Ingerson: It has been necessary to carry out familiarisation training for the staff of the Department for Industrial Affairs on general principles of the consolidated regulations. Involving about a four-year program, it implements a massive change in direction and, as a consequence of that change, retraining is important. As this change of direction is giving more responsibility to the employer and employees in the workplace, it is important to have simple regulations and good training methods in place. We are spending a considerable amount of money on the inspectorate to ensure that, with this whole change of consolidated regulations, it is there to support the employer and the employee.

We are also providing services in areas such as plant inspection and assessment applications for certificates of competency. The department is implementing enhanced database facilities for efficient registration services, for example, plant design and plant registration, as well as very strong advisory services for client groups. As I have said, we

are also conducting a large number of help visits to improve occupational health and safety in the workplace.

Mr CLARKE: Referring to page 80 of financial paper No. 2 and to grants of \$84 000 and \$57 000 involving the Trades and Labor Council through the Workers' Health Centre, I point out that the Migrant Workers' Centre's loss of \$70 000 is not totally picked up within the budget allocation of WorkCover of about \$130 000. So, the Migrant Workers' Centre is still \$70 000 short, whichever way the cake is carved up from the resources which were previously available. When the Working Women's Centre was transferred to the Department for Industrial Affairs from the Office for the Status of Women it arrived without \$50 000 of its recurrent grant allocation of \$265 000.

This money was included in the transfer from the Department of Premier and Cabinet to the Office for the Status of Women, but not in the subsequent transfer from OSW to Industrial Affairs. I understand that DIA provided \$50 000 of its departmental funds to make good this loss in the 1994-95 financial year and to allow the centre to maintain its service. Will the recurrent grant to the centre for 1995-96 be restored to \$265 000, and what is the Minister doing to ensure that this valuable service will be maintained at its current level as recommended by the review of operations of the centre?

The Hon. G.A. Ingerson: We are currently discussing financing with the Working Women's Centre. We have said that we would fund the \$215 000 and we would work with it to make the necessary savings to reduce its ask of \$260 000 back to \$215 000. We clearly recognise that the centre has a major role to play in the women's area not only in supporting women who come in off the street for advice, but it plays a significant role in supporting the Industrial Relations Commission. I understand there is considerable inquiry from the commissioners to the Working Women's Centre and we would wish that to continue.

Having said that, it is our view that efficiencies in that organisation need to occur as has occurred in all other departments, and we are working with the centre to make sure that occurs. I understand that a very full and precise answer has been given to the honourable member by the Minister for the Arts, and I agree with all of the figures she has provided.

Mr CLARKE: My question relates to page 203 of the Program Estimates and the Government's position in opposing Federal award applications—whether they be made on State Government employees. In one sense I do not have an argument; I oppose the Government's position with respect to that matter but I do not take away its right as an employer to take the decision it has taken, namely, to oppose the transference of employees from State award coverage to Federal award coverage where they are the direct employees of the Government.

However, I do have a concern with respect to the private sector. The Minister has gone around on a road show and told all and sundry that if any private sector employer wanted to oppose their enterprise being roped into a Federal award the State Government would stand shoulder to shoulder with them, intervene in the matter at taxpayers' expense and support them even when not one State Government employee is employed by that particular enterprise. I refer to the most notable employer in the retail sector that has been brought to my attention, the Foodland group.

How does the Minister justify using taxpayers' funds to intervene in Federal award matters involving private sector employers where there is not an interest by the State Govern-

ment? At a time of financial stringency, when I cannot even get a lousy \$26 000 from the Attorney-General for the Kilburn/Enfield/Prospect legal service servicing people who are in need and who want access to justice, how does the Minister justify subsidising giant wealthy companies such as Foodland in opposing applications for Federal awards being made in the private sector when there is no demonstrable interest on the part of the State Government to do so?

The Hon. G.A. Ingerson: It never ceases to fascinate me that Liberal Government support for small private sector operators, compared with support by a Labor Government for unionism or collective bargaining, should be seen as being wrong. I just think that is absolute nonsense. The most important issue is that we were asked to intervene by Independent Holdings, on behalf of the Foodland group, and we were happy to oblige. If any employer group or individual employer wants to stay in the State system rather than be dragged into the Federal system by the outdated and outmoded system of just being able to log people in, we will support them. If they do not want to stay in the State system, as many retailers in a similar position have chosen to do, but want to go into the Federal system, that is their choice. However, the moment they come to us and say, 'We want to stay in the State system; are you prepared to intervene on a public interest issue?' we will do it, whoever it is.

We are happy to support any individual retailer or manufacturer who comes to this Government and says that they want to stay in the State system. That is exactly what the Foodland group did via Independent Holdings. We have no qualms about doing that and we will do it again for any employer. I should have thought that was consistent with the Labor Party's view that if any union wants to transfer to another group it would probably support its doing so. However, knowing the previous Minister, if some of his unions wanted to transfer into the Federal arena and it meant that he would lose people from the State system, he would probably have argued against that as well.

We are saying that our State system ought to survive. As long as we have our State system and people want to use it, we will continue to support them. We do not accept the nonsense argument of having the right to log anyone in at any time just because the union movement happens to operate from a big office and never bothers to go and see these companies. We will continue to support anybody who comes and asks us, and that is how it is.

Additional Departmental Adviser:

Mr Lew Owens, Chief Executive Officer, WorkCover Corporation.

The Hon. G.A. Ingerson: It is important that we put on record how successful we have been. The WorkCover Corporation began operations when the Act came into effect on 30 September 1987. As part of the Government's drive to make its agencies more efficient, a new nine member board was established in July 1994 under the WorkCover Corporation Act 1994, with a focus to develop a more business orientated organisation. Two ministerial advisory committees were established to ensure an integrated approach to OH&S and workers' compensation. In a further streamlining of the State's workers' compensation and OH&S responsibilities, on 1 July 1994 the Occupational Health and Safety Commission was amalgamated with the corporation. This created a single agency with responsibility for workplace health and safety in South Australia.

