

## HOUSE OF ASSEMBLY

Tuesday 17 June 1997

## ESTIMATES COMMITTEE A

**Chairman:**

The Hon. H. Allison

**Members:**

Mr K.A. Andrew  
 The Hon. Frank Blevins  
 Mr I.F. Evans  
 Mrs E.M. Penfold  
 Mr J.A. Quirke  
 The Hon. M.D. Rann

*The Committee met at 11 a.m.*

House of Assembly, \$5 431 000

**Witness:**

The Hon. J. W. Olsen, Premier, Minister for State Development and Minister for Multicultural and Ethnic Affairs.

**Advisers:**

Mr G.D. Mitchell, Clerk of the House of Assembly.  
 Mr K.R. Simms, Leader, *Hansard*.  
 Mr A.M. Schulze, Accounting Officer and Secretary, Joint Parliamentary Service Committee.  
 Mr H.F. Coxon, Parliamentary Librarian.  
 Ms E.M. Grove, Acting Catering Manager.

**The CHAIRMAN:** Does the Premier wish to make an opening statement?

**The Hon. J.W. Olsen:** Not on this line, Mr Chairman, but I will in other sectors as we go through the day's proceedings.

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

**The Hon. M.D. RANN:** No, Mr Chairman, other than to indicate that there are a couple of areas in which I might seek to give a brief introduction in the same way the Premier will. During the internal rebuilding of the Parliament, the officers of the Parliament have worked under extraordinary pressure and extraordinary difficulty, with building going on and pneumatic drills operating. I would like to congratulate the officers of the Parliament for their role in managing the place during the past three years under the most difficult circumstances, that is, the catering staff, *Hansard*, the library staff and all others.

Recently, the front page of the *Advertiser* showed a list of 28 projects that would be the responsibility of the MFP, including the wine museum proposed for the Parade Ground and the upgrading of Parliament House. What role will the MFP have over Parliament House in the future, considering that there are about seven people on over \$160 000 and 15 on over \$100 000 a year?

**The Hon. J.W. Olsen:** As the Leader well knows, it will not. It was a Torrens Domain plan, and the Leader takes an extract out and misinterprets that.

**The Hon. M.D. RANN:** It was on the front page of the *Advertiser*, so it must be true.

**The Hon. J.W. Olsen:** The Leader would well know about the front page of the *Advertiser*. The Torrens Domain is a precinct including the North Terrace boulevard. In cooperation with the Adelaide City Council, we want to put in place a major rejuvenation and refurbishment of that precinct. That includes a number of Government agencies, transport links through the area and capital works projects, both private and public, that will be undertaken through the region. The purpose is to have coordination of that development, not to interfere, for example, with Parliament House. I simply note that since 1993-94 this Administration has done something about upgrading the quite appalling conditions that members of Parliament have had to persevere with for some considerable time. I well remember the second floor of Parliament House that I had to persevere with during the 1980s. Suffice to say that that upgrading is continuing, and rightly so.

Also, in terms of IT support for members of Parliament, in the next few years I hope that we will be able to progress and, as an important step forward, members of Parliament will be able to undertake activities on behalf of their constituents. But suffice to say, in relation to the wine centre, the Torrens Parade Ground was a fall back position. A fall back position was required and it was acknowledged and conceded, in consideration of my request of the Federal Minister for Defence, that, if the Hackney site did not receive the support of Parliament, we would not want the wine centre to go to Victoria or New South Wales: it was simply to ensure that we had a position securing South Australia in terms of the wine centre. Legislation has been passed in the House of Assembly—and I trust it will be passed in the Upper House without major amendment—that will enable the wine centre to go to the Hackney site, and that will ensure that it does not go to New South Wales or Victoria. I welcome any bipartisan support to achieve that objective at the end of the day. That being the case, clearly the Torrens Parade Ground is not on the books for consideration for a wine centre.

**The Hon. M.D. RANN:** I strongly support the Torrens Parade Ground being a military museum, honouring the contribution of South Australians over the years and our armed forces in war and peace. Now that the wine site is to be sited at Hackney with our support—and the Premier is aware of that because we have had discussions about it both personally and publicly—does the Premier support proposals to establish the Torrens Parade Ground area and barracks as a major annex of the National War Memorial or perhaps as a commemoration of people from this State who made sacrifices for their nation?

**The Hon. J.W. Olsen:** In relation to that question, I have had discussions with the Minister for Defence on two occasions. Certainly, the Minister is giving consideration to a range of options of which that is one. As to what the future might be, that is a matter for Minister McLachlan. I have indicated to the Minister that, upon passage of legislation through the Parliament, the State Government would not be requiring the site for a wine centre. I welcome the fact that the Minister was prepared to accommodate South Australia's wishes relating to a wine centre as a fall back position to ensure that we as the premier wine State preserved our position and did not allow Victoria and New South Wales to steal that from South Australia. I welcome the bipartisan support in relation to that project and I hope it will continue

in the Upper House so that we can get on and look at a range of other options for the Torrens Parade Ground.

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

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Legislative Council, \$2 896 000—Examination declared completed.

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Joint Parliamentary Services, \$5 493 000—Examination declared completed.

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State Governor's Establishment, \$1 634 000

**Departmental Advisers:**

Mr I. Kowalick, Chief Executive Officer, Department of the Premier and Cabinet.

Ms C. Charles, Deputy Chief Executive.

Ms S. McIntosh, Director, Executive Services and Program Coordination.

Mr S. Archer, Manager, Financial Services.

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

**The Hon. J.W. Olsen:** The first 12 months of Sir Eric Neal's period as Governor of South Australia has been a valuable period. His Excellency led a trade mission to Shandong Province in China in December 1996 to open the South Australian Government representative office in Jinan. South Australia and Shandong Province have had a sister-state relationship for over 10 years, and the opening of the office is of considerable importance for Government-to-Government relationships as well as trade and investment activities.

In addition, in March, His Excellency led a trade mission to Malaysia to strengthen our cultural education and business ties, and I would like to acknowledge the role of the Governor in that regard. The Malaysian trip coincided with the rescheduled Premiers' Conference. I was therefore unable to lead the delegation, and I could think of no better representative than the Governor, given his business links in Australia and, therefore, his standing in the Asia-Pacific region to assist those businesses on that trade mission. It was outstandingly successful and I thank the Governor for that.

Sir Eric and Lady Neal have worked tirelessly in the past 12 months and, in particular, they have made Government House available to a number of charities for fundraising activities, in addition to the eight regular open days for the general public. The house is undergoing some internal refurbishment in a long-term plan to maintain Government House. That follows the refurbishment of the external facade. The State dining room and ballroom have been refurbished, and two bathrooms are also being refurbished. There remains considerable need for maintenance and upgrading of internal areas of the house, and some \$200 000 has been provided in the next financial year to ensure that essential maintenance and refurbishment of the reception rooms on the ground floor

and the kitchen is carried out over the next few months. In other words, a long-term plan is in place to undertake maintenance and refurbishment of Government House to ensure that the property is kept in good condition for future generations.

**The Hon. M.D. RANN:** Our State is being particularly well served by our Governor, Sir Eric Neal, and Lady Neal, so I want to concur with and support the Premier's comments. We had an outstanding Governor before in Dame Roma Mitchell, and most people felt her shoes would be difficult to fill. We all have been delighted with the energy and dignity of Sir Eric and Lady Neal and with the way in which they are gracing the Office of Governor. I also applaud the Government's initiative in asking Sir Eric Neal to represent the State internationally. He has credibility not only in South-East Asia but also in Europe, where he is particularly well known through his work. We endorse the Government's asking Sir Eric to perform what I believe is a valuable role for the State, for which he is uniquely equipped and skilled.

**Mrs PENFOLD:** I refer to the Estimates of Receipts and Payments (page 111)—'State Governor's Establishment': what was the sale price of the Rolls Royce, and to whom was it sold?

**The Hon. J.W. Olsen:** It was sold for \$232 000 to Urania Pty Ltd.

**The Hon. FRANK BLEVINS:** What was the purchase price?

**The Hon. J.W. Olsen:** My understanding is that the Government did not lose much money on the deal.

**Mrs PENFOLD:** What steps are being taken to maintain the look and functionality of the grounds of Government House?

**The Hon. J.W. Olsen:** I make reference to the building itself, both to the external facade and internally. It is clear that the residence plays a key role with regard to visiting dignitaries and the way in which the Government has opened it up for the use of South Australians for charitable purposes. In keeping with the character of Government House, the garden and grounds clearly also have to be maintained in an attractive and complementary manner to the house. The Government has undertaken significant improvements in upgrading the electrical wiring and overall facilities in the grounds to help cater for the increased number of functions held there, and I refer particularly to the charitable functions in which the Governor and Lady Neal have been involved. The Government, in conjunction with the Botanic Gardens, staff of the Governor's establishment and key staff from the Department of the Premier and Cabinet, is also reviewing a number of other ways to develop further the functionality of the gardens to complement some of the activities that are taking place. Wiring has been put in place outside to enable, for example, catering on the lawns for major functions.

**Mrs PENFOLD:** Have charities and the general public continued to enjoy access to Government House and its grounds?

**The Hon. J.W. Olsen:** Some 14 organisations have used the grounds of Government House, and some 12 000 people have been involved in the various functions and events held in the grounds. As indicated earlier, Sir Eric has followed the tradition of his predecessor, Dame Roma Mitchell, who was also committed to facilitating public access to the grounds. I understand that in 1996-97 over 15 000 people have visited the house and/or the grounds, attending those charitable events or the eight open days that have been held.

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

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Department of the Premier and Cabinet, \$13 575 000

**The CHAIRMAN:** I declare the examination open, and refer members to pages 156 and 112-113 in the Estimates of Receipts and Payments, and pages 13 to 22 in the Program Estimates.

**The Hon. J.W. Olsen:** The Department of the Premier and Cabinet provides support and coordination for a range of key activities of Government. The revised recurrent payments for 1996-97 total \$14.9 million. The increase from the original estimate of \$13.9 million is due in part to the establishment of the Government Management Review Unit to support the introduction of a Government management framework, including such initiatives as output based management and budgeting. During 1996-97 a number of changes occurred to the organisation and structure of the Department of the Premier and Cabinet. The combined Corporate Services was transferred to the Treasury and Finance office prior to 30 June 1996. The Office of Project Coordination was transferred to the Economic Development Authority.

As a consequence, there was a need to restructure the accommodation to reduce the amount of accommodation leased externally by the department. This necessitated a number of accommodation changes as well as upgrading security in both the State Administration Centre and Terrace Towers. The expenditure has allowed space equivalent to a floor to be let to other tenants, such as SACORP, in the State Administration Centre and to other Ministers, providing an estimated annual recurrent saving of \$260 000 a year.

In terms of South Australia's international relationships and the export focus of Government, there were major visits to the State, and the former Premier and I led a number of international trade missions to Asia and Europe during 1996-97. The increased expenditure reflected in the revised estimates for 1996-97 emphasises the importance that my predecessor and I placed on establishing those alliances internationally. In 1997-98 I plan to accept the invitation of his Excellency the Vice Premier in the Government of the People's Republic of China to lead a trade and business delegation to China, to be hosted by him personally. The estimate for overseas travel for 1997-98 reflects an additional amount to cover that expenditure.

In 1996-97 the Department of the Premier and Cabinet coordinated the successful Constitutional Convention in South Australia which attracted some 160 participants. The department also coordinated the Forest Review, which looked at strategies to enhance the forest industry in South Australia. The agency is active in supporting the Premier and Cabinet in intergovernmental forums and identifying key areas for reform and change, such as competition policy, micro-economic reform initiatives and the Youth Employment Task Force. There is an ever-increasing demand and workload to meet the national competition principles and reform agenda.

In response to the Youth Employment Task Force report, the Government has announced a three-year \$29.7 million youth employment strategy. The national competition policy reform package was endorsed by the heads of Government at a COAG meeting in April 1995. This endorsed the

previous COAG competition principles, post the Hilmer report. Its most significant effects include: subjecting all businesses, including those conducted by the State Government, to the provisions of Part 4 of the Trade Practices Act; an obligation to review all laws which restrict competition; a requirement to ensure that Government businesses do not have an unfair advantage; an obligation to apply similar principles to local government; and linking financial assistance from the Commonwealth to compliance, including implementation of COAG agreements on transport, energy and water.

The National Competition Council is currently assessing whether the State has complied with its obligations for the first round of Commonwealth payments due in 1997-98. I trust that we will qualify to receive that \$17 million. A recommendation will be made to the Federal Treasurer by 30 June 1997. I want to underscore the importance of meeting the national agenda and to emphasise to the Committee the enormous amount of work being undertaken by Government agencies to meet those requirements and, in many respects, the quantum change in agencies to meet such requirements. I express our appreciation to all in the public sector in South Australia who have attempted to assist the Government to meet that enormous challenge.

Given the state of our finances, we simply cannot afford not to meet the competition payments and receive the full reimbursement from Canberra. The Department of the Premier and Cabinet is coordinating the Government's approach to implementing competition policy reforms, including liaison with the National Competition Council. In 1997-98 the department will lead a review of rural community services to ensure that the rural community of South Australia continues to have access to those key services that ensure the regional community remains viable and vital in such areas as the provision of water and power.

We have maintained, as have Governments for an indeterminate period in South Australia, one statewide water-power price which does not comply with competition principles and which has been identified as a community service obligation. We will maintain that commitment to country areas. Mr Mike Madigan, who was previously Chief Executive of the Department of Primary Industries, will lead the review. Other areas in which the Department of the Premier and Cabinet is coordinating major strategies include the marine environment. Cabinet has decided to have prepared a marine strategy to reflect its commitment to a sustainable fishing industry, coupled with conservation of biological diversity and the management of coastal processes.

It is planned to present the draft strategy to Cabinet in November when approval for release of a draft for public comment will be sought. The Department of the Premier and Cabinet, while maintaining support for major Government coordination responsibilities, will retain the flexibility to respond to new emerging issues not only in the local environment but also in the national context in the forthcoming year.

**The CHAIRMAN:** Does the Committee wish to deal with the Department of the Premier and Cabinet, \$13.575 million, and Premier, Other Payments, \$1 million, with no other explanation, simultaneously, or do members wish to deal with those items separately? The SAGRIC item, which is a separate consideration, will be dealt with under Other Payments relating to the Minister for State Development. It is a separate item under Other Payments. We will deal with two Other Payment items. Do members wish to deal with the Department of the Premier and Cabinet and Premier, Other

Payments, or do members wish to deal with them concurrently?

**The Hon. M.D. RANN:** I am happy to deal with them as one if the Premier agrees.

Premier—Other Payments, \$1 000 000

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

**The Hon. M.D. RANN:** Yes, Mr Chairman. I am pleased to hear today that some employment forums are to be held. The Minister for Employment, Training and Further Education, Hon. Dorothy Kotz, today announced those forums, and the Premier has alluded to them. I have been calling for a summit on employment and similar forums since December 1994. Each time both the former Premier and the present Premier and, indeed, the current Minister just a week ago, have said that there was no point in holding gabfests or asking the business community, unions and others to sign off on a strategy for employment and growth.

After three years of persistently calling for employment forums and youth employment forums to be held around the State—because it is the central issue facing the State—I am pleased that finally it was announced today that the public will not be ignored in the process. I refer to the Cabinet office's role and that of the Department of the Premier and Cabinet. Cabinet Ministers are required to take an oath of office and an oath of confidentiality. The Cabinet office has a central role in maintaining the integrity and confidentiality of Cabinet submissions and other documents, including the proceedings of Cabinet subcommittees, and in advising the Premier on the administration of the ministerial code of conduct. Earlier this year, when 800 pages of Cabinet documents, Crown Law opinions and other documents were leaked to the Opposition, the Premier took a very strong stance by saying that those responsible should be dismissed and that if they were Liberals they should be expelled from the Party.

Later, when a copy of the water contract was given to the Opposition, the Premier was quoted as saying that the leaker should be gaoled and would be gaoled even if he or she turned out to be a Liberal MP. The Premier told a media conference that the matter had been referred to the Police Commissioner and that it was in the hands of Mr Mal Hyde. The Premier indicated that the Anti-Corruption Branch would be involved, that the full force of the law, including imprisonment, would come down on the leakers if they were identified. The Premier also said that he held whoever leaked these water documents in absolute contempt. Given the massive publicity attracted by the Premier's statements about the people who leaked the water documents and about the inquiries—police and otherwise—what have been the results of these inquiries? Have they identified the person responsible for leaking Cabinet information and Cabinet documents about the water deal?

**The Hon. J.W. Olsen:** The Leader full well knows the answer to that; in fact, the Deputy Premier made a statement after the ACB investigations.

**The Hon. M.D. RANN:** Does the Premier know who leaked the water documents, given that he holds them in contempt and believes that they should be gaoled? Does he have any idea who was responsible?

**The Hon. J.W. Olsen:** No, I do not. But I also know that the full contract, which was supposed to be faxed to a particular company by a firm of solicitors, was inadvertently

diverted to a sporting organisation at the University of Adelaide. The Leader can say that it was a Liberal, but the person responsible for supplying this information to the Leader of the Opposition could have been a member of that sporting organisation. The Leader makes these—

**The Hon. M.D. RANN:** The Premier is very naive if he thinks that the information came from a sporting organisation.

**The Hon. J.W. Olsen:** I am simply making the point that I understand this contract was faxed in all directions and was not at all held confidentially. From time to time the Leader makes these public statements that it is Liberals who are doing the so-called leaking when, in fact, the documentation has been in the hands of a whole range of people such as public servants and people external to Government sources. So, it could have emanated from anyone. In summary, the police investigations that were undertaken were not conclusive.

**The Hon. M.D. RANN:** We were also talking about the leaking of Cabinet submissions, Crown law documents, Cabinet subcommittee proceedings, memos signed by CEOs—including those present today—and memos by political advisers. Does the Premier believe that we got those from a sporting association and, if so, what does that say about the integrity and security in the Cabinet and in the Premier's department?

**The Hon. J.W. Olsen:** The Leader misunderstands. Much of this documentation was in the hands of external legal firms providing advice to companies which were negotiating with the Government. Much of this documentation had a very wide spread in the community. If I were able to identify who leaked the Cabinet documents, I would suggest that those people be called to account; that is the position I have maintained constantly. It always suits the Leader's political objective to claim that a Liberal was responsible, because the media will always get excited about that and report it as such. In fact, if you look at history, much has come out from Government circles over the years. Who knows where the documentation came from.

**The Hon. M.D. RANN:** I am somewhat bemused and amused that the Premier thinks that the contents of Richard Yeeles' file might have come from a sporting organisation or from law firms around the place. The Premier must be the only person in South Australia who believes that. Given the Premier's strong statement, including calls for gaol and the sacking of the person responsible for leaking water documents and Cabinet information, does he believe that the same should happen to the person who leaked the information about the EDS deal, remembering that the information was damaging to his predecessor? Do the same rules apply to the information that was made public in this Parliament on a number of occasions? Should that person be gaoled, sacked or expelled? Did the Premier go to the Police Commissioner about that person?

**The Hon. J.W. Olsen:** Perhaps the Leader might like to appraise the Committee of what he means by 'information'. Before a parliamentary committee he talked about Cabinet documents—

**The Hon. M.D. RANN:** No. The Premier should read what I said.

**The Hon. J.W. Olsen:** I did read what—

**The Hon. M.D. RANN:** The Premier said that because he wants to divert attention away from what he and I both know.

**The Hon. J.W. Olsen:** I simply ask the Leader to tell the Committee what information he is talking about. Is he talking about Cabinet documents or something else?

**The Hon. M.D. RANN:** I remind the Premier that the Opposition was given information verbally about Catch Tim and Moriki that was very damaging to his predecessor. The Opposition was given information about Government negotiations for the Adelaide City Council that were very damaging to the Premier's predecessor as well as information, including documents, about the EDS deal that were used in this Parliament. Was an inquiry launched into the leaking of information, including documents? If the Premier checks what I said in the NCA inquiry, he will find that I talked about information—

*The Hon. J.W. Olsen interjecting:*

**The Hon. M.D. RANN:** Hang on one second. We will release documents that were given to us, including those sent to us and those cut up to avoid identification, following phone calls from a Cabinet Minister. Did the Premier launch a similar inquiry to find the source of leaks of Cabinet submissions and Cabinet information relating to EDS? Does the Premier think that those people should be gaoled?

**The Hon. J.W. Olsen:** No, I did not, because the Leader is referring to *Hansard* of last year and some information he alleges he received from so-called Liberal sources. My predecessor did not action any inquiry at that stage, and my recollection of *Hansard* about so-called documentation from the Leader on the EDS deal this year relates to a letter between the Premier and a company that the Opposition referred to in Parliament. As it relates to the EDS deal, there has been no suggestion by the Leader that Cabinet documents were given to him.

**The Hon. M.D. RANN:** Cabinet information was given to us about EDS, and I will publicly release that so that it is not covered by parliamentary privilege.

**The Hon. J.W. Olsen:** In relation to the Leader's throw away line, I invite him to repeat outside the claim that he made to a parliamentary committee last week so that it is not covered by parliamentary privilege.

**The Hon. M.D. RANN:** I want to actually hear you swear an oath on this, as well.

**The Hon. J.W. Olsen:** The honourable member should not worry about my position. The Leader of the Opposition has made some statements under oath before a Federal parliamentary committee. They are untrue; they are a lie. I have said so publicly without parliamentary privilege. I simply invite the Leader to make the same statements outside, without parliamentary privilege.

**Mr EVANS:** My questions all relate to Estimates of Receipts and Payments, page 113, program 1, 'Planning and policy development'. In his opening remarks the Premier raised the subject of the Youth Employment Task Force. What action has the Government taken in response to this task force report, and what funding and programs have been put in place as a result?

**The Hon. J.W. Olsen:** I refer to the three year, \$29.7 million Youth Employment Strategy, which was a response to the task force. That task force suggested that we needed to strengthen school-to-work transition programs, to address barriers to youth employment, red tape and imposts on employers, and to build linkages between education, industry, community and Government. A rebate on payroll tax was offered to 5 000 eligible employers of young people. The payment of that WorkCover levy on behalf of employers who take on young people as employees has a likely cost of \$9.6 million over the three years, and 278 employers have registered. To date, 390 young people are employed, with the cost being \$188 000. The up-skill program incorporates

training requirements into Government contracts and is supported by \$4 million in funding.

There is improved access for young South Australians to training programs, and the Department of Industrial Affairs and the Department for Employment, Education and Training have conducted 27 employer information seminars across the State re youth employment strategy, supported by local chambers of commerce and industry and regional development boards. Of received funding for regional labour exchange programs giving job opportunities for young people with local government and business, the education sector received \$11.8 million (that is, 75 per cent State, 25 per cent Commonwealth) to expand vocational education in South Australian schools.

**Mr EVANS:** Has the South Australian Government developed a community service obligations (CSO) policy as part of microeconomic reform, and what action is taken to implement that policy?

**The Hon. J.W. Olsen:** I referred in part to this in my opening remarks. We are presently undertaking a program of microeconomic reform and rejuvenation of the State's economy with a particular focus on the efficient and effective delivery of services, to ensure that South Australians receive the best value available from public resources and that accountability to the community is maintained. As part of the reform process and in order to enable Government utilities or, in some cases, Government departments to complete that transformation into primary commercial corporatised Government businesses, we intend to implement and endorse the community service obligation policy.

CSOs arise when a Government specifically requires a Government business enterprise to carry out a range of non-commercial activities, which the enterprise would not elect to do on a commercial basis or which it would do only at commercially higher prices. In December last, Cabinet endorsed a CSO policy framework for South Australia for public sector businesses established under the Public Corporations Act, and approved a two stage review of all non-commercial activities currently performed by SA Water Corporation, ETSA Corporation and SA Generation Corporation. Stage A of the review is now complete and, in May, Cabinet approved the establishment of an interim, one year purchase agreement for community service obligations to ETSA and SA Water Corporation. Implementation of that policy will be budget neutral on community service obligations and will be funded directly from the Consolidated Account via appropriations by purchase of Ministers, which will be returned to Government by way of a commensurate increase in dividends and tax equivalent payments of those corporations.

Implementation of the policy represents a significant step in public corporations being commercially oriented entities, a requirement under the Hilmer reforms. The purchase agreements to be signed by the Ministers and relevant officers of ETSA Corporation and SA Water Corporation and endorsed by Cabinet are currently being developed and will be in place by the end of June for the next financial year. A key policy, as an example of that, is the water and power statewide price, whereby there are substantial subsidies, if you like, identified as community service obligations, to maintain those statewide power and water prices to country areas. It is a firm policy and the Government will be continuing it.

**Mr EVANS:** How much money has been spent by the South Australian Government since the introduction of the master media scheme?

**The Hon. J.W. Olsen:** The master media agency was introduced by the previous Government in July 1993. Total savings to January 1997 have been \$5 921 486. The total expenditure by Government on advertising from July 1993 to January 1997 was \$48 677 214. Significant savings to Government clients have been achieved and continue to be achieved in a number of ways: first, the annual total expenditure of Government agencies used to negotiate a good advertising rate for the media for Government clients, statutory authorities and Government funded agencies on casual rate moving to the Government rate, so that they get an advantage. Space reduction has been achieved with the layout or formatting of Government ads, including composite advertising, instead of different agencies putting in their own ad. Through a composite ad a substantial reduction in space has been achieved.

The relocation of tender and contract advertisements from Saturday to Monday, when rates are significantly lower, is another way in which savings have been achieved. With the introduction of the master media scheme in July 1993 the South Australian Government spent \$8.7 million and achieved savings of \$883 000 in the second half of the financial year. In 1994-95 the savings to Government doubled to \$1.7 million since the commencement of the scheme. That was principally achieved through the composite ads, as I have described. In 1995-96 Government advertising spending increased to \$17 million with savings of \$2.1 million being achieved. That clearly indicates that having a Government master media contract means substantial savings for taxpayers.

**The Hon. M.D. RANN:** I refer to Estimates of Receipts and Payments, page 113, 'Intra-agency support service items not allocated to programs'. The Opposition has been told that Ms Alex Kennedy has been on the Premier's Department payroll for some time, writing speeches for him while she has been employed by the *Business Review Weekly*, and that she was paid for consultancy work on speeches before he became Premier, during the time that she was a political reporter for the Messenger Press, in which she was writing stories attacking former Premier Brown, the Premier's current deputy, and promoting the current Premier. Is that true or not? Has she been paid through a holding company, a consultancy or directly by the Department of the Premier and Cabinet; on what basis, for what purpose and for how much?

**The CHAIRMAN:** I am not sure which line this is covered by and whether it is a hypothetical question.

**The Hon. M.D. RANN:** It is not hypothetical, Sir: it refers to Estimates of Receipts and Payments, page 113.

**The CHAIRMAN:** The Leader said, 'Is it true or not?', so there must be some degree of hypothesis in it. The Chair is in the Premier's hands.

**The Hon. J.W. Olsen:** Ms Kennedy was contracted by me in approximately February this year to assist with the preparation of a range of speeches and she was paid an hourly rate for the preparation of those speeches.

**The Hon. M.D. RANN:** By way of follow-up, will the Premier—and I understand that he would perhaps not know today—inform us of the rate and whether she was employed prior—was she employed by your department or by you as Minister for Infrastructure?

**The Hon. J.W. Olsen:** No, there was no permanent employment of Ms Kennedy by the previous department. She

did one or two speeches for me, but there was no permanent employment.

**The Hon. M.D. RANN:** Was she paid to do work by you or your office while she was a political reporter?

**The Hon. J.W. Olsen:** Ms Kennedy wrote one or two speeches for me for which she received some remuneration from me, but she was not on the permanent payroll.

**The Hon. M.D. RANN:** Has the Premier's department or Government re-engaged the services in any way of Mr Terry Burke—the Sydney consultant paid \$500 000 for his role in the water negotiations—for any other consultancy work, including work on the MFP?

**The Hon. J.W. Olsen:** Mr Burke is not currently engaged by the Government. Certainly, no consultancies have been let to Mr Burke—

**The Hon. M.D. RANN:** Not even for the MFP. We are talking about the Estimates of Payments for the past year as well.

**The Hon. J.W. Olsen:** I will check that and advise the Leader.

**The Hon. M.D. RANN:** Will the Premier inform the Committee how much was spent on distributing the budget leaflet that was letterboxed to Adelaide households? Will the Premier confirm whether two other leaflets have been prepared, including one aimed at regional centres and one aimed at the business community and, if so, for how much?

**The Hon. J.W. Olsen:** My understanding is that it is in the order of \$100 000 total. I understand the accounts are not all in at this stage, but I am happy to supply that information to the Leader. I simply make the point that the practice this year has been no different from the practice of the past three years.

**Mr ANDREW:** My three questions also relate to Estimates of Receipts and Payments, page 113, 'Program 1—Planning and Policy Development'. Within the last year the Economic and Finance Committee of this Parliament made certain recommendations seeking a release of board and committee information to the Parliament and to the public. Will the Premier indicate whether the Government has formed a response to these recommendations and, if so, what is the Government's response?

**The Hon. J.W. Olsen:** Following a number of letters from the committee, and more particularly the chairman of the committee, the Government has agreed to release the major items of information on boards and committees from the Boards of Committees Information System held in the Department of the Premier and Cabinet. Some conditions have been put down for the release of the information, including the following. It will be once annually and within about eight weeks of the end of the financial year. It is understood that the Boards and Committees Information System is not a comprehensive list of all Government boards and committees but a database originally set up to capture information relating to boards and committees which are processed through Cabinet and Executive Council and those boards and committees where members and directors receive fees.

Fee information will be provided within ranges not dissimilar to annual reports for directors, where they are put in range bands of \$10 000. Of necessity fees set on a sessional or an hourly basis will be an approximation because it depends on each committee, and the time, energy and resources to accurately reflect that would not be warranted. Based on those conditions, we have agreed to the request of the chairman and the Economic and Finance Committee to supply that information.

**Mr ANDREW:** What has been the Government's achievements in the area of regulation reform?

**The Hon. J.W. Olsen:** Clearly, given Hilmer and COAG and competition principles and pressures coming on in those areas, we are placing high priority on measures to reduce regulatory burden on businesses to streamline the regulatory system and to eliminate unnecessary regulations. It is a constant cry from small business. The difficult component in regulation elimination is that invariably there are industry sectors and people within industry sectors that will say, 'Do not deregulate: we like the regulation set in place as it is,' because there is somewhat of a comfort zone for some in that. However, some major achievements have occurred because we believe that regulation reform and reduction is important. We were the first jurisdiction in Australia to introduce an automatic revocation program for existing regulations in 1987. Since then, agencies have reviewed their regulations, updating some and allowing others to lapse. Almost no regulations in South Australia are now over 10 years old. New regulations all have a 10 year sunset clause, so there is an automatic trigger for a review of the importance of these regulations.

In future, the Government will require a formal regulation impact statement to be attached to Cabinet submissions containing legislative proposals. The Government has supported the work of the small business deregulation task force, which reported to the Federal Government in November 1996. These initiatives complement the Government's own activities to assist small business. In June 1996 the small business Ministers agreed to expand the business licence information system across Australia. The current expansion of the business licence information system in South Australia involves the addition of local government licences and codes of practice, work on standardisation of licence forms and examination of the feasibility of single entry point for regulatory requirements. The development of small business service charters by agencies will also have a positive effect on regulation. A large amount of legislation is scheduled for review and, where appropriate, reform to meet the State's obligations under those competition principles to which I referred earlier.

**Mr ANDREW:** When will the next COAG meeting be held and, in particular, what is likely to be on the agenda and what priorities does the Premier see for South Australia coming out of that meeting?

**The Hon. J.W. Olsen:** The next COAG meeting is scheduled for 25 July. That arrangement has not been confirmed and is not expected to be confirmed, that is, the scheduled COAG meeting of 25 July. The Department of Prime Minister and Cabinet has stated that to date there are no issues of national importance which would warrant the holding of a COAG meeting. For example, issues raised by Wik were not considered for resolution by COAG because they involved some outside groups from COAG and, in any event, we have had numerous Premiers' Conferences to deal with the Wik issue. Previous suggestions by States that COAG should be called in order to discuss taxation reform had been rejected by the Commonwealth.

The Prime Minister and other Commonwealth Ministers have recently made public statements that the Government would address tax reform, including the Commonwealth-State financial relations, which is absolutely critical and overdue, in its next election platform. It is possible that COAG could be called to discuss tax reform, although several other proposals for consideration have been canvassed. They

are the Premiers' proposal for an inquiry similar to the Wallis inquiry and a taxation summit or inclusion on the agenda of the forthcoming Constitutional Convention. The last Premiers' and Chief Ministers' meeting looked at the question of taxation reform and at questions such as the delivery of health services in Australia. We have asked the Commonwealth to initiate inquiries in specific areas. We await the Commonwealth's response and, if the Commonwealth avoids pursuing these issues, it might well be that the States will take the initiative.

**The Hon. M.D. RANN:** One part of my previous question was not answered, that is, whether two other leaflets were prepared, one for regional centres and one for the business community. Did Liberal Party officers or the Liberal Party's advertising agency—I think it is DDB Needham—play any role in the preparation of the budget leaflet, whose production and distribution was paid for by the taxpayer, including preparation of photographs taken out at Technology Park?

**The Hon. J.W. Olsen:** A tender was called and I will have to get the details for the Leader.

**The Hon. M.D. RANN:** Most people would find it extraordinary if the Liberal Party's advertising agency prepared budget material or was involved in any way in its preparation. I am sure that the Premier would agree that that would be something for the Auditor-General to investigate, given that the Auditor-General is already undertaking an inquiry into the use of taxpayer funds for Party political purposes.

**The Hon. J.W. Olsen:** I will get the details.

**The Hon. M.D. RANN:** Have you as Premier or has your department employed the Sydney consultants, Kortlang, who were paid \$600 000-plus for their role in the water outsourcing contract? If so, what work have they undertaken or are they undertaking, and for how much?

**The Hon. J.W. Olsen:** I am advised that Kortlang has not been employed.

**The Hon. M.D. RANN:** By the Premier's Department or any other Government agency since the water contract?

**The Hon. J.W. Olsen:** I would have to check with all the other Government agencies, but not to my knowledge. I do not have details of what every other Minister has done.

**The CHAIRMAN:** The Chair reminds members that questions should be asked within the purview of the Minister under examination and any other relevant questions addressed to other Ministers.

**The Hon. M.D. RANN:** In terms of Estimates of Receipts and Payments (pages 112 and 113) and the Program Estimates (pages 15 to 22), can the Premier explain more fully why his recurrent budget blew out by over \$1 million this year? I notice that this 7 per cent blow-out in the budget has occurred despite a fall in the average number of FTEs or people for 1996-97. Can the Premier confirm how much of the blow-out is a result of additional spending on polling, promotion, public relations or consultants?

**The Hon. J.W. Olsen:** Cabinet approved funding for phases 2 and 3 of a Government management review unit, and \$500 000 has been allocated to that. There were ministerial terminations of \$131 000. A new unit—the South Australian rural communities unit—has received an allocation over two years of \$462 000, and general administration funding of \$62 000 included costs incurred prior to my taking over the position of Premier.

**Mrs PENFOLD:** My questions relate to Estimates of Receipts and Payments (page 113, Program 1, Planning and Policy Development). Can the Premier advise what progress

has been made in implementing national competition policy in South Australia in 1996-97?

**The Hon. J.W. Olsen:** As I have indicated, we are implementing the reform package that was endorsed by COAG. My opening remarks referred to five key points that have to be met under the COAG principles, and we are striving to meet them. There will be financial assistance from the Commonwealth to the States of \$1.16 billion between 1997-98 and 2005-06. We have to comply with those five key principles to ensure that disbursements come to South Australia. This year \$17 million was available to South Australia if we met those competition principles. That will be decided by the Federal Treasurer by 30 June, and I hope that will be a sign off for South Australia. The National Competition Council is currently assessing our position, and we hope that there will be endorsement of our position.