The financial results for WorkCover are heavily dependent on an actuarial assessment of the corporation's long-term claims liability. The final actuarial assessment of the corporation's outstanding claims liability, together with an audit certificate from the corporation's external auditors on the corporation's 1994-95 financial results, is expected to be presented to the corporation in early October 1995. A preliminary assessment of the scheme's liability indicates that there has been a deterioration in the scheme's funding position due largely to difficulties encountered during the year in returning injured workers to work in the economic climate experienced during 1994-95. A lower interest rate environment also resulted in lower returns on investment. Claim numbers are currently estimated to be 40 200 for 1994-95.

I turn now to the key achievements and events during 1994-95. Significant reforms to the Workers Rehabilitation and Compensation Act were passed by Parliament and proclaimed in May 1995. The average levy rate was maintained at 2.86 per cent, and the decision to increase the average levy rate to 3.2 per cent was reversed once legislative changes were made. The OH&S consolidated regulations were gazetted on 3 April 1995, and South Australia is the first State in Australia to consolidate its OH&S regulations into one user-friendly document—over 15 000 copies were sold in the first few months of its release and demand is continuing. An OH&S bookshop has been opened by WorkCover, offering many hundreds of publications and materials for purchase. An OH&S resource centre is under development at WorkCover and should be open to the public in late 1995.

Tenders were called for the outsourcing of WorkCover's claims management activities following the passage of the outsourcing legislation in Parliament in April 1995 (nine private insurers were appointed), and the outsourcing of the claims management function to private insurers is on schedule to commence on 1 August 1995. The Self Managed Employers pilot was established with the appointment of 20 employees, and in 1995-96 it is intended that these employees will take over management of all old claims. The Safety Achiever Bonus Scheme (SABS) continued to achieve success in 1994-95, with 210 employees participating in the scheme. The corporation adopted a quality approach to improve the way it conducts its business and its response to customer needs. The quality program began in 1994-95 and aims to provide corporation management and staff with more effective problem solving and decision making skills. The Re-employment Incentive Scheme for Employees (RISE) was extended and enhanced as part of the job creation agency.

The corporation's 1995-96 corporate plan and budget were prepared within the context of the Government's overall vision to lead South Australia towards an increasingly safe, conscious future in which employers, workers and unions are committed to working together to reduce the level of workplace injury and disease. The corporate plan establishes five key targets for the corporation to achieve by June 1999: to reduce annual claim numbers by 25 per cent compared with the 1992-93 level; to reduce average claim costs by 15 per cent (in real terms) compared with the 1992-93 level; to achieve an average levy rate of 1.8 per cent of remuneration; to establish a vibrant and pro-active organisation; and to ensure administration costs do not exceed .46 per cent of the total non-exempt remuneration after allowing for the exempt employer contribution.

To achieve these targets a four year budget strategy was established for the corporation. There is a need to secure cost

savings in administration without making the operational areas overloaded and jeopardising overall corporation performance. The corporation's 1995-96 administration budget, which covers a period of significant change for the organisation, achieves this balance.

Mr CLARKE: As far as an opening statement is concerned, I simply refer members to my second reading speech and my closing comments in the debate on the workers compensation legislation this year. One of our complaints about the legislation concerned the release of medical records to employers, because it could be abused by the employer. We were told in this House and in the other place that we were being paranoid. The Minister, if he has his video recorder set for the 6 p.m. News tonight, will observe an item on Channel 7 about a woman who has had her confidential medical records released since the passage and proclamation of this legislation. The records, which were released to her employer, are now well known to employees within her employer's payroll section. The records, which are now widespread within her place of employment, contain intimate knowledge of her background which even her immediate family did not know about.

What will the Minister do in terms of amending the legislation to rectify this situation, which the Opposition warned him about? Employers with the best will in the world have access to information and confidential medical records which will get out of their hands and become well known amongst other employees and to the broader community, causing a great deal of embarrassment.

For example, one can imagine a simple case where, on a previous occasion, a person had an AIDS test. An employer is able to access all medical records by arguing that they are relevant in determining an employee's workers' compensation claim. It is possible that the employer and the workers' compensation staff will know more about a person's medical condition than their own family. That is a scandalous situation. It is a real life situation which has occurred yet, when this legislation was carried, we were told that we were being paranoid. I want to know what this Minister will do to make sure that that never happens again.

The Hon. G.A. Ingerson: I assume that the honourable member is referring to a case of which we are aware. It was about three years ago.

Mr CLARKE: No, it was not. It is since your legislation came into force.

The Hon. G.A. Ingerson: Let me continue the answer and then comment on the existing legislation. If it is the case that we are aware of, all the information was put before the review and asked for by solicitors representing both sides. Any information before the review is, in essence, public information.

In relation to the existing position, the Workers Rehabilitation and Compensation Act has been changed. On 1 July 1994 it became operative. As at that time, any breach of confidentiality was punishable under the Act. There is a penalty of \$3 000. Section 112(1) was amended on 1 July 1994 to guarantee confidentiality. If that is the case, she can proceed under the Act, as any other person can, and recover the penalty. I am advised that, if that information is given to WorkCover, it will take action. It is already there; it has been done; it has been fixed.

As members will know, if somebody breaches the law, it does not mean that the law is wrong; it just means that someone has breached it. I am advised that WorkCover, if a breach of the Act is brought to its attention, is prepared to

take it up. It is a sad situation, but no piece of law can prevent people from breaking it. If it can be shown to us that there has been a breach, we will take it up.

Mr CLARKE: I thank the Minister for his answer by way of supplement, but this woman's difficulty is that, if she prosecutes the company, she will attract publicity and thereby open up more of her personal details to public scrutiny. Prosecution, press publicity, and the subsequent embarrassment for her family prevent her from doing that. I know about the woman to whom the Minister referred. The case occurred about three years ago. The woman was a member of my union. The employer got hold of documentation because there was a defect in the old section 112. The review officer did not want the information to be released publicly but was unable to prevent the employer from taking out that information.

The employer published the information, sent it to the woman's husband's employer to try to embarrass her, and sent it elsewhere notwithstanding that she sought to exercise her rights by defamation action against that employer. Because he was sufficiently well off, he said, 'You can sue me as much as you like; I will go right to the High Court. Do you want to run the risk of losing your house?' Obviously, for most workers that is untenable.

The problem with your answer is that, notwithstanding that the law might say that such a breach is punishable by a fine of \$3 000 maximum, for a particularly mendacious employer that will not necessarily be a deterrent. Also, it does not take into account employees who do not want their private medical records known to their immediate family, friends, neighbours or whatever, which ultimately would occur if the case was prosecuted in a court of law. You can imagine all sorts of difficulties which you might get into, whether it be in relation to a mental illness or a physical illness, and which in a certain relationship might cause difficulties if the knowledge became public. That is why the legislation should not be there in the first place. The employer should not be able to demand those medical records in this way because they inevitably leak out in large or small organisations. If such information is brought to the Minister and if it is proved to have happened, will the legislation be amended to prevent a recurrence?

The Hon. G.A. Ingerson: I will be happy to look at that matter. The legislation was amended only recently. There are some strong words in the Act, which provides that an employer must not disclose confidential information about an employee at work. I do not know how much further we can go, other than to increase the penalty. We are prepared to look at the matter. If there is a major flaw, we will do something about it. At this stage, I do not think that there is a flaw, but I am quite happy to look at the matter.

Mr CLARKE: The Minister might be able to report on the status of a complaint that I understand has been lodged in the Human Rights Commission concerning the treatment of mentally injured workers in South Australia relating to discrimination against a mentally injured worker compared with a physically injured worker. There was debate earlier this year on a private member's Bill introduced in the other place by the Hon. Ron Roberts and which I sponsored in this House. I refer also to Mr Robert Hill, whom I understand lodged a complaint that, as part of a freedom of information request, WorkCover gave him a number of Tax Office file numbers with respect to a number of employees. There has been some publicity surrounding that event in the *Advertiser* over the past few months. Can WorkCover give an update on those two issues?

The Hon. G.A. Ingerson: As far as we know, there has been no formal application to the Human Rights Commission. The Human Rights Commission has not advised the WorkCover Corporation that that is the case. However, WorkCover has contacted the Human Rights Commission, which advised us that there is no application before it.

In answer to the first question, if anything happens, we might do something about it, but while nothing happens, it seems to me to be another good story in the media that has gone AWOL. In answer to the question concerning tax file numbers, I am advised that that has been investigated and, as it relates to the individual, has been found to be incorrect.

Mr CLARKE: I refer to information technology, and in particular the view of the WorkCover board with respect to the possibility of outsourcing information technology to EDS. I read from a document by WorkCover Corporation that puts the board's position as follows:

Following a Government decision to outsource State Government departments' computing operations to EDS, an American company, the WorkCover board has decided 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 that it would not outsource the systems development area as this is a core business activity.

Does the Minister agree with the view as expressed by the WorkCover board with respect to the possible outsourcing of its computing operations to EDS and not to outsource its systems development area and, in particular, if the WorkCover board finds that it is no cheaper but, indeed, more costly, for it to outsource to EDS, remembering that every cost impost comes out of the pocket of employers through WorkCover levies, will the Minister stand up for the WorkCover board with his Cabinet colleagues and for industry in this State and insist that the most cost effective means of carrying out the information technology business of WorkCover be adhered to?

The Hon. G.A. Ingerson: In answer to the last question, there is an obvious inference: if the decision was to go to EDS, that would not occur. The fundamental argument of using EDS across Government is to reduce the cost to all Government departments. You would have to be an absolute dill if you wanted to go into a bulking up system if you were not going to reduce costs. That is fairly fundamental. A few issues need to be clarified. The board made the following decision—and this will probably start to clarify the issues:

That outsourcing of any IS support functions will only be undertaken if it provides positive financial returns to WorkCover and guarantees protection against issues arising from security, confidentiality, reliability and accessibility, and supports its considerations.

That is exactly in line with the whole EDS potential contract. The EDS discussions are to reduce the overall costs to Government. If that occurs, WorkCover is quite happy to go with it. The argument of security, confidentiality, reliability and accessibility is a part of the EDS process, so again that falls into line with the decision of the board. Unless that is achieved, EDS will not get the overall contract, so the WorkCover Corporation will not have to be concerned about it. If it is achieved, it falls into line with what WorkCover in essence is saying.

Another important issue that needs to be commented on is that EDS is not in systems development: EDS is involved only in the operations of systems, so there is no threat at all

to WorkCover in systems and development or to any other Government authority or department which may be in the development of systems. EDS is only about the delivery—the operational side of it. The third point is that in September this year, there is arrangement in which the management of the WorkCover board will meet with OIT, the Office of Information Technology, to look at WorkCover's facilities and the costs of operation of WorkCover. So, there is no final decision as to whether WorkCover will be involved. If the costs are as they ought to be, and must be, with this whole EDS exercise, WorkCover will be part of it, as it is in its interests, because it will be cheaper than is currently the situation. As a flow-on from that, the levy rate is down. Whilst it is only small, it is a contributing factor to the costs of operating the scheme.