A recent report to the NCC documents the Government's substantial progress in implementing the reform package, including establishment of a timetable for legislation review, and some of those reviews are already complete. Commencement of competitive neutrality reforms, including establishment of a complaints mechanism under the Government Business Enterprises Competition Act, and a pricing oversight mechanism for Government business enterprises has also been established. There has been major progress in electricity, gas, water and road transport reforms and the passage of legislation in July 1996 to ensure that businesses are subject to Part 4 of the Trade Practices Act. I stress again to the Committee that it is a very challenging requirement. The States, certainly South Australia, are trying to achieve their objective. The States have been committed to a lot of this reform well ahead of the Commonwealth. It will be interesting to see whether the Commonwealth delivers on its component of reform and competition principles in its Government business enterprises.

**Mrs PENFOLD:** What priority does the Government place on micro-economic reform in its overall economic development strategy?

**The Hon. J.W. Olsen:** The recent tariff debate indicated clearly a need for micro-economic reform in Australia to offset the reduction in tariffs for the automotive industry, and the same could be said for other businesses in South Australia to be internationally focused in a global marketplace and internationally competitive. We have undertaken a number of initiatives in South Australia. Outsourcing and asset sales programs by their very nature bring in train those competition principles. Public sector involvement in public infrastructure, corporatisation of Government business activities, labour market reforms, and reforms in the energy sector have all been undertaken. One such reform was announced last week in terms of the establishment of a generating company within the electricity industry in South Australia. Competition policy initiatives and regulation reform are all designed to put in place micro-economic reform in South Australia to make sure that we are competitive.

Major manufacturers such as General Motors and others in South Australia are saying that they want access to the national electricity market because of the price of the electricity available in the national market compared with what is available here. Within six months, the 26 largest electricity customers in South Australia will be able to purchase their electricity on the 30-minute spot market, which is not dissimilar to a Stock Exchange rolling price on-the-spot market. That will give them the capacity to buy electricity at the best available price in Australia at that time, restricted

only by the interconnector between New South Wales and South Australia, and Victoria and South Australia. That is just one example of our moving to make sure that we get down the operating costs of companies such as Mitsubishi and General Motors so that, in taking their automotive products overseas, they can keep accessing the markets and, post 2005, stay in Australia.

**Mrs PENFOLD:** What is the Government's view on the Commonwealth's response to the Wik decision?

**The Hon. J.W. Olsen:** I mentioned that there have been numerous meetings with the Prime Minister on Wik. The Commonwealth Government is considering amendments to the Native Title Act which will address the issues raised by the Wik decision. The Prime Minister has developed a 10-point plan. That has received much publicity, and I will not go into detail on the resultant uncertainty raised by Wik and existing native title legislation. The Federal Government is refining drafting instructions based on that 10-point plan. South Australia has taken a lead role in negotiations with the Commonwealth—and I acknowledge the officers who have played a key role in this—and has substantially contributed to the discussion regarding the form that legislation will take. I thank the individual officers, who have been asked by the Commonwealth to participate, for their efforts.

The Attorney has tabled the 10-point plan in another place. While welcoming the plan, he also noted that a number of concerns will not be addressed adequately by that plan; for example, it does not avoid the current necessity for native title claims to be made and pursued in the courts. It does not provide guidance on the amount of compensation that may be payable where native title is affected. We are exploring with interested parties whether issues such as compensation payable for mining activities on pastoral lease land and access to pastoral land—for example, by native title holders—can be resolved by agreement rather than on a case-by-case basis in the courts. I would hope that that would be the outcome.

We have distributed for comment a proposal involving area agreements which could accommodate agreement between the parties, suspending native title for the period of the agreement and replacing it with rights conferred under legislation enacted by the State. We believe that would provide a workable agreement, and it would provide certainty between the parties for the agreed period. The State has written to the Commonwealth requesting that provision for such agreement be included in the amended native title legislation.

**The CHAIRMAN:** In response to a question from the Leader, I remind members of the Committee that there is no formal facility for the tabling of documents before the Committee, as I indicated by way of preamble. Documents can be supplied to the Chair for distribution to the Committee. The incorporation of material in *Hansard* is permitted on the same basis as applies in the House, that is, the information must be purely statistical and limited to one page in length. I again make that clear to members.

**The Hon. M.D. RANN:** I refer to Planning and Policy Development, program 1. In terms of the policy framework, you have gone from an absolute denial that you are planning ETSA's privatisation or the privatisation of component parts of what was formally known as ETSA, should you win the next election, to saying that you could not rule it out. Indeed, the former Deputy Premier, now Treasurer, also would not rule it out. Given the comments of your Treasurer as regards failing to rule it out, what is being done, in terms of policy development, for the future of electricity



generation in this State? In terms of policy, will you now specifically tell us what you have in mind? It is a fair question; this is what the Estimates Committees are about. The other day you moved away from it. You have given an absolute denial, as you did about water outsourcing and water polling, and you are doing the same with ETSA. Will you come clean with the Committee and tell us what you have in mind?

**The Hon. J.W. Olsen:** I will ignore the provocative nature of the question and go to the substance of it. With the electricity industry in South Australia, we sought to put in place a structure that we considered would meet the Hilmer/COAG principles. It was other States, including New South Wales, that Labor State, that said to South Australia, 'You haven't gone far enough in separating out the components of your electricity industry and, unless you take a further step, we will complain to the NCC that you haven't gone far enough in reforming the electricity industry in South Australia.' Based on that advice, and not wanting to put at risk the \$17 million disbursement next year and increasing disbursements from the Commonwealth's meeting competition payments—and we cannot do that, simply because of the debt we inherited; we must be prudent and get all revenue flows into the State—we then sought Industry Commission advice.

We got that advice, and on 1 January this year we implemented that advice. That advice was to put in place a separate generating arm of the electricity industry in South Australia and separate it from the transmission and distribution arms. It was a requirement and concern of the national Government that, if we did not take that step, we would put at risk disbursements from the Commonwealth in the form of compensation payments. The bodies are in place now and are continuing the function of operating.

In relation to future policy, we have seen substantial productivity and efficiency gains with regard to the electricity industry in South Australia. Those gains are reflected in the budget, such that the substantial revenue flow from the electricity industry of South Australia is now able to underpin expenditure in education, health and other areas. Those funds are the result of those productivity and efficiency gains. In launching the new generation corporate identity last week, I had the opportunity to talk to the work force at Leigh Creek, Port Augusta and at Torrens Island and the head office and to thank them for what they have done, because the productivity and efficiency gains by the electricity industry going in revenue flow to the budget have enabled us to do a range of things in education and health, infrastructure upgrade in education and health, and to put a number of programs directly in place. I would suggest that that revenue flow coming in from the electricity industry is substantially more than you would get from an asset sale.

The Leader is trying to reinterpret, as is his wont, a press conference I held last week, where the question was about the future. I cannot indicate where the industry will be in 10 years, and neither can the Leader of the Opposition. The simple fact is that we have in place the separate stand-alone business units. No Government, current or future, would deny the revenue flow. I simply ask the question, 'Why on earth would you simply sell something when the revenue flow from that sale—that is, the debt reduction and the interest saved—did not equate to the revenue flow out of the sector on an annual basis?' That is just not logical. One has to look only at the budget sheet to see what the industry is generating for us now.

There is another policy question in relation to the electricity industry, and that relates to the need for Torrens Island at some stage in the future to become a combined gas cycle generator. I do not know how far away that will be, whether it is in the five-year or the 10 to 12-year time line; I do not know that. But, if the suggested figure of \$1 billion expenditure were required to go to combined gas cycle generation at that time, any Government of the day would have to consider how it met that capital expenditure. It is not something that the Cabinet, the Government or I are considering now.

**The Hon. M.D. RANN:** Given the Premier's previous very strong support for a goods and services tax—that is on the record—both briefly as a Senator and then again at a business luncheon last year, and given the recent push by Mr Howard and Mr Costello at least to stimulate discussion nationally about a GST, has the Premier held discussions with the Prime Minister, the Federal Treasurer or other Premiers about a GST?

**The Hon. J.W. Olsen:** The Premiers and Chief Ministers have met on two occasions this year. One of the items discussed was a need for fundamental taxation reform in Australia. The States have been held to account for their reliance on gaming taxes as a revenue base. Part of the reason for that is the straitjacket that the States are in with the Commonwealth in terms of disbursements from the Commonwealth—vertical fiscal imbalance, as it is called. In the recent tariff debate I clearly indicated that there must be a reform of taxation in this country and a reform of disbursements amongst the States, and that is agreed by all States.

In addition, there is the wholesale sales tax, which has a disproportionate effect on the manufacturing States and which does not impact against those States such as Western Australia, the Northern Territory and Queensland whose principal revenue base is from mining, tourism and the services sector, which do not attract wholesale sales tax. It impacts disproportionately against States such as South Australia. Payroll tax is a tax against employment, and if ever a country needed to address any taxation measures that impacted against the creation of employment opportunities it is right now, in the reform of payroll tax.

So, I have called for taxation reform. It is long overdue in this country and it is urgent. The Federal Government has indicated, however, that it will not undertake taxation reform during this term: it will consider it only after the next election. What is important is that taxation reform be maintained as an issue at the national level. I am heartened to note that the Commonwealth Government is pursuing the question of taxation reform at the national level. A working group has been formed with Premiers, Premiers Departments and Treasuries to provide Leaders with advice on taxation options. That is logical. It involves all State Premiers and Chief Ministers, all Premiers' Departments and Treasuries preparing documentation and data information upon which a debate can be undertaken to ensure that we have taxation reform in Australia.

**The Hon. M.D. RANN:** The Premier was reported as criticising his predecessor over his announcement ruling out new State taxes or increasing the rate of existing State taxes. Given that a committee involving the Premier's Department and Treasury is looking at tax options, will the Premier spell out his tax plans to the electorate before going to an election?

**The Hon. J.W. Olsen:** I will respond to the political throw-away line at the beginning of the question and come back to the substance.

**The Hon. M.D. RANN:** It was on the front page of various newspapers.

**The Hon. J.W. Olsen:** You were questioning the accuracy of those just a moment ago.

**The CHAIRMAN:** We are examining the budget lines rather than the local tabloids. Another problem is that these lines are also related to Treasury lines. It is at the Premier's discretion as to whether he responds.

**The Hon. J.W. Olsen:** To put the record straight, the announcement of no tax increases was clearly in a similar context as Victoria and Western Australia. I think it would have been an advantage to have, for example, a Bannon-Rann Labor tax, just to remind South Australians of the legacy that we inherited. There is no problem with that: we will move through and fix it up responsibly. In relation to the policy options, I do not know how far the advice goes, and I have had no discussions with the agencies. I am advised that the intergovernmental working group has only just started. I guess that it would be some time before policy options might emanate from that, but I have no doubt that the Leader will get a full and accurate account from New South Wales about what the Premiers and Treasury Departments are actively considering.

Suffice to say that I do not think anybody can spell out tax options in the next four years with absolute certainty. Here we have the Commonwealth Government saying that there will be fundamental taxation reform in Australia in the next 18 months to two years. I do not know and the Leader does not know how that will impact on South Australia. Will some taxes be abolished, or will there be a shift from one area to another? Nobody can answer that question. If the Leader wants me to lay out a definitive tax policy before the next election I would put to him that, given the changes that are on the drawing board, no-one can honestly answer that question in the life of the next four years.

**The Hon. M.D. RANN:** As a supplementary question, if a group is looking at tax options for South Australia, surely the public should have some debate about the options before an election. That would seem to be the open and honest approach that the Premier was talking about when he gave his speech a few weeks ago. What options is he looking at?

**The Hon. J.W. Olsen:** The Leader will be very disappointed with the answer. The simple fact is that this is an intergovernmental working party. It is not my working party working up tax options 'for South Australia'. It involves all governments of Australia preparing a range of policy considerations which I anticipate will be on the agenda for calendar year 1998 and the purpose of which is that, when Premiers and Chief Ministers go into discussions and debate on policy options with the Commonwealth, we have prepared a range of initiatives as they relate to, for example, vertical fiscal imbalance. How do we correct the problems that clearly exist in disbursements from the Commonwealth at the moment? How do we overcome the problems, for example, in the disbursements under health?

Let me give one example of that. When the percentage of the population in private health insurance reduces by 2 per cent in a financial year, it is supposed to trigger extra disbursements to the States. For two years in a row now the Commonwealth has not honoured a disbursement to the States as a result of that, yet we are at the sharp end of delivering health services. Throughout this country health services are under stress—more in some States than in others. I invite the Leader to take up the matter with his New South Wales colleague to identify just how much the health services

in New South Wales are under stress, simply because the Commonwealth is not honouring its promise and delivering the disbursements. That is putting pressure on the States. We are the agencies that are delivering to the population, yet governments that step back from it and are divorced from it are not picking up the odium for the non-delivery of a range of services that we would rather be delivering.

It is with respect to those areas that a fundamental change must be made to the arrangements and funding between the Commonwealth and the States. It has been made very clear to the Commonwealth Government that, over the next 18 months, the Premiers and Chief Ministers will pursue a vigorous program in a number of areas, and health is one such area.

**The Hon. M.D. RANN:** By way of supplementary question, having been a Minister I know that we have inter-governmental committees, and I recognise that, but those inter-governmental committees include people who attend meetings as either Ministers or CEOs with a position from the States. Will the Premier outline South Australia's preferred position in terms of taxation reform and the mix of taxation before he goes to an election?

**The Hon. J.W. Olsen:** It depends how advanced the inter-governmental working party is. If the working party is at a preliminary stage and is seeking only information and documentation from the States the answer is 'No', because I will know neither the recommendations nor the outcome. If the Leader wants advice as to what areas I will be arguing, I can tell him that one area will be wholesale sales tax. I do not know how much support I will get from Western Australia, the Northern Territory or Queensland but I will be arguing that wholesale sales tax must be changed because South Australia and Victoria have a disproportionate amount of wholesale sales tax.

That is one area that must be put into the pool of debate. If wholesale sales tax is to be eliminated, the question arises: in which areas do we eliminate wholesale sales tax? That tax adds between 4 per cent and 6 per cent to every motor vehicle exported from Australia. If we are to position South Australia post 2005, when the motor vehicle industry must pick up a 10 per cent reduction on 1 January—in effect, a 10 per cent reduction overnight in tariff protection—we must eliminate that 4 per cent to 6 per cent tax, because it will price us out of the international markets. Those competitive disadvantages must be eliminated by then. That is one area I will be arguing. Collectively, the States will take a united stand to the Commonwealth in the debate that will subsequently be undertaken at a Premiers' Conference.

**Mr EVANS:** I continue my line of questioning relevant to page 113 of Estimates of Receipts and Payments, Program 1. What will be the impact on the township of Woomera as a result of the closure of the joint defence facility at Nurrungar by the United States Government?

**The Hon. J.W. Olsen:** The State and Federal Governments set up a joint steering committee to identify the issues and impacts of any such closure on Woomera; and that committee's report, *Woomera Beyond 2000*, was completed a few years ago. In November 1995, following the release of the report, it was agreed with the Department of Defence that a formal Commonwealth-State consultative group should be formed to coordinate a range of planning activities to occur before the closure of the Nurrungar facility. The Chief Executive Officer, Ian Kowalick, was nominated as the South Australian representative on that working group.

A meeting was held on 21 January between the Commonwealth and State representatives to pursue options for the use of the facilities and infrastructure. One investigation currently being undertaken is the feasibility of establishing a satellite launch facility at Woomera for the Kistler Aerospace Corporation. That organisation has visited the site, which has the potential to provide a core development with a lifespan of 20 years. The Kistler organisation was looking at a location in the United States, which I understand it has now identified. It is consolidating that site and looking for a complementary site, which hopefully will accommodate the Woomera option. We have been negotiating consistently and strenuously with the Kistler organisation and will continue to do so but, as yet, there is no outcome. We have a way to go but certainly the beneficial nature of the site has been put to Kistler.

**Mr EVANS:** With respect to Program 2 under the heading 'Public Sector Reform and Management Improvement', will the Premier outline the purpose of the Chief Executive Quality Forum and comment on its effectiveness as a body?

**The Hon. J.W. Olsen:** One task of the department is to help improve Government services by the coordination of meetings of chief executives, called a quality forum, to get agencies of Government focused on a strategic approach. The role of that forum is to assist with the management and implementation of programs, to change and reform programs within agencies and to strive continuously for improvement to ensure that reform fatigue does not set in. Once again, that process will be judged by competition principles. I believe that the Chief Executive Quality Forum has been an effective body.

Over the past year membership of that forum has increased greatly and the outcomes have been more substantial. Forum members now invite all public sector chief executives to monthly information meetings where service improvement initiatives are discussed, how they are put in place and the best way of implementing these changes within Government agencies. Most chief executives attend those meetings. A range of issues are discussed including how to improve relationships with the public sector and small business customers. We are putting in place service charters, and a number of agencies will have completed those service charters by 30 June.

Also discussed is how best to manage people and change that take place within agencies as well as leadership across the Government sector and how to re-engineer services to provide optimum outcome for the public of South Australia. The Chief Executive Quality Forum recently held a seminar at the Convention Centre which was attended by approximately 500 people and which looked at how to improve the delivery of public services. That is also important in that, if the public sector has gone through a substantial change in terms of downsizing, clearly it must find new and improved ways of delivering the same service level to people. The way in which that is introduced is important, so the role of the forum is important in meeting that objective and ensuring continuity of service provision to South Australians.

**Mr EVANS:** Will the Premier outline the Prudential Management Framework and explain its key elements and purpose?

**The Hon. J.W. Olsen:** The Prudential Management Framework simply seeks to achieve a better way of doing things, and it ensures that the Government is accountable. Last year a Government accountability statement was made in Parliament. That statement was in recognition of the

fundamental changes that have occurred in the public sector in terms of role, size and structure, and the reconfiguration of agencies and their relationship with the private sector. The statement also announced the need to develop a Prudential Management Framework, together with a number of initiatives, including share accountability of the Department of the Premier and Cabinet, the Department of Treasury and Finance and the Attorney-General's Department of the integrity of the process used by agencies to deliver projects involving contracting out and the private sector provision of public infrastructure.