Mr CLARKE: Is the Minister saying, almost as plain as the nose on his face, that, if it is cheaper and all the necessary safeguards as outlined are in place to retain information technology in-house rather than outsource it, WorkCover will be exempted from any EDS contract: as a separate agency, it will be able to exempt itself from any whole of Government decision if on its own figures it is cheaper for it to remain in-house?

The Hon. G.A. Ingerson: I understand that the Premier in his reply said that the Government has issued a directive following the Cabinet consideration that, unless there are specific exemptions issued by Cabinet, all Government agencies will be included. Through me the WorkCover board will be arguing for an exemption if there are no cost savings. It is primarily on cost savings, because all the other issues of security and confidentiality have to be guaranteed through the system in any case, as it is not only WorkCover that has confidentiality problems: there are the TAB and others, so if that cannot be guaranteed, the whole EDS thing will not work in any case. Therefore, we will be arguing in Cabinet for an exemption if there cannot be shown to be clear cost savings.

As I said to start with, the whole EDS exercise is based around cost savings to the Government. If we have cost savings in WorkCover, we will be in like Flynn. If we cannot get them, we will be arguing that we ought to be exempted. In the Premier's reply to the member for Hart, he said that there might be and there could be specific exemptions. That is WorkCover's position. At this stage, we know no more than that we have been asked to be involved in the bulking up exercise. We said, 'Yes, we will participate, but this is the proviso.' The proviso is that, if the costs do not come in, we are not in it.

Mr CLARKE: Did you issue a directive to the WorkCover board to be involved in the bulking up exercise?

The Hon. G.A. Ingerson: I have had no involvement whether WorkCover should be involved. I understand that the request came through the Office of Information Technology for WorkCover to be part of the arrangement. I understand that all statutory authorities have been asked and it was to be done through the Office of Information Technology. There was no discussion or direction from me as Minister and, further, I was not requested to do so by the Premier or anyone else. There was no Cabinet direction.

Mr ASHENDEN: Is the outsourcing of claims by WorkCover to private insurers on schedule for a 1 August 1995 commencement?

The Hon. G.A. Ingerson: Yes. We have been very happy with two issues, first, the uptake by insurance companies: nine have been enthusiastic to get working with WorkCover to manage claims and all the transitional issues. Secondly, we

have been staggered at the response from employers coming forward and nominating which company they would go with. I said 'staggered' because there was a view that WorkCover might have to allocate a large number of employers to private sector insurers, but that has not occurred.

About 85 per cent of employers in South Australia chose their insurer and about 15 per cent were allocated, which is surprisingly low. Another issue is that agents are now selecting their staff and establishing their agencies, and files will be transferred from WorkCover to the agents over the weekend of 29 and 30 July. Whilst a transitional period does by nature create disruption, the whole process is being very professionally managed and, hopefully, because of the work that has been done to minimise downtime, there will be a very smooth transition.

Mr WADE: Has there been any increase in the average levy rate announced by WorkCover during 1994-95? Also, have private employers been paying the levy that has been due over recent years, and is their performance improving?

The Hon. G.A. Ingerson: There has been no increase in the levy rate: it is still 2.86 per cent, and that is due to the legislative change. The only issue now is whether the legislative change actually produces enough savings over the next 12 months to maintain it. If it does, there will be a drop, but if it does not, we might have to come back into the Parliament and do what we initially tried to do; that is, make very significant changes to the benefit structure, because that is all that is left. That is the issue that will need to be looked at in 12 months time, because it will take at least that time for the existing change to flow through the system. I hope that we do not need to go down that track but, if it does not change, we will. As we have seen in New South Wales, if you hold back and cover up the claims changes long enough, you get yourself into trouble.

Mr Clarke interjecting:

The Hon. G.A. Ingerson: Absolutely, and they are coming up for one particular reason: the claim numbers are increasing. If you get an increase in claim numbers in any of the schemes in Australia, you will get a massive increase in costs of the scheme. The New South Wales system is a very interesting one. Whilst the benefits are low there has been a very dramatic increase in claims. A question mark is now being put on it by the Labor Government as to whether many of those claims are what you would call legitimate claims. It will be interesting to see whether the new Minister, with whom we had quite a long discussion at the Ministers' conference, actually goes ahead and does the things he said he was going to do. If he does, there will be some very interesting flow-on ramifications for the Labor Party in this State. I think he more than anyone else recognises that he does not have much room left to move in.

What we hope will happen is a slow reduction of this levy rate so that we can get it down towards the 1.8 per cent, which is the long-term goal. If we cannot reach that, all we need is a reduction in rate, because we are still well out of the ball park relative to other States. The other matter brought up was this issue of levy collection. I have been lobbied—or 'nailed' I could say—by one particular former member of the WorkCover board who has the view that thousands of employers are not paying their levy. Over the last few years, we and the previous Government have conducted a very vigorous campaign to check the levy system. In 1992 \$2.9 million was collected through the audit system; in 1993-94 \$2.8 million was collected; and this year

\$2.2 million has been collected. The audit system has now recovered in excess of 50 per cent.

There have been 5 261 audits this year, which represents 10 per cent of the WorkCover database and, over the four years, 40 per cent of the total base, and not the 50 per cent as I suggested has been audited. Each year we are finding fewer and fewer errors, which would be expected in any continuous auditing system. It is arrant nonsense to say there is a massive fraud in the collection of levies. Whilst there is some, it is minimal relative to the amount of money collected. When we are collecting over \$230 million in a year, the \$2.2 million of demonstrated fraud is a very small figure.

Mr ANDREW: After 18 months of Government, to what extent has the Liberal Government implemented the major commitments in its 1993 worker safety policy?