Prudential management is a management culture that uses diligence, care, foresight, skills and resources with respect to activities, identifies measures and manages risks, acts within legislative and administrative authority, puts in place a rigorous evaluation process of any proposal put before the committee (whether it be operational or financial), ensures that we maximise the outcomes for the Government and is accountable for its conduct, process and decisions. In essence, the framework provides a policy and practical framework for implementing prudential management in the public sector, provides mechanisms for reviewing processes and structures prior to decisions and commitments being made—that is, checks and balances are in place in the decision making process prior to final sign off—and reviews those strategies employed by agencies to monitor compliance and performance with decisions.

The framework is best described as an overarching set of fundamental principles and practices that must be used by agencies in projects in arrangement with the private sector.

**Mr QUIRKE:** What does the rent or lease of space for the SA trade office in New Otani in Tokyo cost the taxpayer, and how does this compare with standard Tokyo office accommodation?

**The Hon. J.W. Olsen:** I suggest that that question be asked under the EDA line. The cost of overseas offices is handled by the Economic Development Authority. The Agent-General's office comes under the Department of the Premier and Cabinet, whereas the Tokyo office comes under the EDA.

**Mr QUIRKE:** What was the cost to the taxpayer of the nice colour glossy that I received in my letterbox as a result of the budget?

**The Hon. J.W. Olsen:** I have already answered that question, but it was in the order of \$100 000.

**Mr QUIRKE:** Will any more publications be distributed between now and the election?

**The Hon. J.W. Olsen:** I am interested that the honourable member is concerned about further publications. A publication was distributed in relation to the tariff decision. With respect to the last four budgets, the Government has put out documentation. This year was no different from previous years.

**Mr QUIRKE:** Was it no different in terms of cost this year from the other years?

**The Hon. J.W. Olsen:** I do not have those details. As I advised the Leader, I understand that all the accounts are not in yet. There is an estimated cost of approximately \$100 000. It would not be not dissimilar to that.

**The Hon. FRANK BLEVINS:** How much does the Agent-General's office cost? When will the position become vacant? I will be available from 29 November. Is there a branch in Manchester?

**The Hon. J.W. Olsen:** Geoff Walls was first appointed Agent-General by Premier Bannon in 1986. He has done an

outstanding job as Agent-General and deserves commendation from the Committee and from South Australians. He took the focus and ensured it was business-commercial oriented, building on trade and investment opportunities for South Australia. I put on record the diligent way in which Geoff Walls has performed the task and duties. He has been a great ambassador for the State and has done an outstanding job. His current contract runs to May 1998. The Agent-General has advised me that he wishes to conclude his employment as Agent-General this year. The Agent-General has had another offer. Having now been South Australia's Agent-General for 11 years, I understand that he seeks a different career opportunity. I have obviously acceded to his request to conclude towards the end of this year. In doing so, I wish him well in the endeavour that he will pursue shortly. I know that he will be outstandingly successful in that role, as he has been in representing South Australia.

Therein lies the challenge: to ensure that there is continuity in terms of South Australia's trade and investment focus out of the Agent-General's office in London. It is an important post. The European community is one with which we have had good solid links in the past. In trade and investment it is something which we want to continue in the future. Considerable attention will be given to Mr Walls' replacement, and I will be doing that in the next month or two.

I know that the member for Giles will be very interested in the following component of the answer: the total cost is \$747 000 and that is down from \$978 000 last year; we have saved \$207 000 by relocating the office from its previous accommodation to Australia House. The consolidation of most State represented offices in Australia House has brought about a more efficient outcome, certainly from South Australia's point of view, when we save \$207 000 and, secondly, from the point of view of Team Australia. Team Australia was a very good initiative of the Commonwealth Government some two years ago that has been continued, whereby the Commonwealth and the States cooperate internationally in trade and investment. We have a Team Australia approach in the international marketplace, and it is proving its worth.

**The Hon. M.D. RANN:** I strongly support the comments made by the Premier about Geoff Walls. He has represented South Australia with distinction and has total bipartisan support in what he has done and what he does. I would like to join the Premier in wishing him well for the future. Have there been discussions with any individuals, including the Premier's deputy, about replacing Mr Walls in London?

**The Hon. J.W. Olsen:** No, but I am happy to have a discussion with the Leader if he wants the job.

**Mr ANDREW:** I refer the Premier to program 2, 'Public sector reform and management improvement' in the Estimates of Receipts and Payments, page 113. Will the Premier advise how his department contributes to information sharing and coordination across the whole public sector arena?

**The Hon. J.W. Olsen:** The department assists with information sharing across Government through regular monthly briefings, and I have referred to those. Naturally, the DPC has taken a lead role in that. The Chief Executive Forum is a prime mechanism, and I have made detailed reference to that. The approach of the meetings has been changed to incorporate improvements proposed by chief executives last year. As a result, the membership has been reviewed. The major benefits of the forum have been to brief chief executives on Government directions and priorities and to provide an opportunity to share information. The current approach is

that on a monthly basis the Chief Executive Mr Kowalick briefs chief executives about the key issues in Government, priorities, current events and Cabinet determinations. The meetings also provide an opportunity for chief executives to discuss any issues of significance or concern and to share ideas on these areas of common interest.

The forum has provided a venue for lively debates on some current issues. We also have a number of working groups of chief executives. These now include the quality forum, chaired by Lew Owens; a people development forum, coordinated by Graham Foreman; and an information technology forum, coordinated by Ray Dundon. These working groups include chief executives interested in contributing to the development of what could be termed a corporate approach to the issues, that is, their interest in cross-Government issues rather than in agency-based issues. This is looking across Government to ensure that we have a whole-of-Government approach. It is an important role, and it is working effectively and well.

**Mrs PENFOLD:** I refer to Estimates of Receipts and Payments, page 113, Program 1, 'Planning and policy development'. The State Government has committed itself to producing a marine and estuarine strategy to ensure better integration of decisions relating to the use and stewardship of this important resource. Will the Premier advise the Committee of its progress?

**The Hon. J.W. Olsen:** I know that the honourable member has a close interest in this issue given that the aquaculture industry has enormous potential for this State in the future as a continuing and growing export market product. The strategy is progressing in accordance with the milestones set down leading to a final draft for consideration by Cabinet in November. The process continues to involve wide community and industry consultation on issues that need consideration for an integrated strategy. Workshops have been held with community, State and local government representatives, and I understand that the honourable member has attended some of those. Two reference groups, covering both technical and community issues, have met several times to provide input. Compilation of the strategy is progressing, taking into account the advice of those forums.

The Government is well versed in the plans of the Commonwealth to produce an oceans policy to coincide with the International Year of the Oceans in 1998. We are ensuring, as far as possible, that the two policy positions will be compatible and that we can take advantage of inputs from the Commonwealth that may assist in the management of our State marine waters. We are at the forefront of a good, clean, green environment with our waters. For the expansion and growth of our aquaculture industry, it is important that we be seen nationally as a leader in that respect. The long-term sustainability management of the marine environment is essential for that industry to develop and for associated economic advantages to South Australia.

We also have the opportunity to be leaders in Australia in putting in place these integrated industry activities with a conservation framework that recognises marine species diversity in our waters and the need to maintain essential ecological processes for community benefit. The bottom line is: clean waters mean industry development, export markets and jobs created in regional areas of South Australia. It is one of the great prospects and hopes for this State in the next century. When you go to Asia and see what I suppose you would call sea water lapping at the cities, and you look at our

sea water, you do not have to be Einstein to work out what the opportunities must be for us in the future.

*[Sitting suspended from 1 to 2 p.m.]*

**Mr ANDREW:** I refer the Premier again to Estimates of Receipts and Payments, 'Program 1—Planning and Policy Development', page 113. Does the Government support the Prime Minister's proposed national domestic violence summit? What action is the South Australian Government taking regarding this proposal?

**The Hon. J.W. Olsen:** The Government is a strong supporter of the national approach for dealing with violence in communities, including violence prevention and the insidious problems involving domestic violence. The Government, as the honourable member knows, has supported national gun control and the on-going national campaign against crime and violence. Some sections of the South Australian community still do not understand the importance of that, but I hope that, in the fullness of time, they will. We will be supporting the proposed national summit on domestic violence, which I understand is likely to be held somewhere around September or October this year, subject at this stage to clarification by the Commonwealth of its funding commitment to any new initiatives in the area.

It is important to have a nationally consistent approach. Of course, that can be particularly important when dealing with families who, effectively, are travelling across borders, and that will be considered in this national summit process. We have been participating in the Commonwealth-State working party, which is planning the national summit on domestic violence. Late last year a delegation from South Australia went to a national forum on domestic violence which produced recommendations, and they will be considered in that national summit process. It is fair to say that South Australia has much to offer at the national level. This State has a well deserved reputation and policy and service delivery framework for dealing with domestic violence and was clearly an innovator in producing anti-stalking legislation, for example, and the consolidation of the domestic violence legislation.

South Australia has been piloting an important initiative, namely, the violence intervention project which is currently under way at Elizabeth and which links the magistrates court with a local counselling program for perpetrators and with the services supporting the women and children who are the victims. That is providing for realistic and creative sentencing options and an opportunity for breaking a so-called cycle of violence that, unfortunately, too many people seem to get into. We also have the ministerial forum for the prevention of domestic violence which is chaired by the Attorney-General and which aims to develop partnership approaches between the Government and non-government sectors to deal with the serious social problems resulting from domestic violence. Membership of that forum is the Attorney, who, as I said, chairs it, the Minister for Health, the Minister for Family and Community Services, the Minister for Employment, Training and Further Education and the Minister for the Status of Women. There are also non-government members, namely, the joint churches, Relationship Australia, Mission SA, the Women's Shelter and locally based domestic violence action groups.

**Mr ANDREW:** I refer to 'Intra-Agency Support Service Items Not Allocated to Programs', specifically with respect to overseas trips. Will the Premier explain or provide details

of the benefits of the Premier's overseas trips in 1996-97? While I am conscious that the Premier made some comments in his opening remarks with respect to a proposed trip to China in the forthcoming year, perhaps he could explain whether there are any other options or appropriations included in the 1997-98 budget for other Premier's overseas travel options or plans?

**The Hon. J.W. Olsen:** In the last year my predecessor travelled to Europe—I think it was about August or September—to participate in the trade fair in Thessalonika. He met with industry in Italy and attended an international conference in Cyprus. He met with CGE in Paris and returned to South Australia via Beijing where the South Australian Symphony Orchestra was performing its inaugural Asian tour, which I am told was very successful. In addition, my predecessor travelled to Hong Kong and Singapore for a business migration seminar and to speak as a special guest to the Chamber of Commerce and Industry in Hong Kong. He also pursued a number of investment opportunities with senior business men in Singapore.

In 1997, as Premier I have made two trips to Asia. They have been well publicised, or certainly details have been given to the House. I supported a trade mission to the Philippines and Indonesia and, secondly, a trade mission to Hong Kong, which participated in the Hotel Food Expo in Asia, and onto Japan where we held discussions with key automotive manufacturers and opened the new South Australian office in Japan. It is important for South Australians to embrace an export culture and it is important for the Government and the Parliament to give a focus and lead to South Australians to develop an export culture. It is the only way we will achieve economies of scale in this State, and that means starting to remarket and reposition ourselves away from that tag—along with Victoria—'the rust belt States of Australia'.

That is not an accurate tag, and the only way we will change it is by remarketing and repositioning the State for what it is and that is in the Asia Pacific region. That is where the growth opportunities and potential will be for the future. Therefore, we need to give some focus and attention to growing market opportunities in Asia, and that means simply knocking on doors and opening up those opportunities. If we are looking for some tangible benefits, the fact that a Malaysian interest has bought SANTOS House (the old State Bank) tends to indicate to me that, along with a range of other Asian companies investing in and focusing on commercial and industrial properties in South Australia, perhaps there are now returns to be gained from participating in South Australia as an investment location, moving away from (as it has traditionally been) Queensland and New South Wales and into some of the other States. That is achievable simply by marketing the opportunities that exist in South Australia. It is important to have that investment.

Whilst there has been some publicity about a French interest in South Australia, I note the position as regards Japanese or American interest in our automotive industry. The simple fact is that we need international companies investing in South Australia to put in place sustainable industry upon which we can grow other industry sectors. It is a long hard haul: there is no easy way to get investments and a return on those investments. These trade missions are simply to knock on doors, to present the case for South Australia and to remarket and reposition. There is clearly some evidence that that sequence of trips is being productive from South Australia's perspective. I have mentioned the visit

of the Vice Premier and the invitation to return to China next year. The importance of that should not be underestimated.

**The Hon. M.D. RANN:** In terms of 'Program 1—Planning and Policy Development', I refer to the Capital City development with which the Premier's Department and the Premier himself have had a great deal to do. Since the Premier's initial announcement of the project some things about the project appear to have changed or to have gone a little quiet. Who are the secured investors for the project, and are there sufficient funds for the announced project to proceed? What is the present proposed size of the development; and does this differ from that previously announced, including the full tower; and when does the Premier expect work on the development to begin?

**The Hon. J.W. Olsen:** Every milestone that has been announced by Mr Warburton as Chairman of the company has been met to date. I have not seen the final plans which have been submitted and which are the subject of Development Assessment Commission consideration. That is going through due process. Last week I spoke to the Chairman in relation to John Martin's at Elizabeth and I was reassured as to the future of the store and the employees. I have been given a reassurance that matters are on line for the Capital City project. I simply report to the Committee that all the milestones have been met and the applications have been submitted. The original target was for the construction program to commence in 1998. I assume that is on line.

**The Hon. M.D. RANN:** Do you expect the very large tower, which was described as a tower of hope, to be as anticipated? In terms of your most recent discussions, do you still believe that the tower of optimism will be part of the development as anticipated?

**The Hon. J.W. Olsen:** I have not discussed details of the plan, suffice to say that the Chairman said that the plans as originally envisaged have been submitted. As to what will emerge from the DAC process, what will be the final sign off, I do not know. That is up to the private sector company to coordinate.

**The Hon. M.D. RANN:** In terms of the size of the originally proposed retail area of the Capital City development, we have heard that David Jones is advocating cutting its retail space from the estimated 30 000 square metres to 13 000 square metres. What is your estimate? Have there been any talks with companies such as Harris Scarfe to be involved in the Capital City development? How many full-time jobs are now expected from the project?

**The Hon. J.W. Olsen:** As to the first part of the question, if there has been, I have not been put in the loop and nor would I expect to be. That is a commercial matter for DJs and Harris Scarfe to sort out. The usual practice is that, when private sector companies come to some arrangement, as a matter of courtesy they advise the Government of the day upon conclusion of deliberations. That is a commercial matter. To date no discussions have been held with me or the Chief Executive.

**The Hon. M.D. RANN:** Is the Government considering any taxpayer-funded assistance to get the Capital City development going? If so, how much? Have the developers now engaged an architect to give some form and substance to the tower?

**The Hon. J.W. Olsen:** No discussions have been held with the developers relating to Government financial input. As to whether they have engaged their architects, I am advised that preliminary architectural work has commenced.

**Mrs PENFOLD:** My question relates to Estimates of Receipts and Payments (Program 1, Planning and Policy Development, page 113). In the bigger picture, can the Premier report on the status of the Adelaide 21 project planning for the future of the City of Adelaide?

**The Hon. J.W. Olsen:** At the outset, let me say that, with the election of Councillor Jane Lomax-Smith, being able to deal with the Adelaide City Council has taken a quantum step forward, and I welcome the cooperative, productive basis of negotiations. Of course, we do not agree on all things, nor would one expect to, but the new Lord Mayor is constructive in the way in which she is approaching the task. She is clearly a very determined lady and has very firm views about the city, and those views will ensure that the city is the beneficiary of her period as Lord Mayor.

Upon her election, we were able to move forward on the Adelaide 21 plan. Agreement has been reached between the Lord Mayor and the State Government on taking Adelaide 21 forward. A city-state forum is in place. The establishment of Adelaide 21 marketing has been on hold for some time, and the objective of that exercise is to remarket the CBD and give a new focus to it. There is appropriate infrastructure, including the appointment of a coordinator, and Michael Lennon has been announced as the coordinator of Adelaide 21. The Adelaide 21 office has been established, as has a mechanism for coordination between Government.

The role of Adelaide 21 is to gain commitment from the major stakeholders in the city to enhance energy towards agreed outcomes for the CBD. We all want the CBD to be rejuvenated, refocused and vibrant. Its role is to facilitate ideas to the implementation stage, to develop, maintain and disseminate information on current and proposed initiatives, to provide a sounding board and facilitation service for private sector investors, to support the establishment of Adelaide 21 marketing, to which I have referred, and to integrate with the Torrens Domain.

It is not a project manager or a project deliverer, and that point needs to be made. That is not what Adelaide 21 is about. It will be overseen by the Lord Mayor and myself, with regular reports to Cabinet and the City Council. The forum will involve key interests, including the Deputy Lord Mayor, Chairs of the Adelaide City Council committees, representatives from State Government, business, traders, universities and the community, and the forum will be chaired by the Adelaide 21 coordinator, Michael Lennon. A small administration committee with officers from the Adelaide City Council and the State Government will have oversight of the machinery of the project. Administrative support to Adelaide 21 is provided by the Adelaide City Council, with funding shared between the council and the State Government.

Michael Lennon has been approached and has agreed to take on the role of the coordinator. That will be for an initial 18 months, with an option to extend for a further six months, depending on circumstances. The governance of the Adelaide City Council is a separate question. That is being considered by the governance review group, and its task is to report prior to the end of this year in relation to governance issues involving the Adelaide City Council, to which Parliament may give consideration early next year.

**Mrs PENFOLD:** My next question relates to Program 3, Overseas Representation. In what activities has the Agent-General in London been involved, and what have been the benefits?

**The Hon. J.W. Olsen:** I made reference to Geoff Walls' appointment, how valuable that has been and the focus he has given to trade and investment. You can put it in a number of industry sectors. I refer first to the water/wastewater sector, and British Water, which is not a company but which is the equivalent of our Chamber of Commerce. It is an amalgam of some 400 private sector companies under the banner of British Water, whose task is to look at international opportunities. They are looking at where they might locate in the Asia Pacific region to go into Asia. They are looking for partnerships, company buy-outs, investments and strategic alliances. Geoff Walls has been promoting South Australia as a base for that to go into Asia and, given North Western Thames' investment here, that is obviously an attraction.

The development of call centre operations is also something he has been promoting. Whilst we have had success interstate in getting the likes of Westpac, Bankers Trust, Link and Hutchison—to name a few—here, we also want to start targeting the international marketplace, and in particular we want to look at getting some of the overseas head offices to locate here. With regard to defence, we have British Aerospace's commitment to South Australia and also what was formerly the Australian Submarine Corporation negotiating with Kockums and HDW with the former Labor Government as it relates to AFC. That is a key role he has undertaken in the past.

As we try to bulk up our defence opportunities, he has put together a program of presenting to a range of companies those opportunities for investing here. Food and beverage is another industry sector that is a key focus of the Government not only in the Asia Pacific region but what might be available in the European community. Given the disposable income of the population, there are opportunities in relation to food and beverage. Of course, it is well known what Orlando Wyndham's Jacobs Creek has achieved in the market. It is opening up other opportunities for food and beverage, and Two Dogs has also been successful in that market.

With regard to skilled migration to South Australia, in the defence and electronics industry, where we have had a growth of some 20 per cent over recent years, there is a dearth of software engineers, a skilled base that we need now in South Australia. We undertook a skilled migration program. We had in excess of 5 500 inquiries in two months serviced through the provision of information packs. That is a staggering response because, as I understand it, that is more than we get annually. In two months we had more inquiries than we get annually regarding skill-based migration to Australia.

The real purpose of that is to try to meet the opportunities in the defence and electronics industry. It is important to do that because, if major companies such as Motorola are prepared to spend up to \$125 million in South Australia and take employment up to 400 but its growth is inhibited simply because there are not sufficient software engineers, we need to address that in the short term. To complement that process in other areas, CD ROMs are going out to schoolchildren to try to get them streamed for those opportunities. So we educate our own people over a seven year time line, but in the two year time line we have that objective. Of course, wine promotion is an ongoing opportunity which he has pursued with vigour in the region and a whole range of trade fairs throughout the European area. So the office has been a valuable asset to the State for some \$700 000. That is not a bad outcome for South Australia, and that is why it is a valuable link for us.

**Mrs PENFOLD:** What guidelines exist for annual reporting for the agencies?

**The Hon. J.W. Olsen:** In 1996, the Department of the Premier and Cabinet produced a set of guidelines for the annual reporting of all agencies as defined under the Public Sector Management Act. The guidelines were revised and have been prepared for the 1996-97 financial year and distributed by the Department of the Premier and Cabinet to all relevant agencies. The guidelines have been well received as being simple and comprehensive. They incorporate the guidelines for quality annual reporting, and that is in accord with those guidelines developed by the Institute of Public Administration. The Public Sector Management Act allows specified special reporting requirements, and I have requested that agents report on contracting out arrangements and this year on their account payment performance.

**The Hon. M.D. RANN:** Has the Premier personally dropped his predecessor's election promise of an average of 20 000 additional jobs each year, given that, after nearly 3½ years, the Government, in spite of record rates of job growth nationally, is almost 50 000 jobs short of the target? Between December 1993 and April 1997, only an additional 19 100 new jobs were created in South Australia compared with 592 600 nationally. South Australian unemployment has grown by just 2.9 per cent, compared with 7.6 per cent nationally, and that even takes account of the 40 000 job fall in national employment over May. As a senior Minister in his predecessor's Government—the current Government—did the Premier agree that that 20 000 job target was achievable from the start? He went along with it as the senior economic Minister.

**The Hon. J.W. Olsen:** I had a responsibility as the Minister and continue to do so as Premier in terms of the employment front. There was equal responsibility on my shoulders as there was on the shoulders of every other Cabinet Minister over the past 3½ years to focus on the creation of jobs for South Australians, and I accept that. The simple fact is that some good progress has been made, but it is not good enough. Jobs is an issue on which we have to focus. As they say, it is jobs, jobs, jobs. People want job security. Rod Cameron—a pollster the Leader would well know—has highlighted the fact that major trading banks undertaking constant rationalisation processes and other private sector bodies taking decisions such as that by BHP Newcastle creates uncertainty in the minds of people, and people are looking for job security and job certainty. One of the impediments to South Australia's economic recovery is simply the lack of confidence and optimism in the broader community, brought about by a series of events. It is not only Government but private sector restructuring.

In relation to the jobs target—and I have said this publicly, and I have repeated it within the Chamber—as a goal I want to see South Australia's employment/unemployment reach the national average by the turn of century, that is, within 2½ years. That is a sizeable task, given that we have had low commodity prices for a number of years. We have put up with high interest rates for an extended period, and that sapped the capital from small business in particular. Then we had the bank that fell over, and that really did impede progress in South Australia. There are some emerging signs that the economy is starting to pick up. That is coming off a low base. I readily concede that, and I readily concede that we have a long way to go. The only way we will pick up the economy of South Australia is not by focusing on the negatives but by starting to identify the positives and by putting in place a

policy mix that will bring that about. That means national policies also that will assist regional economies to be able to grow and expand.

**The Hon. M.D. RANN:** Does the Premier then stick by his statement of 17 May that his target is to bring down the unemployment rate to the national average over the next two years? If that is the case, why do his own budget papers show that the Government does not expect to come anywhere near this target? The budget papers project employment growth of just 1.5 per cent annually to the turn of the century, compared with 2 per cent nationally, and that would not achieve the target.

**The Hon. J.W. Olsen:** I have answered this question from the Leader in Parliament during Question Time. I simply refer him to my answer in *Hansard*, because it has not changed.

**The Hon. M.D. RANN:** Surely, the Premier would have to concede that the creation of 20 000 jobs a year has been announced, and he was happy to march along with that and, more recently, he has announced that he wants to achieve the national average by the year 2000. However, his own budget papers disagree with what he is saying. He would have to concede that job growth of 1.5 per cent per annum equates to the paltry target of just 10 000 additional jobs per year, which is half his predecessor's target. He is announcing a target that does not achieve even his new objectives and is half that of his predecessor.

**The Hon. J.W. Olsen:** The Leader is proposing that you do not set a target that is a target: you simply set a target backwards so that you can always surpass it. That is a nonsense argument. Certainly there is a target out there, and there always ought to be an objective that we push hard and work toward attaining, putting in place a range of policies to deliver, to get to at the end of the day. If those targets are well out, so be it. I make no apology for that, because if the Government is worth its salt we ought to be putting out a beacon, trying to meet that objective. It is important that we put policies in place and work hard to achieve them—and we will.

**The Hon. M.D. RANN:** As a supplementary question: when the Premier announced his target of reducing our unemployment rate to the national average, what assumptions did he make about the future labour force participation rate and the level of net interstate migration from South Australia? Both our low work force participation rate and high interstate migration rate artificially reduce our unemployment rate. If our participation rate of 61.7 per cent in May were equal to the national rate of 63.2 per cent, our unemployment rate would be even higher than it is. Similarly, if more than 13 000 people had not left the State in search of work over the past two calendar years, our unemployment rate would again be higher.

**The Hon. J.W. Olsen:** I do not think it is appropriate for me in the Committee to attempt to answer hypothetical questions. The Leader keeps saying, 'If this happened and if that happened, this would be the outcome.'

**The Hon. M.D. RANN:** It is the Premier who made the target: he announced it and he keeps renegeing on it.

**The Hon. J.W. Olsen:** I am here to answer questions from the Estimates Committee. I am not here to answer questions posed by the Leader on possible or hypothetical situations.

**Mr EVANS:** Will the Premier report on the current gender balance on Government boards and committees? There has been a lot of talk about trying to get more women

involved on Government boards at a higher level. I would like an update on how we are going.

**The Hon. J.W. Olsen:** When this Government came to office it had a goal of 50 per cent representation by women on boards by the year 2000, and we have put in place a data system to monitor that closely. Monthly gender reports are sent to the Office for the Status of Women. Monthly vacancy reports providing six months advance notice of vacancies that will occur on boards and committees are sent to each Minister's office as well as the Office for the Status of Women. Through this process the Minister receives six monthly reminders of each vacancy before it occurs so that we can be pro-active in terms of any subsequent appointments. Cabinet has approved a policy for representative membership where an organisation is specifically required or invited to provide a nomination for a member of a board. For representative membership, a panel of at least three nominees, one of whom must be female and one of whom must be male, will be sought by the Minister concerned, except where there are practical reasons for not doing so—and there are exceptions to the rule.

The number of women on Government boards has risen by approximately 3.5 per cent to 30.6 per cent in November 1993. The most recent figures available from the private sector indicate that as at February women still hold only 6.9 per cent of directorships. The Office for the Status of Women has a range of initiatives which it uses to pursue the goal of 50 per cent representation, including the Women's Register, Executive Search, and the Boards and Committee Information system. It is interesting to note that, in the past six to nine months, the current actual rate of appointment is 32.6 per cent, so it has accelerated in the recent six month period. We are ahead of every other State in Australia in terms of the representation of women on a whole range of Government boards, and we intend to keep it that way.

**Mr EVANS:** Are chief executives required to enter into performance agreements?

**The Hon. J.W. Olsen:** After recent discussions with the Commissioner of Public Employment and following the abolition of the Office of Public Sector Management, the process to support the development and review of performance agreements is being re-examined. It is proposed that the development of these agreements will be supported by a small group of central agency chief executives who can help facilitate the process and provide support and feedback to chief executives around their performance. The Commissioner for Public Employment will now have the lead role in developing those guidelines and in facilitating the agreement process.

**Mr EVANS:** Electricity reform was raised earlier in the Committee. Will the Premier give an outline of the progress on both electricity and gas reforms in South Australia?

**The Hon. J.W. Olsen:** The national electricity market is scheduled for commencement in March 1998, and a national framework for access to gas pipelines is scheduled to commence about the same time. These initiatives have been under development through COAG since the early 1990s. As they relate to the national electricity market, it is fair to say that this has taken a lot longer than was originally envisaged. The Keating Government talked about a 12 month period and it has taken six years to achieve the objective, so you can see the amount of work involved. With both gas and electricity, customers will be able to choose their energy supplier. A code given effect through the national application legislation



establishes the arrangements for regulation across the participating jurisdictions.

I do not think Queensland will be part of the national electricity market in the short term, but the Queensland Government is indicating that it will become a participant in it when it can work out how to get the east link up the eastern seaboard of Australia. Some of South Australia's major initiatives to ready itself for a competitive energy sector environment have clearly included the separation of the generation component with ETSA from 1 January; the passage of new electricity and gas Acts to establish appropriate regulatory regimes for the Office of Energy Policy to provide the technical regulator; discontinuation of the interconnecting operator agreement from April this year (and that had a one-off payment of \$77 million in financial compensation); establishment of a system control function within ETSA transmission; and the commitment of the national electricity market management company and national code administrator. The latter will be established in South Australia towards the end of this year or early next year. Locating that head office in Adelaide was a very good win for South Australia and will involve 30-odd positions. The head office is currently based in Sydney but will transfer to Adelaide and 30-odd positions will be created as a result.

We will also commence a review of the Cooper Basin Act 1975. Major tasks remaining for us in the electricity and gas area are the finalisation of the Gas Access Code and the associated inter-government agreement; passage of the National Gas Bill, which is anticipated for late this year; establishment of a price regulatory function in both the electricity and gas sectors; marketing programs for energy reforms within South Australia; and implementation of measures to control market power of SA Generation, another component that must now be addressed.

**The Hon. M.D. RANN:** I have a number of generic questions to ask with the leave of the Committee and the Premier. They are across-agency questions. Could I put them on the record now and ask a couple of questions, and then we can complete the line?

**The CHAIRMAN:** The principle enunciated in the Chairman's preamble was that unanswered questions should be placed on the general Notice Paper at the earliest opportunity after the closure of Estimates Committees. That procedure was adopted a couple of years ago largely because of the huge number of questions that were being read into the record.

**The Hon. M.D. RANN:** It is not a huge number.

**The CHAIRMAN:** Leader, as a matter of principle we will adhere to that procedure. I have no objection to your asking questions. Of course, that is your prerogative.

**The Hon. M.D. RANN:** In terms of the capital works program across departments, what is the total cost of all projects listed in the 1997-98 capital works program?

**The Hon. J.W. Olsen:** I suggest that question be directed to the Treasurer, who has responsibility for the budget papers, including the total capital works program. My understanding is that it is of the order of \$1.21 billion, but that is under the Treasurer's line.

**The Hon. M.D. RANN:** With respect to planning and policy development, program 1, and to the debate and the committee already mentioned, which includes looking at tax reform options, the Premier said earlier that South Australia was part of an interstate committee looking at tax reform. He also previously mentioned his own support for the GST in the Federal Parliament and elsewhere. At what rate does the

Premier believe a GST should be levied and what compensation does he believe ought to be given to low income earners?

*Mr Evans interjecting:*

**The Hon. M.D. RANN:** If a committee is looking at South Australia's position and we have a Premier who last year—

*Mr Evans interjecting:*

**The Hon. M.D. RANN:** I know the honourable member wants to be a Minister pretty soon because that was part of the deal, but does he want to answer the questions or ask them?

**The CHAIRMAN:** Thank you, Leader. We would prefer not to extend the debate by way of interjection from members on the Government side.

**The Hon. M.D. RANN:** In terms of the deliberations of this committee and of the Premier's own position and that of the Government, has the Premier determined a rate on which he believes a GST should be levied, and what compensation should be given to low income earners, if he believes any compensation at all should be offered?

**Mr EVANS:** I take a point of order, Mr Chairman. A GST does not exist within Australia. Discussion is presently taking place in the national press about a possible GST. This question is, first, not in the context of these budget documents and, secondly, hypothetical in nature.

**The CHAIRMAN:** There is a point of order. We allowed the question this morning, as the Leader will acknowledge, because the Premier has an overall view of taxation, but I did say when the matter was raised this morning that it also falls more within the purview of the Treasurer. The question is hypothetical; there is no GST.

**The Hon. M.D. RANN:** My point is that we were told this morning that there is involvement of the Premier's Department in a Federal-State committee, so it therefore directly relates to the Program Estimates; it also directly relates to planning and policy development. One might as well say that all planning and policy is hypothetical. One might as well say that the Capital City project is hypothetical.

**The CHAIRMAN:** My response will again be as it was this morning: the Premier can respond if he so wishes.

**The Hon. J.W. Olsen:** Suffice to say that, once again, we are in the hypothetical area. There has been no discussion by me or with any officers in relation to the question raised by the Leader. As I have answered the question twice and to avoid a third question, I ask the Deputy Chief Executive, Christine Charles, who I understand is involved in the working party, to indicate the current status of the working party to put this matter in context.

**Ms Charles:** At the moment, the working party is in the process of constituting itself and is awaiting nominations from the States involved. As I understand it, the working party's broad reference is for advice to Leaders to look at Commonwealth-State fiscal arrangements. At this stage only the States and Territories are involved, not the Commonwealth. We are to come back with advice on a general range of options within the gamut of Federal fiscalism and to look at both horizontal and vertical questions within that. There are no specific references to particular options and our understanding would be that we are to come back with a range of options and then seek further advice from Leaders as to the areas in which they would like us to do further work.

**The Hon. M.D. RANN:** In terms of the South Australian group's involvement in the State committee, will one of the options discussed be the administrative effect of a GST on small business in this State?

**The Hon. J.W. Olsen:** I can assure members that everything we do is considered in the context of the impact on sectors of the community. The family impact statement is part of the Cabinet process, as well as the small business impact statement and the regional impact statement. Every policy consideration and determination of this Government addresses the areas of families, small business and regional development.

**The Hon. M.D. RANN:** Having regard to the \$1 million that has been set aside for so-called 'State promotion' in this election year, has the Premier had any discussions with the Auditor-General about the use of taxpayers' money in this kind of promotion? The Premier's Department has set aside \$1 million for State promotion, and we have seen quite extraordinary use of taxpayers' money for clearly Party political purposes. Are there any guidelines? Where are the demarcation lines and has the Premier personally had any discussions with the Auditor-General about this matter?

**The Hon. J.W. Olsen:** No, I have had no personal discussions with the Auditor-General. The administration and responsibility for that lies principally with the chief executive of the department, who has quite clear and specific guidelines in relation to the expenditure of funds. I understand that the total allocation is not dissimilar to that which was the position when we came to government.

**Mr Kowalick:** The programs are really a result of proposals put forward by the communications unit within the department or proposals put forward by other agencies or programs that we support in the community.

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

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Auditor-General's Department, \$8 552 000.

**Membership:**

Mr Foley substituted for the Hon. M.D. Rann.

**Departmental Advisers:**

Mr K. MacPherson, Auditor-General.

Mr I. McGlyn, Director, Audits, Policy Planning and Research.

Mr T. Knight, Manager, Administration Services.

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

**The Hon. J.W. Olsen:** The focus of interest at this time is the estimates of the Auditor-General's own department. Matters relating to other departments and statutory authorities should be raised with the responsible Minister at the time of the Estimates Committees hearing of those departments and/or statutory authorities as the case may be. However, in respect of the Auditor-General's department, it is usual practice for the Auditor-General to respond to questions raised by members of the Estimates Committee with respect to issues associated with the discharge of audit responsibilities and operations of his department. Of course, I reserve the right to answer any questions that might be appropriate but, in this instance, I indicate that the Auditor-General will, in the main, do that.