The Hon. G.A. Ingerson: We have been through a lot of these points in relation to the Government's position and a lot is duplicated in the private sector with which WorkCover is specifically dealing. The most important issue has been the implementation of a \$2 million per year funding for occupational health and safety by the WorkCover Corporation. That money has been spread right through the community, including employer associations and unions. It has also been used significantly to target the problem areas of occupational health and safety. It is our view that we will need to spend a similar sum over the next five years to see some sort of effect.

The WorkCover board this year has again made a commitment of \$2 million. It is my view that that is the single most important issue we have effected in occupational health and safety. I mentioned the regulations, which WorkCover played a part in introducing, and those in the long term, along with the money spent by WorkCover in targeting problem areas, will make the biggest difference in this State.

Ms WHITE: My question relates to the obligation of employers to injured workers under section 58B of the Workers Rehabilitation and Compensation Act, and also the imposition of levies to companies under section 67. I refer to Mr Jeffrey Pollitt, who has been in correspondence with my office and who is on the books of WorkCover. Mr Pollitt, who was formerly a loss assessor with FAI Insurance, suffered an injury and a heart condition arising out of a major depressive breakdown. Whilst in hospital in relation to that injury Mr Pollitt was put off by that company. Unfortunately, at that time, he was not in a position to dispute the dismissal, and to this date there has been no claim for unfair dismissal. I read a final sentence in a letter Mr Pollitt wrote to me:

Can you please find out why WorkCover never applied a legitimate levy upon FAI Insurance Company in 1994 and again in 1995 after two investigations by WorkCover investigators had found FAI Insurance Company in breach of section 58B both times?

Can the Minister provide an answer to Mr Pollitt's question, and if he does not have the relevant information at his disposal now will he undertake to supply an answer to Mr Pollitt?

The Hon. G.A. Ingerson: Yes, I will do that. I understand that WorkCover has replied directly to you in detail, but we will follow it up and give you any further information that is required. Probably the best way to handle it is for you to send the whole thing direct to my office, and I will send a note to the Committee saying that I have replied. I think that is probably the best way to do it, as it is a personal issue. I make the commitment to the Committee that that will be done.

Ms WHITE: As a supplementary question, as you would understand, the resolution of this issue in relation to the question that Mr Pollitt has asked me to pursue with you

would go some way towards aiding his rehabilitation. I should like to read another sentence from Mr Pollitt's most recent letter to me. I will quote directly from the letter but leave out the names of individuals. He says:

I have also been informed [by a member of staff of WorkCover] that my case against FAI Insurance Company should have been resolved late 1994 by the then case manager handling my claim—and he gives the name of that individual—

but that individual, who was then aware of the outsourcing of WorkCover claims, decided to look after himself, trying to obtain a position with one of the outsourcing companies, one of which was FAI Insurance Company, and that individual has been successful in his quest.

Mr Pollitt alleges conflict of interest. Will you comment on the possibility of such conflicts of interest arising and what mechanisms or safeguards, if any, you intend to put in place to deal with possible conflicts of interest in regard to case management?

The CHAIRMAN: I think the Minister is being asked to comment on a matter which may be placed before the court. I simply advise the Minister to consider his reply very carefully. It is the Chair's duty to consider such matters.

Ms WHITE: I asked in general, Mr Chairman.

The CHAIRMAN: It may be *sub judice* or close to it. I do not know the situation; I am just cautioning the Minister.

The Hon. G.A. Ingerson: What time frame is the honourable member talking about?

Ms WHITE: We are talking about a case that has now passed two years.

The Hon. G.A. Ingerson: When did the claimant talk to the person employed by WorkCover?

Ms WHITE: The investigations were in 1994 and 1995.

The Hon. G.A. Ingerson: What time of the year is he referring to?

Ms WHITE: He does not give a specific time as to when this information was given.

The Hon. G.A. Ingerson: Was it 1994?

Ms WHITE: I believe that was the first investigation.

The CHAIRMAN: That is not an issue before the Estimates Committee; it is a hypothetical question.

The Hon. G.A. Ingerson: We will investigate the issue. I point out that none of the staff was aware of what companies were to be outsourced until April 1995, and the Minister did not know until that time either. I point out to the Committee that it would have been impossible for any employee of WorkCover to negotiate with a company at that time because nobody knew. Having said that, we are happy to take up the general story and attempt to resolve it as soon as possible.

Ms WHITE: Are any safeguards to be put in with respect to case management?

The Hon. G.A. Ingerson: I think it would be better for the Committee and the individual concerned if we take it up and try to resolve it.

Ms WHITE: Are any safeguards being put in?

The Hon. G.A. Ingerson: In general, I am happy to take up on behalf of anyone any concerns about the way that WorkCover handles issues. In my view, WorkCover does not have a bad record in terms of the management of claims.

Mr Clarke interjecting:

The Hon. G.A. Ingerson: I understand all of that. All those issues are being considered in the outsourcing process: none of those issues are not being looked at. I am happy to take up the whole issue, which is both a personal and general issue, with the honourable member at any time. Any general

information I will report back to the Committee; any specific information I will report back to the honourable member.

Mr CLARKE: I refer to the Workers' Compensation Advisory Committee, which was set up under amendments to the Act last year. As the Minister would be aware, there has been some discontent amongst a number of members of that committee, not just from the trade union movement but also from employer representatives, because they wonder about the relevance of the advisory committee. I understand the Minister has not attended any of the meetings since it was established, although I believe the Minister's presence will be welcomed fairly soon. Parliament recently passed legislation to set up another committee on workers compensation, which no doubt has added to concerns about its ongoing relevance.