**Mr FOLEY:** I note the Premier's opening comment; Jim Hacker would have been proud of such an opening line. I refer to page 41 of the Program Estimates and to the comment

'review of processes undertaken by agencies with respect to the contracting out or privatisation of Government agencies' services'. I note the Premier's comments to this Committee earlier today when questioned about the water contract and the fact that the Opposition and I received a copy of the water contract. In making those comments the Premier alluded to the fact that the water contract was made available to the Opposition and me from the University of Adelaide sporting club—

**The Hon. J.W. Olsen:** No. Let me correct the record. I did not say that the University of Adelaide gave the Opposition the contract: I was making the point that the contract and documentation had been faxed to a number of areas. I was solely making the point that this contract was in a number of locations. I did not say and do not allege that the University of Adelaide made it available to the Opposition. I am not proposing that at all. I am simply making the point that this has had a distribution far wider than most people understood.

**The CHAIRMAN:** The Chair can see why the honourable member referred to the Hacker principle. I understood the Premier to say that the Auditor-General and his officers were here to address the Auditor-General's department and its operation, whereas the honourable member's question would seem to be more relevant to the Minister for Infrastructure. I might have misunderstood the thrust of the question, but I ask the honourable member to bear that in mind. I understood what the Premier was saying, but the honourable member might not have. The Chair is just clearing up the situation.

**Mr FOLEY:** I was only halfway into my question, Sir. I assure the Committee that I will direct more than one or two questions about the water contract to the Minister for Infrastructure. But the reason I raise this matter with the Auditor-General relates to the very point you just made. I am glad the Premier has clarified that it was not the University of Adelaide. All of us in political life at some point will be accused of all sorts of things, but I thought it would be fair to ensure that the University of Adelaide sporting club was not considered by some to be the source of the leak. I am glad that the Premier has clarified that. I wanted to clarify that as well, but I cannot work out why the University of Adelaide would have received it. The fact that the University of Adelaide might have received a copy is extraordinary in the extreme, but the Premier went on to say—and this is where it links into the very important role of the Auditor-General as outlined in the Program Estimates—according to *Hansard*:

I am simply making the point that I understand this contract was faxed in all directions and was not at all held confidentially.

Is it satisfactory that such an important contract involving such an important element of good governance in this State is not held confidentially? I think that raises serious public policy and audit questions.

**The Hon. J.W. Olsen:** The answer is, 'No, it is not satisfactory.' If legitimate parties to a contract fax streaming details to different people who have a legitimate right and if someone punches in the wrong fax number and it goes to diverse groups, that is another matter. The question as it relates to the university was simply an example. We know it went there, because it was honest in its response. I do not know whether it went to five other places in South Australia. Is it satisfactory? Of course it is not. How am I supposed to be held accountable for someone who in good faith punches the wrong fax number into fax machines?

**Mr MacPherson:** I cannot add to that.

**Mr FOLEY:** Perhaps Mr MacPherson could elaborate on the following. As we know, following the somewhat bizarre events surrounding that night on 4 October 1995, when inappropriate people read the document and copies of the tenders were distributed to a number of people, many of whom were unauthorised—I think the video camera ran out of tape, the Probity Auditor knocked off for tea at 6 p.m. and did not return and a whole series of somewhat bizarre events occurred—of course the Auditor-General did a very thorough investigation into that. Is it believable or would the Auditor-General have concerns given the Government's defence at the time that no information could have been leaked to one of the tendering companies because SA Water has such a tight, secure confidentiality system, also given that the Premier has admitted today that so secure is the whole system within SA Water that they were throwing the water contract all around Adelaide? It raises very serious questions about the probity and security of the operations of SA Water.

**The Hon. J.W. Olsen:** One component of the presumption contained in the question, that SA Water did the faxing, is not correct. A number of the interests in the water contract sought their own legal advice. A contract, of necessity, went to a range of people, including a firm of solicitors giving advice to interested parties. It was the legal firm, as I understand it, giving advice to the interested parties where the faxing went wrong. It was not, as the honourable member presumes, in SA Water at all.

**Mr FOLEY:** The real issue is the general professional or, I would argue, lack of professional conduct by SA Water and/or its lawyers, consultants and whoever else it had working with it. If we can have this extraordinary situation, which I find an astounding admission by the Premier today, that everyone including the Adelaide University Soccer Club had a copy of the water contract, that must cause concern in the public policy sense about the whole process. In Mr MacPherson's role of audit, and given his special role of looking at the events of 4 October, does that give him concern?

**Mr MacPherson:** We did not get a copy, by the way, so we were not one of those wrongly faxed. In a general sense I would have thought, as I pointed out in that report that we presented to the Parliament, that the issue is really the perception of integrity in the processes of Government. Government, if it employs external agents, be they solicitors or whoever, is responsible for ensuring the security of their processes and their conduct. I was not aware, until I heard this discussion now, that the university mistakenly received a copy. To answer your question in general terms, the Government has a responsibility to ensure that its processes are such as not to undermine confidence in the general community as to the integrity of those processes, and the Government itself is responsible for those whom it employs as its agents.

**Mr FOLEY:** The Premier's good friend Jeff Kennett in Victoria has somehow decided that the office of the Auditor-General should be subject to competition policy, which is a somewhat extraordinary adaptation of competition policy, and that the office of audit will, I understand, be open to private sector competition. Does the Premier have any plans to subject the office of the Auditor-General to competition policy?

**The Hon. J.W. Olsen:** No.

**Mr FOLEY:** My next question is from the Program Estimates, relating to the budget of the office of the Auditor-General. I noted in the budget the cut in real recurrent funding

of the audit function, which was of concern to the Opposition—a real cut in the funding of the Auditor-General, particularly in light of moves in respect of privatisation, off-balance sheet transactions such as the build/own/operate water filtration schemes, the need for the preparation of summaries on outsourcing deals, which are a very significant role now for the Auditor-General, the need for post contract review of outsourcing deals and the move to accrual accounting. Does the Auditor-General's office have sufficient resources now to ensure an adequate flow of information to Parliament and to the public?

**Mr MacPherson:** The estimates reflect the request that we made for our purposes for this coming year, and I believe that they are adequate to enable us to meet the expectations of the Parliament across the broad range of issues that the honourable member has just mentioned. If perchance, during the year, some unforeseen contingency arose where I felt that we might need some supplementation for whatever purpose, I would certainly ask. In fairness, those amounts that have been provided for the next financial year are adequate at this stage.

**Mr FOLEY:** I note the Premier's reference on page 41 of the Program Estimates to the need for post-contract evaluation of the performance of private companies contracted by the Government to carry out functions previously undertaken by Government. Does the Premier intend or would he consider having the Auditor-General undertake a post-contract review of the performance of United Water against its contract obligations, as well as an assessment of the adequacy of the contract itself?

**Mr MacPherson:** Yes, we will be monitoring that contract both operationally and financially, and we will be doing that through a series of requisitions that we will make to SA Water regarding specific matters. In light of those responses, we will report accordingly to the Parliament.

**Mr FOLEY:** It is no secret that I as a shadow Minister have no confidence in SA Water Corporation's management adequately to implement this contract or, for that matter, adequately to address whether or not objectives are being met, and that has been clear on the public record for some time. What concerns me is that the Government, to ensure that the objectives of the economic development side of the contract are being met (which I would have thought is a much harder thing for the audit office to assess), has brought in two outside consultants to privately audit whether or not the export objectives are being met. We have yet to see those, and that is something I will be pursuing with the Deputy Premier during the Estimates Committee. What the Government has tabled is SA Water's summary of those two respective independent audits. What we have, and I do not know whether the Premier or the Minister received the original documents, is a corporation essentially presenting an audit on itself.

I have had discussions in recent days with a couple of the companies named in the summary, as to whether or not the exports that they have implemented are the result of the water contract, and they have said that these contracts would have been in the pipeline anyway, regardless of the water contract. What confidence can the Parliament have that there is proper scrutiny of the export side of the water contract and that we are not simply having SA Water manipulating numbers to put itself in best light?

**Mr MacPherson:** That is quite a legitimate issue to raise, and we have a role in that. The question of the achievement of the estimates for exports and the like will be based on

certain assumptions and, in certain cases, actual hard evidence. I see it as our role to put before the Parliament issues that we see that give rise to any doubts or concerns we might have regarding the assumptions that are being used, the calculations that have been made as to whether or not there has been achievement of the objectives, and to ensure that there is as much transparency in that process as we believe is appropriate. It is then a case for the Parliament to make its judgment as to how it wishes to take that further. It is a basic philosophy; it is a case of making sure that there is as much transparency as possible regarding the process, the assumptions and the information that is being used.

**Mr FOLEY:** As the Parliament knows, we have in our possession a copy of the water contract. Having read the contract I am at a bit of a loss to understand why the Government has not released the vast bulk of it. We now have a situation in Victoria where the ambulance contract is under great pressure in terms of its content. What is the big deal about these contracts? Why should we not have the vast bulk of them public, acknowledging that there would be certain very confidential numbers that may have to be kept confidential? Having read the contract in depth—line by line, page by page—I do not see what the great secrecy is. Do you think these sorts of contracts should be laid on the table?

**Mr MacPherson:** That is primarily a political question. I have a personal view which I would express, but that is a political issue that the Premier ought to answer first.

**The Hon. J.W. Olsen:** The practice of this Government is the same as the practice of previous Governments; that is, where commercial contracts are in place and a competitive advantage for one private sector company over another is subject to public display, we simply will not get major companies investing in South Australia. For example, BHP does not put out in fine detail the commercial contracts that it enters into. The position that we have in South Australia is a compromise agreement. With the Opposition, the Government has worked through contract summaries. At the moment those contract summaries are with the Auditor-General and will subsequently be presented to Parliament. That enables disclosure and information to be made available to the Parliament. That does not impact against commercial interest and does not impact against the interest of the State in respect of other companies coming to South Australia to invest and create jobs in this State.

At the end of the day, we cannot have a position where we get an investment drought. In the long term that would not be in the interests of job opportunities in South Australia. Our task is to get more private sector investment. Our task is to bulk up job opportunities in South Australia. We cannot do that if we frighten off the private sector investments in the first place. There has to be a balance between the public accountability and the commercial interest of private sector companies. I would have thought that the arrangement brokered between the Government and the Opposition for contract summaries to be tabled in the Parliament, duly authorised by the Auditor-General, is a way of meeting both those interests, and I refer to accountability and commercial sensitivities. I have no doubt that the member for Hart will say, 'Well, because it is a practice that has been in place for 30 or 40 years doesn't make it right', and he will not condone the Bannon Government for the way in which it approached matters. Suffice to say, when one is negotiating with these companies the reality of putting at risk that investment stares you in the face.

**Mr FOLEY:** That was a political question, so I do not expect the Auditor-General to pass comment on that. I will take that point up with the Premier. If the Premier is so concerned with the damage that could be done to the commercial interest of, let us say, CGE and United Water, I suggest that Lyonnaisse and North-West Water would have a fair idea what the price—well they do now because of the volume of stuff that has been leaked to us—and the parameters were. I suspect that there is very little in that contract that would not be known just simply through the nature of the business in terms of the numbers they went in with to win that contract. I do not accept the Premier's argument—if this is what he is trying to say—that that has more potential damage than the fact that he has admitted today—and this is where commercial damage could be done, is done and has been done—that the contract is not held confidentially, that we are faxing it to the University of Adelaide, Uncle Tom Cobbley and whoever else. The events of October 1995 do far greater damage to people wanting to do business with us in South Australia than whether or not a contract is public.

**The CHAIRMAN:** It was more a statement of opinion from the member for Hart. The Chair has been pretty flexible but is finding it harder and harder to see where this line relates directly to the Auditor-General's budget. The Premier simply does not have to answer a statement from the member for Hart. It is as simple as that.

**The Hon. J.W. Olsen:** I think that the degree of flexibility that has been afforded to the Committee is broad, but I simply to say to the member for Hart that one factor that is impacting on business looking at investment in South Australia is the select committee system in this State. For instance, we have a position where senior executives of a company are held accountable before the parliamentary system in many respects for a political process rather than a commercial process and, if they have a choice of investing in South Australia, Victoria, Queensland or New South Wales, it all starts to look too hard. The simple fact is that that is an impediment to investment in South Australia. They say, 'Why should we go through this? We don't have to do it anywhere else in Australia, so we will simply go and put our investment where that responsibility and accountability isn't inflicted upon us.'

**Mr FOLEY:** I pick up on that point by referring back to the Program Estimates and Information, page 41, concerning the Auditor-General's office and role in looking at the outsourcing contracts. I make no apology for the select committee of this Parliament. As the Premier well knows, had it not been for that select committee accountability would not have been achieved. We would not have known that there was no requirement on CGE to be majority Australian owned and that the tender for United Water arrived four hours late. That was discovered through the parliamentary select committee process. We would not have known a whole series of issues had it not been for that very important public accountability process. Had the Premier been more open and up front, perhaps the need for the parliamentary select committee process would not have been as important, but it is highly inappropriate for the Premier to say that a select committee of this Parliament is an inappropriate mechanism by which to hold his Government accountable.

**The Hon. J.W. Olsen:** My point is simply that this has nothing to do with budget estimate lines other than a dialogue between the member for Hart and myself, which the member for Hart is intent on pursuing. I invite the member for Hart to come back to the lines of Auditor-General which we are supposed to be examining.

**Mr FOLEY:** I accept that the Premier would prefer not to answer that point.

**The CHAIRMAN:** The member for Hart is in flagrant breach of what the Chair said to him at the very outset of this examination. The Premier made it clear that we were looking at the operations of the Auditor-General's department and the honourable member has specifically related all his questions more to a contract and his opinions concerning how that contract was drawn up and so on.

**Mr FOLEY:** Thank you, Sir. I apologise for that. It is very difficult to—

**The CHAIRMAN:** Not at all.

**Mr FOLEY:** Can I tell you what I am saying is difficult?

**The CHAIRMAN:** The member for Hart is being intractable and that is the opinion of the Chair.

**Mr FOLEY:** Thank you, Sir. I refer to the situation that we now have regarding the Auditor-General's report in terms of its scrutiny by this Parliament. That, Sir, is a function of the audit office. Previously the Auditor-General's Report has been available for this process. With the budget cycle being different from what it was in previous years, we now have the Auditor-General's Report coming to the Parliament in September/October. The Opposition considers that this allows for inadequate scrutiny. Is the Auditor-General concerned that there is not sufficient opportunity for the Parliament to adequately scrutinise his report as has been the practice for many years in this Parliament?

**The CHAIRMAN:** The question will be addressed to the Premier. If the Premier chooses to refer it to the Auditor-General, he is at perfect liberty to do so.

**The Hon. J.W. Olsen:** As I was writing a note at the time, I did not hear the full extent of the question precisely.

**Mr FOLEY:** It concerned the timing of the Auditor-General's Report in previous years. As the Premier would recall when he was in Opposition, for many years the Program Estimates and the Auditor-General's Report were available for scrutiny on a day like today. Now that the Government has its budget cycles out of sync, the Auditor-General's Report is brought down in a period when we have only a couple of hours put aside one evening to debate its merits. I would like to hear the Premier's views and, if possible, the views of the Auditor-General in terms of the adequate scrutiny of that very important document.

**The Hon. J.W. Olsen:** My understanding is that the arrangements have been put in place to accommodate the Opposition when the report becomes available for public debate and scrutiny, even though it is out of the Estimates procedures. I understood that there had been negotiations between the manager of Government business and the manager of Opposition business in the House, and they had reached agreement on how the Auditor-General's Report was to be considered by Parliament.

**Mrs PENFOLD:** Can the Premier discuss the concept of statewide contracts, separating the country component of them to allow the contracts to be let separately on a local area or regional basis? This relates specifically to food for hospitals, motor vehicles for Government departments in the country, and cleaning of schools and Government offices.

**Mr FOLEY:** What is the relevance of that, Mr Chairman?

**The CHAIRMAN:** I can see the relevance of the question because the member for Flinders has been led astray by the many questions asked by the member for Hart, which were equally irrelevant. Unfortunately, I will have to disallow the honourable member's question on the basis that the member

for Hart's questions were equally irrelevant, but I can appreciate how she arrived at her conclusion.

**Mr EVANS:** Can the Premier give us some background and an update on the plan to implement the concept human resource management system (page 44, Program Estimates)?

**Mr MacPherson:** Both those issues are whole of Government initiatives, and we are just part of the whole of Government process. With great respect, that is probably a better question to address to the Premier's Department. If the honourable member wants some help on it, I am prepared to help him through it, but it is not exactly relevant to our Estimates. We are just caught up in that process as one department among all Government departments.

**Mr FOLEY:** I am interested to hear the operational views of the Auditor-General in respect of the implementation of the EDS computer contract. As we know, the contract has caused considerable confusion within Government agencies as to whether or not agencies are paying more. Is the office of the Auditor-General now paying more under the EDS contract than it was prior to the EDS contract?

**The Hon. J.W. Olsen:** That is a more appropriate question for the appropriate Minister. However, I invite the Auditor-General to respond to it.

**Mr MacPherson:** We are basically not caught up in the EDS arrangements, other than in a peripheral way. Because of the independence of our office, we are on a stand-alone basis, but my colleague might be able to help with the supplementation of information.

**Mr McGlynn:** We have a very small component with EDS, that being our accounts payable system and our payroll, which is in the Treasury lines and which we share with Treasury. Other than that, we are outside the scope of EDS.

**Mr MacPherson:** There is one issue in the EDS concept which I indicate in advance that we will look at, and that is the question of intellectual property. As we progress through this process, intellectual property will be developed, and that will be integral to the capacity of the State to continue to function in the IT area, and we will be looking at that very closely and will be reporting to Parliament about it initially this year and progressively through the course of the contract.

**Mr FOLEY:** I look forward to that because it is a very important issue. It would be interesting to know how much intellectual property has escaped from Government through this process in terms of people who have gone to work for EDS and what they have taken with them.

**Mr MacPherson:** It is not just EDS; it is across the whole spectrum of contracting out. Intellectual property is the major aspect of Government.

**Mr FOLEY:** In two days, the Minister for Infrastructure will appear before the Committee. Now that SA Water has been outsourced, ETSA has been corporatised and Optima Energy has been established, we have little or no ability to scrutinise the operational side of these organisations, which are the third and fourth largest businesses in the State. Particularly with SA Water, its operations are now completely away from Government. It is very difficult for us to get proper accountability through the Estimates process. A lot of information that we had in previous years is now not available. What can be done to address that? Does the Auditor-General have concerns about this?

**Mr MacPherson:** I am happy to answer that question in general terms. I would have thought that it was open to Parliament on any matter through a relevant committee to raise with us and other departmental officers who are relevant to the issue any matter that it was concerned about. For our

part, if we are asked what we are doing with respect to the monitoring of a contract which has been made by Government with some external party, we will indicate where we stand.

**The Hon. J.W. Olsen:** I record my appreciation to the officers at the table for their preparation of estimates and attendance today.

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

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Economic Development Authority, \$62 546 000

**Departmental Advisers:**

Mr J. Cambridge, Chief Executive Officer.

Mr M. Krasowski, Manager, Finance.

Mr J. Frogley, General Manager, Business Investment.

Mr G. Marlow, General Manager, Group Services.

Mr J. Hallion, General Manager, Economic Planning and Policy.

Mr A. Scott, General Manager, Project Coordination.

**Membership:**

Mr Clarke substituted for the Hon. Frank Blevins.

**The CHAIRMAN:** I refer members to pages 27 and 119 to 122 in the Estimates of Receipts and Payments, and pages 45 to 55 in the Program Estimates. Does the Premier wish to make a statement?

**The Hon. J.W. Olsen:** With the indulgence of the Deputy Leader, I would like to make a few remarks by way of opening statement. The Economic Development Authority has a number of key strategies. They are: building an attractive business environment, including major economic infrastructure; improving productivity and encouraging innovation; enhancing and developing competitive South Australian enterprises responsive to changing international markets; and encouraging new investment and reinvestment. That approach is delivering some results. To the end of May, the EDA assisted in the creation and saving of 4 287 jobs in South Australia and the attraction of \$283 million in new business investment. I hasten to add that, whilst those figures are encouraging, we have a lot more to do in South Australia to rejuvenate and rebuild the economy in this State. I am encouraged by the direction we are taking and the results being achieved but would always want to acknowledge that far more has to be done and needs to be done to generate job opportunities in South Australia.

A number of policy initiatives have been put in place. We are one of the most competitive locations in which to do business. This has been achieved through some rigorous approaches to public sector reform which, of course, has seen the corporatisation of ETSA and SA Water. In particular, ETSA has seen a reduction in electricity tariffs of between 24 and 34 per cent for small and medium businesses in South Australia, as we position business enterprises going into the national electricity market. That has resulted in reduced costs of operations for many of those businesses. The successful asset sales program, which has effectively taken about \$1.8 billion off the debt, also plays an important role.

That is important in this respect. Following the collapse of the State Bank, many people thought that the restructuring of the economic base of South Australia would take a decade.

They said it would be a place in which not to invest in the short term and sought to invest elsewhere. What we have been able to do by the asset sales program is show the determination of the Government to get in order the finances of South Australia. That businesses would have predicability and certainty and some confidence in investing in South Australia is a key component of the asset sales program in terms of creating that opportunity.

Of course, with regard to policy initiatives, we have picked up the car plan and the success for South Australia in getting the right tariff policy question put in place, and that has been critical and important for this State. With regard to infrastructure projects, we put in place the cast metal precinct, and site works for that important infrastructure project are now about 80 per cent complete. The first tenant, BTR Engineering, has relocated and, in doing so, 70 extra jobs have been created. Cast metals is an important feeder industry to the automotive and manufacturing industry in this State. We really sought to underpin the manufacturing industry by looking at the key components—cast metals, tooling, foundry and the networks that have been put in place there—to ensure that we underpin the whole manufacturing chain in South Australia.

We have also played a key role in infrastructure in terms of the sale of AN, with the Commonwealth ultimately receiving some 50 bidders. An enormous amount of work has been undertaken by the officers of the department, and I thank them for that. In terms of identifying workshop opportunities in Adelaide, at Islington and at Port Augusta, we have been looking at companies that might best be able to use that infrastructure to create a business enterprise in South Australia. So, post the decision of the Commonwealth Government to exit AN operations, we sought to be proactive. We went overseas; we contacted bidders; and we put a business case to them so that they would look at the infrastructure, whether it was at Islington or Port Augusta, simply to try to broker in advance some investment opportunities. That is the EDA being pro-active, and I also acknowledge the work of the officers who have undertaken those endeavours.

In small business initiatives, we have taken a lead role in supporting small business with the establishment of the Advisory Council, and a key role in the Bell Federal inquiry into small business. A number of the initiatives that we put in a presentation to the Bell inquiry were subsequently incorporated in the recommendations going to the Federal Government. The business licensing system that has been put in place now reaches out to local government throughout not only the metropolitan area but also country areas of South Australia. During the year the EDA launched the first step in its small business initiatives program. The establishment of the Small Business Advocate was announced only a few weeks ago, with Fij Miller to be the first Small Business Advocate in South Australia. That has been welcomed by many in small business and I concur in that. The Success Factor program funds small business emergency services in conjunction with the Adelaide Central Mission. The role of that program is to make training more attractive and accessible to assist those businesses. Also, to play a key role in small business the State Government has subsidised special training courses at TAFE for up to 600 women—another program.

In respect of assistance to business generally, the EDA plays a major role in helping the State Government to fulfil its economic development objectives, particularly the areas

of winning investment, improving business climate and assisting industry to be internationally competitive and export oriented. The growth sectors are food processing; automotive production, including foundry and tooling (and the cast metal precincts and the tooling network that we put in place underpin automotive production); and information technology, attracting core centre operations to South Australia. Seven or eight companies have located in South Australia. We have generated several thousand jobs as a result of the core centre operation. In fact, there are 1 200 Westpac jobs. Westpac has far exceeded its contractual commitment. When we signed with Westpac, we had a commitment of approximately 800 jobs; it is currently at 1 200 jobs. It is now expanding the Netley operations to take it the next step further.

We ought not underestimate what this telecommunications core centre back office operations is able to do for South Australia. Given the success we have attained to date, we will be far more pro-active in pursuing that course. The benefit of that has been that, where the major trading banks have been contracting in some areas, we have found that Bankers Trust and Westpac have picked up those people who have been involved in the private sector banking industry. A range of job opportunities has opened up for them here in South Australia. The growth cities in the United States are those that are moving away from cities such as Chicago or New York, with high costs of operation, to lifestyle cities. Therein lies a real opportunity for South Australia. In fact, having started here, Bankers Trust interviewed the work force in South Australia, examining the skills base, attitude, availability and conservative nature of the work force. In that I mean the work commitment and work ethic in South Australia. For 40 years the work force in this State has out-performed that in every other State in Australia and is in the top OECD countries in terms of work ethic. It is a huge selling point nationally and internationally.

Having come down here and interviewed the first range of people to go into the new facility at Science Park, Bankers Trust has decided to ramp up the original 50 and in three years will have 560 employees. They will get out of George Street, Sydney, with its high rents and high costs. We are finding that young married people who want to buy their first home and who are concerned about their career path and their kids' education look at Adelaide. They are prepared to relocate from Sydney and come here, because they can get a house without mortgaging themselves for their whole working career, and there are some opportunities here. Therein lie some really exciting opportunities for job growth in South Australia for the future. The electronics, water, defence and manufacturing industries are those sectors we are working on closely.

Overseas, we have upgraded all our Asian-Pacific offices. They are now on business plans; they are reporting an annual business plan and reporting monthly to the Economic Development Authority on what they have achieved, the contacts they have made and the assistance they have given to South Australian businesses. That is, a real commercial trade investment focus is being applied to those offices. In many instances, new people and additional resources have been put into those offices, because clearly we need to get into the export markets and develop an export culture. To date, overseas offices and trade missions have generated in excess of \$50 million worth of contracts. Some 178 companies took part in trade missions in 1996-97.

In respect of regional assistance, regions beyond Adelaide clearly have an important role; they account for 27 per cent of economic activity in the State and some 50 per cent of our export income. We are committed to providing economic activity in those regions. Since we came to office, some 5 000 jobs have been created or retained and approximately \$270 million of investment has occurred in country areas facilitated by the regional economic development boards. In recognition of this important role, the EDA has also provided an additional \$750 000 to support the State's 15 regional development boards in 1996-97. That funding was used to continue the employment of business advisers. As the Commonwealth withdrew financial support, we thought it so important to have business advisers attached to every regional board that we picked up the tab, despite a whole of Government policy that we would not, because we simply did not have the financial resources across all of Government to plug that in. But in this area we decided to do that.

In the third quarter of this year, the EDA facilitated over \$80 million of new investment or reinvestment in regional areas. That investment has contributed to securing over 1 600 jobs in regional areas. There have been a number of manufacturing initiatives, such as Manufacturing Week. I have mentioned the cast metal precincts and the tooling foundry program; and a lot of groundwork has been done in the Sydney office, assisting companies to get into opportunities as a result of the Sydney Olympics. In investment attraction to the end of the third quarter, the business investment division has facilitated over \$150 million of investment or reinvestment and secured over 2 000 jobs. Some of those companies are Clarkes, which has consolidated its national operations in Adelaide, with an investment of \$5 million and 368 new and retained jobs; Seeley International relocation and expansion of its operations to Lonsdale with an investment of \$25 million and 150 new jobs; Hardy Australia will establish its new manufacturing and R&D subsidiary at Cavan, with an investment of \$5.5 million and 45 jobs; QuinTiles, with \$470 000, creating 222 new jobs over five years; and Oracle, announcing a \$4 million contribution to the Playford Centre. This is worth more than \$1 million in economic spin-offs from the conference—the student program it is putting in place in its world convention. Also, James Hardie Irrigation in Murray Bridge, C.S. Brooks and the Balfours consortium are a few of the companies that we have assisted. That is a snapshot of the overview of the policy initiatives and some of the specific outcomes and benefits as a result of those policy initiatives.

**Mr CLARKE:** I am glad it was only a snapshot; I do not think I could have stood a complete essay. I almost forgot I was living in South Australia: I thought I was in Nirvana.

**The CHAIRMAN:** Did the honourable member say Nirvana or Havana?

**Mr CLARKE:** Nirvana. It is more like Havana, Sir, except the cars are slightly newer in Adelaide. I turn to page 120 of the Estimates of Receipts and Payments, Program 2—'Creating a Competitive Business Environment', and note that at page 52 of the Program Estimates under the heading 'Specific Targets/Objectives' it states, 'Complete and promulgate a regional development policy.' It is interesting that, after nearly four years in office, this Government does not have a policy for regional development. In light of the fact that, unlike previous years, there is no separate line for regional development this year and no separate regional development branch, my questions are as follows: has the Regional Development Branch been dissolved and, if not,

where has it gone, and what will be the actual dollar allocation for support to development of regional economies next year?

**The Hon. J.W. Olsen:** I am happy to respond, because the presumptions in the question are inaccurate. Upon coming to office we had a commitment to regional development, unlike our predecessors. We saw an upgrade in the number of personnel allocated to regional development from two persons when we won government to eight persons. We have trebled the number of personnel. Not only have we increased the dollar allocation to resource agreements for regional development boards but we have also given financial assistance to business advisers in regional areas. The Regional Development Branch within the Economic Development Authority is well and truly alive and doing a great job for regional development. I ask the Chief Executive Officer to give some specifics as to the current dollar allocations and some of the functions.

**Mr Cambridge:** The Regional Services Development Unit is part of the business centre located on South Terrace.

It employs eight people, an increase of two over previous years. Whilst I do not have the figures to break down the business centre's budget, substantial increases have taken place to all the programs within the business centre. With respect to regional development boards where most of the programs are delivered, last year \$5.140 million was allocated across 13 regional boards and two metropolitan boards and this year the amount will increase to \$7.61 million, a \$2.5 million or 48 per cent increase.

**The Hon. J.W. Olsen:** I would be happy to incorporate in *Hansard* the budget figures for 1993-94, because the graph goes through the roof.

**The CHAIRMAN:** Is it the Premier's intention to incorporate those figures? Are they available for incorporation, provided they are of a purely statistical nature?

**The Hon. J.W. Olsen:** I will incorporate the following table.

Funding for Regional Development Boards in 1997-98

	1997-98			1996-97			
	No.	Country \$	Metro \$	No.	Country \$	Metro \$	\$
Contributions to RDB's							
Resource Agreement	13	170 000	2 210 000	13	150 000		1 950 000
	2		60 000	2		50 000	100 000
Sub Total			2 330 000				2 050 000
Funding for BARA's	13	40 000	520 000	13	40 000		520 000
	2		20 000	2		20 000	40 000
Sub Total			560 000				560 000
Performance Bonus (maximum. \$30k per board, matched \$ for \$ by local Council and performance based)			120 000				0
Total cost of Core Resource Agreements			3 010 000				2 610 000
Allocation made in 1997-98 Budget:							
Funding for RDB's etc., as above			3 010 000				2 610 000
One off allocation for inflation factors (15 * \$40k)			0				600 000
Regional Assistance			1 800 000				1 790 000
Regional Development Initiatives:							
Infrastructure Development Fund			2 000 000			0	
Regional investment Briefs			500 000			0	
Regional Towns Program			300 000	140 000			140 000
TOTAL			7 610 000			TOTAL	5 140 000

**Mr CLARKE:** I note that there are eight staff under the umbrella of the EDA dedicated to regional development. How much money was spent this past financial year on regional development initiatives in the Upper Spencer Gulf region, in particular in Whyalla, Port Augusta and Port Pirie, and what is the projection with respect to this coming financial year? I am not talking about money that goes to the boards but actual money being used to promote businesses either in retention or the acquiring of new businesses?

**The Hon. J.W. Olsen:** We do not have a break down of allocation into regional areas of South Australia by city or location. Further to the Deputy Leader's question, I could imagine some other members of Parliament saying, 'What about Kimba, Port Lincoln or somewhere in Berri?' I put to the Committee that the time, energy and resources to break down the figures into specific locations is not worth the outcome. The funding to regional development boards located, as the honourable member knows, in Whyalla, Port

Augusta, Port Pirie and other areas has been increased. We work through the regional development boards, which are reflective of those regions.

Specific programs have been put in place through a number of boards. They have received additional and complementary funding to undertake consultancy or initiatives in those particular areas. I ask the Chief Executive to give further detail to the Committee of the total funds that have been injected and the response to those funds.

**Mr Cambridge:** As a result of access to EDA funds, in 1994-95 regional development boards injected \$6.6 million into regional areas; \$6.8 million in 1995-96; and approximately \$3.8 million to date this year. This expenditure has resulted in the retention and creation of 2 070 jobs in 1994-95; 2 164 jobs in 1995-96; and 1 552 jobs to date this year in South Australian country areas. If regions have a project, they can seek assistance from the Economic Development Program funding through their regional board and the



associated investment figures are as follows: 1994-95, \$34 million; 1995-96, \$224 million; and \$42 million to date this year.

Since December 1993, this program has helped in the delivery of approximately 5 000 new and retained jobs in country regions and \$270 million in investment in regional South Australia. We do not have the break down below that level but we will try to provide it for Whyalla.

**The Hon. J.W. Olsen:** I should also add that not only are there initiatives for financial support with respect to economic development in regions but also Government policy is assisting in reducing costs of operating in regional areas, such as the statewide electricity and water price, where there is effective cross subsidy to country areas of the order of \$60 million in both sectors. Despite the competition principle pressure, we are maintaining that as a community service obligation to ensure that there is no disadvantage in the price of basic commodities, such as power and water, in the provision of manufacturing operations in country and regional areas.

In addition to the information put forward by the Chief Executive Officer, two or three key projects have been put in place in the Riverland, one of which relates to water licensing and bulking up and creating economic activity for key projects that have export market potential and opportunity. The Economic Development Authority, the regional board and the regional branch of the EDA have been the brokers and facilitators of those major new economic initiatives in those regions, and I am sure the member for Chaffey would be only too happy to attest to that.

**Mr CLARKE:** The Premier has explained what the Government has done in South Australia as a whole, but can he tell this Committee where the 5 000 jobs that he says have been created or retained are by location, plant and name of employer? Is the Premier saying that he cannot get figures for cities the size of Whyalla, Port Augusta and Port Pirie—with their higher than State average unemployment levels—which indicate how much money the Government has spent this financial year and how much it estimates spending in the next financial year on regional development programs? By that, I exclude the moneys paid to regional development boards to assist in wage and administration costs.

**The Hon. J.W. Olsen:** I am more than happy to ask the department to look at what time is involved in the breakdown and where we have gone, particularly in respect of an industry. For example, there is a small business in Port Pirie to which we have given some financial assistance. That small business is very sensitive to being publicly identified as the recipient of some support. Part of the difficulty—

**Mr CLARKE:** I understand that. I do not necessarily need the name of the company or something that will identify it. I am happy to respect its confidentiality in those terms.

**The Hon. J.W. Olsen:** Provided we do not create commercial difficulties for small companies in small country towns, I am happy to try to accommodate the Deputy's position. Let me refer to some points which will, in part, answer that question. Some areas we have helped include: the aquaculture area in the Upper Spencer Gulf region; the establishment of the Lincoln Marine Science Centre at Port Lincoln; the strategic plan with water resources in the Barossa Valley; the establishment of an aquaculture advisory service—

**Mr CLARKE:** I am asking about Whyalla, Port Augusta—

**The Hon. J.W. Olsen:** Does not the Upper Spencer Gulf region include Whyalla, Port Augusta and Port Pirie and the aquaculture industry? If the Chairman would like a map I can show him how they are actually in the Upper Spencer Gulf region.