I refer to the removal of the executive officer of the secretariat of the advisory committee earlier this year. As I understand, this was a direct instruction from the Minister following an allegation that the person concerned had incited defiance of the Minister. The executive officer is not a member of that committee and as I understand performs only a secretarial minute taking task and other support tasks to that committee. The person concerned is likely to suffer financially as a result of being demoted or redeployed within the organisation. She was not given the opportunity to discuss this matter directly with the Minister prior to his decision to have her removed.

What is the relevance of the advisory committee? What caused the Minister to direct that this person be removed from her position as an executive officer? Was it a complaint from a member of the advisory committee about her conduct and, if so, which member or members were involved in raising that complaint? Why did the Minister not give the processes of natural justice a go? If there were complaints, the Minister should have interviewed the person directly and allowed her to state her case.

The Hon. G.A. Ingerson: I thank the member for Ross Smith for the questions, which were given to me, exactly word for word, by the UTLC last week. They were very good questions, and I answered them. However, I am very happy to put them on the public record. First, in regard to the issue of relevance, the committee has been working on a whole range of issues relating to WorkCover. The committee itself believes it is irrelevant, and the committee has voiced some opinion to me as to whether it really should exist.

I have made no determination of that, nor have I had any formal discussion on that issue. It is a statutory committee of the Parliament. It is required to meet. If members of the UTLC, who seem to be the only members who believe that it is irrelevant at this stage, and have formally told me so, do not want to come, that is their choice. As I said at a meeting with the UTLC the other day, if the UTLC wants to withdraw its members, do not worry, because I will find some employee representatives who would like to go on it. It is entirely up to the UTLC and the unions to decide whether they want to have a role in the advisory committee.

In relation to my attendance, obviously the UTLC has not brought you up to date, because I attended the last meeting, and that was at the committee's request. You had better get yourself up to date on what is going on.

Mr Clarke interjecting:

The Hon. G.A. Ingerson: Yes, it is, but it is an advisory committee to the Minister and there is no requirement of attendance on the part of the Minister. There have been about 20 meetings, and I have had at least a dozen replies from the

committee giving me advice. It was my understanding that, until recent times, it was reasonably efficient. As I have said, if the UTLC, through its unions, wants to pull out, I will be very happy to accommodate that and find other employee representatives, because plenty of them are prepared to do it.

As for the removal of the executive officer, I made a decision to return the secretariat of the advisory committees to the Department for Industrial Affairs. The Department for Industrial Affairs is the secretariat for the IRAC committee, and there is no reason why it cannot be the secretariat for the advisory committees.

Many stories are going around about the executive officer. I have just been advised what she is supposed to have done and what she did or did not do. I had no involvement in that. I have had no discussions with her at all. As the Committee and the unions are aware, I had been talking about changing the secretariat. As the chief executive of WorkCover knows, I had been talking about changing the secretariat back to the Department for Industrial Affairs for at least six months. The fact that I made a decision very close to a certain advisory committee meeting bears no relationship whatever.

I have just been advised that the officer concerned has had no salary reduction and in fact is on a retention package guaranteeing her salary for a year. She will be offered, if she chooses, potentially higher level positions in future, depending entirely on whether she meets the qualifications standards of the jobs available. Incorrect nonsense is being peddled that she has lost salary. Her future is no different now from what it was prior to the change in secretariat control coming back to the Department for Industrial Affairs.

Mr CLARKE: By way of supplementary question, it seems extremely coincidental—

The Hon. G.A. Ingerson: Of course it does.

Mr CLARKE: You would have to be born yesterday to believe that it is so coincidental. You had been thinking about it for a time and you decided to relocate that person within WorkCover. If there were no malice or ill-intent, one would have thought that the normal courtesy would have been for you or the Chief Executive Officer of WorkCover to call in that person and discuss the matter with her to allay her concern that her job was in jeopardy, and tell her that it was just a normal transfer arrangement and a natural evolution with the restructuring of the secretariat. That is what would happen in any 'normal' employer-employee relationship if there was no skulduggery attached to the whole exercise. The Minister has not refuted that she was just summoned and told, 'You're gone; you're on the redeployee list; you're on income maintenance for the next 12 months; you're no longer required.'

I am aware she has written to the Chair of that advisory committee stating her concerns and the manner in which it was done, with no reasons given. If this is just part and parcel of your normal processes of restructuring such a committee and who staffs it, it is a pretty rough deal when employees are not involved in a consultative manner, and when they are given a distinct impression that it is more of a disciplinary action taken against them rather than part and parcel of naturally evolving structural change within the organisation.

For there not to have been just normal courtesies extended to such an employee, advising them why they were being moved in such a peremptory manner, speaks volumes for the lack of human resource nous that operates either in the Minister's office or in the CEO's office at WorkCover, and it ought to be addressed. Whilst the Minister says he has had

no personal involvement, was any member of your staff involved in these actions?

The Hon. G.A. Ingerson: I understand that the WorkCover Chief Executive did personally advise the person. As the member for Ross Smith will learn, if he ever gets into government, no Minister has any control whatsoever over the appointment or loss of appointment of any staff. The minute that occurred, I suspect the member for Ross Smith would be on my back or any Minister's back for interfering with the public sector and/or the private corporation. I was not involved. It is my understanding that all the courtesies were extended to the person concerned. As I said earlier, the job opportunities available for her in the new reconstructed corporation are there, and future employment improvement opportunities are there.

Finally, none of my staff were involved, nor are they ever involved, in any employment or management issues. What my staff and I are involved in are policy decisions that affect my Department of Industrial Affairs, and that is where it begins and ends. As a Minister, I will continue to take the opportunity to decide what secretariat is under my control and where it is based. Who is in it is not controlled by me. As I said before, the honourable member would be very uptight if any Minister, including me, was involved in discussion with staff as to their future. It is fairly much a fundamental Public Service position.

Mr ASHENDEN: What action are the Government and WorkCover taking to promote greater community awareness about occupational health and safety?

The Hon. G.A. Ingerson: As I said earlier, through WorkCover we will spend a couple of million dollars a year on the supply of information and encouraging the Employers Chamber and the unions through the UTLC to improve communication and training under occupational health and safety. We want to make sure that regulations under occupational health and safety are widespread amongst the community. We want to ensure that we target all the industries that have the most work related safety problems.

We have also set up, as I mentioned, the WorkCover bookshop and the resource centre so that more occupational health and safety issues can be resourced.

Mr CLARKE: I draw the Minister's attention to the WorkCover board's quarterly report and the CEO's report at pages 1.1 and 1.2, and particularly the following reference:

The Training and Consultancy Services Department (TACS) has targeted eight of the 21 high risk industries for the provision of assistance. Of the 13 remaining industries, the DIA are providing assistance to approximately 100 of the worst performing employers. The approach is coordinated by a joint TACS and inspectors' team. . .

What is the cost to WorkCover of claims arising from these 100 worst performing employers? What percentage are these injured workers of the total number of claims lodged? Will the Government be prosecuting any of the 100 worst performing companies, insisting that they enforce appropriate safety standards?

The Hon. G.A. Ingerson: The first two parts of the question involve statistical information that we do not have but we will get it. As to the question about legal action, a policy is going before the board concerning section 67 prosecutions and, once the board has made decisions in that area, they will be carried out. Generally, if there are any major potential areas of prosecution the board automatically sends them to the Department for Industrial Affairs inspectorate to carry out the prosecutions.

Mr CLARKE: Will that be done?

The Hon. G.A. Ingerson: It is done now and there is no reason for it not to proceed. If there is any evidence or suggestion that people who should be prosecuted are not being prosecuted under the Act, I would like to know, because the Government has a strong view that, if anyone is in breach of any of the appropriate Acts enabling business to operate, they should be prosecuted.

Mr CLARKE: What about the prosecution of fraud by employers? The Minister earlier referred to \$2 million.

The Hon. G.A. Ingerson: I made a statement earlier about \$2 million worth of fraud. Essentially, it is \$2 million of levy collection that has occurred primarily due to error. It is fraud in the strictest sense but they are usually minor errors and the funds are collected. There is no continuing breach. Indeed, we have evidence to show that once companies have been audited there is no continuing breach. In all the cases where audit has been carried out they have been errors and, where they have not been errors and have been deliberate, they have been prosecuted. It is my understanding, although I will have it checked, that in essence they are basic errors of misunderstanding. There are penalties under the Act for any deliberate fraud that might occur: for any fraud that occurs there is prosecution.

Mr CLARKE: Will the Minister consider doing as the Tax Office does? If I fill in my tax form incorrectly, I might not be gaoled but I pay a penalty.

The Hon. G.A. Ingerson: There is already a 100 per cent penalty placed on it.

Mr CLARKE: The Chief Executive Officer pointed out that there has been quite an increase in the number of fatalities in the past 12 months compared with past years. Is the CEO able to explain this increase? Is it an aberration or an unfortunate reduction in safety standards?

The Hon. G.A. Ingerson: There are two issues here. First, the Government is concerned about any fatalities and their increase in number. There were five deaths in the tuna farming area, and WorkCover and the Department of Industrial Affairs have now set up a major task force to start sorting out some of those unacceptable work practices, particularly as they relate to divers. This was identified by WorkCover because of our monitoring of the number of claims that were coming through. With the support of the unions and the Tuna Boat Owners Association we are starting to get some very significant changes.

Mr Owens: We are horrified at the number of deaths. There have been something like 20 deaths in workplaces in South Australia in the first five months of this year; 19 of them were men and one was a female. This trend has also been reported in some other States. Western Australia, in particular, has reported an alarming increase in workplace deaths this year. We are currently putting together a major TV education program to raise awareness. The areas where the deaths seem to be occurring tend to be in the independent contractor operation such as fishing, mining, construction and building. The challenge for us is how to get the message across to individual workers tending to adopt unsafe work practices. It will be a major challenge for us to educate that group.

Mr CLARKE: Are you finding that these fatalities are occurring, in the main, because of worker error or because the necessary safeguards or standards have not been enforced on the job by the employer?

The Hon. G.A. Ingerson: I am advised that it is worker error; it is unrealistic work sites, work practices and a whole

range of issues. Nothing in particular at this stage has been clearly identified. As the CEO said, it is of major concern to the Government, and we will try to do something about it. It will be changed only if there is cooperation between the employer and the employee. We are as concerned about it as anyone, because it is just not acceptable.

Mr Owens: We have detected two prevalent attitudes: first, inevitability, which is the attitude that says, 'You go to work, you get injured, you should not expect anything different'; and, secondly, invincibility, which is the attitude that says, 'It won't happen to me; I'll be okay.' We need to change those two attitudes in the community if we are to see an improvement in occupational health and safety and a reduction in these deaths which appear to predominantly arise from the invincibility attitude of Australian males who say, 'It won't happen to me.'

Mr CLARKE: I refer to the Stop the Pain campaign. I am not 100 per cent certain but, as far as I am aware, I did not see or hear the campaign mentioned in any of the ethnic press or on any ethnic radio stations. As many accidents occur in industries with a high concentration of migrants who speak many languages but where English is certainly not their first language, what action will WorkCover take in future to ensure the migrant press and radio are included, and will WorkCover go out to those industries with a high concentration of ethnic workers to assist with safety signage so that people understand them?

I did not realise, until I went to a conference recently, that to many cultures many of our symbols and words do not mean anything to them; in fact, they can mean the opposite in some respects. It has been the cause of some horrific accidents both here and interstate. First-line instructors and supervisors should be taught to give safety instructions in a language or in a symbol which is understood by all, because what we might do or say in the Australian vernacular can be totally incomprehensible to someone from, say, a Muslim background or someone from an overseas country.

The Hon. G.A. Ingerson: First, I am advised that we have advertised the campaign on ethnic radio and television. We are working to ensure that the Stop the Pain campaign goes through to those areas. We are also introducing into the Stop the Pain campaign this fatality argument, and it is hard hitting stuff. It is similar to the AIDS commercials and also the early advertising material relating to the .08 and .05 drink-driving campaigns. We have employed two people in the WorkCover authority under the NEB (Non-English Background) scheme. I have just been informed that WorkCover, through a grant in the past 24 hours, is providing the Migrant Workers Centre with funding of \$70 000. The Minister is not involved.

Mr Clarke interjecting:

The Hon. G.A. INGERSON: It is not intentional. I am saying that I have no involvement in it. I have just been advised that funding has been approved under a WorkCover special training grant. So there is strong support by WorkCover for people of non-English speaking backgrounds. We recognise that it is an area in which a lot of accidents occur due to a lack of comprehension of the English language.

Mr CLARKE: In his quarterly reports, the CEO comments that outsourcing has been a major disruption to WorkCover employees and that there are problems with staff morale, or that is what I read into it. How are the staff reacting to the outsourcing of claims? Have those claims' staff been hired by private agents and, if so, how many, and

which agents have been attracting business in South Australia with respect to claims handling?

The Hon. G.A. Ingerson: That detail is available from the Chief Executive, and I will ask him to reply to the question.

Mr Owens: I can give the honourable member a lot of information, but perhaps it would be better if I did it outside the Committee. The nine agents are in the middle of their recruiting program. Some 180 of my staff have indicated a desire to be considered by the agents for selection to positions. At this stage, I understand that about 150 have received job offers from agents. That process is still continuing. The agents were advised only two days ago of the employers who have chosen or been allocated to them, so they are only now aware of the market shares. The market shares vary from the largest at 27 per cent to the smallest at about 4 per cent. The others clearly are within that range. They are now finalising their decisions on the number of staff that they will need to manage claims. We would expect that to be resolved over the next two weeks and that staff will transfer to the agents progressively between now and 29 July.

I would be misleading the Committee if I indicated that it was easy at present. A number of the staff have resigned, so it will be a difficult month for those who have not been selected or who have decided not to go and therefore have an uncertain future with the corporation. However, at this stage it is going particularly well. My staff have put in a lot of hard work to make sure that it is a successful transition. I have no doubt that on 1 August it will have been implemented smoothly and efficiently, and that the staff who have gone across to those agencies will be made very welcome and will settle into their new roles. It is a difficult time for the corporation. It has been a major exercise dividing up the business and handing out the responsibility to agents, but we have done it, and done it well. I think that it will be the best working arrangement in Australia when it takes effect on 1 August.

Mr CLARKE: Mr Chairman, I propose now to place the remaining questions on notice. I should like to preface my comments with respect to the information that I am seeking. The Minister indicated that the Attorney-General is providing certain information to my colleague who is in the other Committee. If there is duplication, I understand that the Minister will not provide it. My questions relate to industrial relations support to the Crown Solicitor from the Department for Industrial Affairs in opposing Federal award coverage.

What is the staff of the unit, who comprises it and what are their salaries, packages and conditions of employment? What legal costs have been incurred in each of the challenges supported by the Government. Does it involve the use of outside legal firms or barristers and, if so, what are their costs to date and their projected costs for 1995-96? Are any solicitors or barristers engaged on behalf of the Government from interstate and, if so, who are they; and what are their daily charges? What has been the cost to the Government of

supporting private sector employers opposing Federal award coverage for their own employees? Will a detailed itemisation of the costs of each case be supplied? Where the Government has intervened, what has been the success rate or otherwise to date with respect to the Government's opposition to the relevant union's case?

The next series of questions relates to boards, committees and councils under the direction of the Minister. For what boards, committees and councils does the Minister have responsibility within his department or agency? What are the functions of these boards and committees? Who are the members of each committee, board or council? When does the term of office of each member expire? What is the remuneration of members, and has this changed since June 1994? Who appoints the members and on whose recommendation or nomination is the appointment made? What is the role and function of each committee, board or council?

I turn now to consultancies and contracts. What consultancies have been let by the Minister's department since 1 July 1994? I refer also to WorkCover. What was the purpose of each consultancy; were tenders called; were specifications prepared; and did the consultant prepare a report? Did the consultant make any recommendations and, if so, have they been acted upon? What was the cost of each consultancy including the cost of expenses? Will the Minister table a copy of all consultants' reports and list all contracts exceeding a value of \$100 000 since 1 July 1994? What was the purpose of the contract? Were tenders called and were specifications prepared? How was each contract supervised?

Finally, I refer to section 32(2)(i) of the Act, which provides that the corporation will meet the costs for special reasons or something of that nature. I have had a problem with respect to a constituent who works under SAMHS and who has been receiving massage treatment for an injury. This person was a nurse at Glenside and was injured. She has been receiving massage treatment arising from an injury sustained in a motor vehicle accident on her way home from work and as a result of an assault by a patient at the hospital. The person is not a medical practitioner. I will write to the Minister: that would probably be more appropriate than my raising the issue in this Committee. The costs for massage have been met in the past by SGIC, which handled the claims. They are now back with SAMHS, which has declined to do so. The end result will be that this woman will end up being extremely ill and having to go to hospital for three days. The costs to WorkCover or the Government will be many times greater than if the cost of the \$35 treatment per week had been met. I will raise the issue in specific correspondence to the Minister.

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

ADJOURNMENT

At 6.58 p.m. the Committee adjourned until Thursday 29 June at 11 a.m.