**Mr CLARKE:** I know where they are.

**The Hon. J.W. Olsen:** I would have thought that having forebears from Wallaroo the honourable member would well understand that. The facilitation of the provision of regional infrastructure such as bridges, marinas, water and gas pipelines has taken place. We have put in place several major industry development plans: tourism in the Flinders Ranges, Adelaide Hills and Barossa Valley; dry land horticulture in the Port Augusta Region; wine production in the wine producing regions; alternative energy in Whyalla; assistance with the establishment of industry networks such as the Mussel Growers Association in Port Lincoln, the Better Business Network, the Fine Wool Growers Association, the Emu Growers Association on Eyre Peninsula, Small Retailers Association in Whyalla; and direct assistance to many regional firms through the Business Advisers Rural Program.

Some of the other major projects which the boards and the EDA have been jointly involved in facilitating include the \$17 million bridge at Berri; the \$5 million water pipeline to extend reticulated water supply west of Ceduna to service local communities such as Koonibba Aboriginal community; the \$20 million Lincoln Lakes Stage 2 development; the Raptis Aquaculture Facility on Kangaroo Island; and the recent \$7 million expansion and upgrading of Woolworths supermarket in Kadina.

**Mr ANDREW:** I refer to page 51 of the Program Estimates. What progress has been made in South Australia in terms of developing an export capable water industry for this State?

**The Hon. J.W. Olsen:** This is one benefit that flows from the outsourcing contract. Given the Deputy Leader's concern about the length of answers, I will be brief. I could talk for some considerable time on this issue; I have somewhat of a passion about its development. The South Australian Centre for Manufacturing has responsibility for project management, putting in place best practice for these water industries and small-medium businesses. To date, some 350 small-medium businesses in South Australia—that is not a small number—have registered on various databases and have been reviewed using a process developed by Ernst and Young; 42 companies have been offered the opportunity to participate; and a number of initiatives are currently under way in an effort to develop company-specific enterprise improvements.

The formation of networks has been encouraged, and some four networks exist in the formative stages at this time. Planning is under way to conduct a series of relevant workshops. An investment mission to the UK was undertaken in October-November last year, and 25 companies were pinpointed on the United Kingdom mission. That matches with local companies and opportunities that have been identified. To date, four companies have visited Adelaide, and a number of commercial projects are under investigation. This relates to the Agent-General (Geoff Walls) and his role to get companies to link in and have a base here to enter the Asia-Pacific region. We have done presentations interstate to 68 companies in Brisbane and 92 in Sydney, all with a view to establishing manufacturing operations in South Australia.

There was also a trade mission to the Philippines and Indonesia. North-West Water's parent company is a partner

in a consortium that successfully won the \$2.3 billion 25-year concession for 4½ million people in East Manila in terms of water and waste water treatment plants. Clearly, they are opportunities that are emerging. Recently, a contract for half the supply of waste water infrastructure within Jakarta was won by Thames. That is an enormous contract. We have put in place the linkages between the more than 350 companies in South Australia to get a bit of the action. That will mean jobs being created here, which is the sole objective.

**Mr ANDREW:** Will the Premier give an overview of AusIndustry indicating, in particular, how many companies have received assistance under this program and what some of its specific results were?

**The Hon. J.W. Olsen:** In relation to AusIndustry, a joint Commonwealth-State initiative, the targets relate to manufacturing companies with a turnover of \$1 million and 15 employees and service companies with a turnover greater than \$.5 million and eight employees, deriving about 35 per cent of revenue from outside South Australia. The aim of the program is to lift the level of economic activity for the economy. The budget for the program in 1996-97 was approximately \$2.7 million. In 1995-96 some 260 companies received assistance, while approximately 226 companies have received assistance so far in 1996-97. Areas where companies are generally assisted include their business and strategic plans, marketing plans, export market activities, product design, business networking, organisational change (if they have to restructure) and introduction of new technology, new plant and equipment.

Each year an evaluation of the program is undertaken. A total of 330 responses were received from companies assisted in 1995-96, representing an aggregate turnover of \$3.9 billion. The results indicate that employment rose 3.9 per cent, exports as a percentage of sales rose 16 per cent, revenue per employee rose from \$150 000 to \$161 000—so, their productivity and efficiency gains were certainly there—and aggregate revenue increased by 11 per cent.

In summary, the program has been of immense benefit to small and medium businesses. It was a program of the Keating Government and State Governments, it is a good program and I hope it continues. It is providing real value to those companies.

**Mr ANDREW:** In both the previous answers the Premier referred to the importance of small to medium enterprises in this State and their significance to the economy, and the growth that is occurring as a result. Are there any other specific support systems that the State Government is offering to local small businesses?

**The Hon. J.W. Olsen:** A number of initiatives have been put in place to help them. There is a requirement for all State Government agencies to develop small business charters, which set out the quality of service that they are expected to provide when dealing with the agencies. I hope that most of those will be in place by 30 June. Fij Miller has just been appointed to the position of Small Business Advocate to small businesses having problems with State Government departments and agencies. We have seen the formal introduction of Success Factor, a program that provides firms with a real understanding of their true financial problems and allows them to plan for improvements. There is sponsorship of the television program *Directions for South Australia*, which has been aired successfully on Channel 9.

We have established the Small Business Emergency Service, which provides business advice and emotional counselling for small business in crisis. We have seen the

development of a subsidised training module specifically targeted at women in small business, and that is that 600 through TAFE. We have established an electronic request and notification dispatch system to provide business with a single point of contact for communicating basic information through a number of Government agencies.

There has been the funding of business advisers, to which I have already referred. We have incorporated local government licences under the business licensing information system. In a number of other areas, productivity improvements within ETSA have helped by lowering tariffs. I noted the debt reduction strategy and industrial relations reform. We have undertaken a major review of legislation, reduced red tape on small business, and further steps will be put in place for small business. The program never ceases.

**Mr CLARKE:** I am not sure whether or not the Premier is aware, but the Bill currently before the Federal Parliament on the privatisation of AN is totally open ended in the sense that it gives exclusive power to the Minister for Finance and the Minister for Transport to do whatever they like with AN if the legislation is passed. There is no guarantee within that legislation that says that, as part of the condition of sale, a workshop must be maintained at Port Augusta, or anything of that nature.

In terms of the discussions that the Premier says his department has had with prospective bidders, what assurances has he sought and what have been given by those prospective buyers with respect to maintaining the railway workshops at Port Augusta? Has the Premier negotiated with the Commonwealth Government a position that the workshops at Port Augusta should be maintained and certain employment levels as a minimum be set as well, as part of the overall sales process?

**The Hon. J.W. Olsen:** As I have said, we have been negotiating with a number of overseas and interstate companies and have identified the opportunities. We have said that certain infrastructure that is in place would suit their business—there is a skills base at Port Augusta, for example—and that if they take up these opportunities we will assist them to relocate to South Australia. Of course, with any private sector company that we help relocate to South Australia the contractual commitments will mean that they have to employ, and there is a claw-back of financial assistance if they do not employ. If, for example, we were able to broker a deal and facilitate investment by a company either interstate or overseas to take over the Port Augusta workshops after the sale—if we were to assist any company coming into that—it would be a contractual commitment of the company that they would be required to employ experts in their industry sector.

They would have to maintain that employment for a set period, otherwise we would not give them the financial assistance. If they came here, set up and employed and did not maintain it according to the contract, there is a claw-back of the financial assistance, so that they have to return any financial assistance not put in. The negotiations with the Commonwealth are progressing to date. We are preparing draft legislation to be presented shortly to the South Australian Parliament, and we are negotiating with the unions as well as with private sector companies. Let me assure the honourable member that we have one objective in this: to create as many job opportunities as possible, with the retention of jobs for people both in Port Augusta and at the Islington workshops, whatever the outcome in the future.

Instead of sitting back waiting for it all to happen then mopping up afterwards, we have got out 12 months in front trying to broker investments to keep those jobs. We have almost reached agreement with the Commonwealth in relation to the Pinnaroo and Leigh Creek lines, so that will now be incorporated into legislation. The advice that has been given to me is that the unions, in particular, are supporting the approach that we are taking in an endeavour to get the best possible outcome for the employees.

**Mr CLARKE:** Has the Premier been able to negotiate an agreement with the Commonwealth Government that it will not, for example, sell to another company which has workshops in the Eastern States, which could simply go in, buy Islington and Port Augusta workshops (or one or both of them), close them down and strip them and take the work to their Eastern States workshops?

**The Hon. J.W. Olsen:** In negotiations with the Commonwealth, which I emphasise are still to be finalised and signed off on, we are negotiating step-in rights for the State as criteria for selection of the successful tenderer-bidder. Not to put too fine a point on it, the Commonwealth clearly said to the States that it cannot afford to continue an instrumentality that is losing \$100 million a year, and will not; and that it wants us to negotiate in good faith an outcome that ensures some continuity. That is what we are trying to do.

Let the Deputy Leader be assured that, in our discussions with the Commonwealth, the companies and the unions representing the employees, those are the criteria we are attempting to achieve. We had hoped that that information would be available for legislation in July. We hope that we would be able to sign off with the Commonwealth, and it would then be incorporated in legislation which would be considered by the South Australian Parliament.

**Mr CLARKE:** From the Premier's earlier answer, do I take it that the Commonwealth Government has not given any commitment whatsoever to the South Australian Government? I gather that the Premier is saying that the Commonwealth Government wants to get out of AN and that, if the State Government can assist it in finding a buyer and all that, that is terrific but, at the end of the day, if it can find someone who will buy the workshops, the Commonwealth Government has not given the State Government a commitment that it will not sell them to a bidder who may close those workshops and move the work interstate. All one can do is try to persuade the Commonwealth Government.

**The Hon. J.W. Olsen:** Our stepping rights will have legislative effect. What the Deputy Leader is talking about is sale stripping of the asset, just moving it away and no jobs left in South Australia. That is the worst case scenario, and we have been working on that for a year to ensure that that is not the outcome. I cannot be definitive on the outcome because I do not know what the outcome will be but, suffice to say, the negotiations that have been undertaken at senior officer level with the Commonwealth are heading in the right direction. It would seem to me that we will be able to get a sign off incorporating legislation, and that legislation is the basis upon which future judgments and decisions by Governments can be made. I hope that in another 10 days to a fortnight we will be able to have it signed off at Federal level and have the legislation introduced into the South Australian Parliament. The lead Minister is the Minister for Transport. I am happy to respond in the overview, but the Minister for Transport is the lead Minister responsible for it.

**Mr CLARKE:** By way of supplementary question, what initiatives is the State Government taking up in the Port

Augusta region, particularly with respect to AN workers who will lose their jobs, in terms of retraining programs? AN used to have an ANLAP program to help employers meet the cost of retraining, which is very expensive, particularly as they often have to undertake training courses in Adelaide rather than Port Augusta. That was cancelled by the Howard Government with effect from the end of December last year. Is the State Government proposing to fill the gap in that area to assist those workers in any retraining?

**The Hon. J.W. Olsen:** The Commonwealth Government has allocated \$20 million to be divided between South Australia and Tasmania in terms of dislocation. For obvious reasons, by far the bulk of that money will come to South Australia. An allocation committee is being established between the Commonwealth, the State and local representatives, and it will look at a range of programs for the expenditure of that money to create major alternative job opportunities for people in the region. We are negotiating that and having constant dialogue with Port Augusta in relation to what is the most effective way of spending the money to create jobs and for people to be retained in Port Augusta and live in Port Augusta.

One of those early initiatives was an apprenticeship training scheme. That was the first program submitted by the board. I do not have the details with me at the moment, but I recall that it was announced recently. About \$1 million was put into that scheme for the purpose of apprenticeship training to keep a skills base in Port Augusta. That not only worked for the young people in Port Augusta who remained to gain skills and apprenticeship training but it also assisted us in that, if we are talking to Goninons or someone else, we can say, 'In Port Augusta you have this skills base and there are apprentices coming through who will meet your workplace requirements in the future, so there is a reason to put your investment in Port Augusta.' A range of other measures will come through the disbursement of those funds through this \$20 million regional initiative program. Mr Cambridge reminds me that some 50 companies, both international and national, have registered an interest and, based on the level of interest, the prospect of assets being stripped is remote.

**Mr CLARKE:** The Commonwealth is providing \$20 million in total over two years. Is the State Government committing any extra money in addition to what the Commonwealth is coughing up in terms of assisting in creating more jobs in Port Augusta? It is putting up \$10 million; is the State putting in anything extra on top?

**The Hon. J.W. Olsen:** Yes. There is not a budget line that says, 'As a result of AN sale', but there is a whole range of programs under the auspices of the Economic Development Authority which can be actioned for specific companies. Using the workshop at Port Augusta as an example, if there was a company showing some interest in undertaking different fabrication in that workshop, complementary fabrication or, as part of the sale of Australian National, some workshops needed to be retained, we can access those programs in terms of financial support to locate in Port Augusta.

Suffice to say, we have put enormous energy into this project in the past year since it was first mooted that the Commonwealth Government would go down this track. A unit has been established across Government agencies. Mr Jim Hallion from the Economic Development Authority was with the investment attraction arm. The Department of Transport, Treasury and Crown Law are also involved. In other words, we have brought together a task force specific-

ly to look at this issue as it relates to Port Augusta. The task force can make a series of recommendations and we can access programs. The total EDP program is over \$40 million. Program funding is available on a case by case basis upon which contracts would be put in place. Anyone who goes in with Government support and who is employing people in Port Augusta has to stay in Port Augusta, has to continue the employment and has to pay back the cash.

**Mr CLARKE:** The Premier talked about the Pinnaroo grain line being guaranteed in negotiations with the Commonwealth Government. What about the passenger lines such as the Ghan, the Overland and the Indian Pacific?

**The Hon. J.W. Olsen:** Negotiations are still being undertaken with the Commonwealth, but the State has rights in identifying minimum standards of service that must be provided over those lines, so we are going through the process of identifying and putting in place what those minimum standards of service ought be in negotiations between South Australia and the Commonwealth.

**Mrs PENFOLD:** My questions relate to the Program Estimates page 51, Developing Competitive Enterprises. The South Australian economy is made up of predominantly small to medium size companies, many of which are often too small to tackle overseas markets on their own. What is the South Australian Government doing to assist companies preparing to go into these markets?

**The Hon. J.W. Olsen:** The business centre has a range of services available to assist companies going into those export markets. They come under a number of categories, but the Business Network program is a joint initiative with the Commonwealth Government. The Business Network program offers assistance to companies to form networks so as to enable a group of companies to pool resources and take up opportunities that otherwise would be too big for an individual company. The program assists companies to assess opportunities and business structures and then develop formalised legal entities to ensure organised business practices are adopted to follow through. An example of a business network is Tooling International, which comprises five tooling companies which got together with the assistance of the business development manager of the EDA. The participating companies are Precise Tooling, Die-Mould Tooling Services Pty Ltd, Numeric Tooling Service Pty Ltd, Mitchell & Cheesman and JCV Tooling Pty Ltd. A general manager operates that network.

The business strategy is to join together to win larger contracts, and I have used as an example the network that was put together to replace imports of steering wheels from Mexico. By networking with a range of companies here, we are able to have those steering wheels produced in South Australia. By joining together, they can get the quantity and, therefore, the economies of scale and we obviated the need to import those steering wheels from Mexico. The results to date have been pretty significant. After the first year's trading, contracts in the automotive industry both interstate and in the United States have exceeded budget expectations. They have offices in Detroit and Michigan, and the benefits are flowing.

The second example, as distinct from the automotive industry, is Australian Lifestyle Furniture. The result of that network has been companies developing new lines of products for specific markets, selling product to Japan and New Zealand, with growth projections in each of those markets. The range for Japan is reduced in size and uses

different finishes to satisfy that market's requirements or characteristics.

A further example of a successful network is a regional network called Especially KI. Between three and five small food producers are involved, namely, Lincoln Dale Honey, Kangaroo Island Fresh, Island Hamper and Ordways. Whilst in the early stages, the newly formed group has developed a good sharing of information and intelligence between them. There have been changes in the use of their distribution outlets to get better market penetration and a regular distribution mechanism to Adelaide resulting in the sharing of freight costs from the island to the market.

Another service of the Business Centre is export market planning. The final area is the new exporters challenge scheme. That is administered by the Business Centre on South Terrace and it reimburses expenses incurred by companies that are developing overseas markets. The scheme complements the Commonwealth Government's export market development grants scheme, which generally picks up only those companies with expenditure greater than \$30 000. We effectively top it up for the small business sector. It was a retrograde step when the Commonwealth applied the \$30 000 expenditure limit, because that effectively cut out a whole range of small business operators from accessing the market. The State program has dovetailed into that so from zero up there is opportunity to get assistance to gain access to the export markets so small business, in particular, is not disadvantaged.

**Mrs PENFOLD:** What is the business plan development scheme and how does it assist small business? How much subsidy has been provided for the year to April 1997? How many companies have been supported and who are they?

**The Hon. J.W. Olsen:** The business plan development scheme assists businesses to write plans that will provide a program or strategy for growth, development and entry particularly into export markets. Research has shown that people who put in place effective plans are three to five times more likely to be successful at the end of the day. As a management tool, it is used to identify new business activities and finance applications.

In relation to the specific question about the number of companies that have been supported, I advise that the Business Centre recently reviewed the performance of businesses that had plans completed before 30 June 1996. That review sought to measure the increase in domestic sales, export sales and employee numbers that the business experienced in the period following the implementation of the plan. That review was based on actual figures for the best of sales, export sales, etc. Of the businesses targeted for this review, 30 demonstrated that they had achieved an increase in domestic sales of \$6.4 million, an increase in export sales of \$7.2 million and have an additional 157 employees. That results from a total subsidy to those businesses of \$137 000. For that assistance to this range of companies, 157 additional jobs were created.

The scheme targets existing businesses that are involved in export. One of the criteria is export or import replacement. Eligible businesses may receive a 50 per cent subsidy of up to \$5 000. In the year to date, April 1997, some \$257 000 has been paid in subsidies to 60 businesses that were able to meet those criteria. A total of 65 businesses have sought to utilise the scheme, and all those businesses were able to fulfil the criteria of that project.

**Mrs PENFOLD:** What is the consultancy grants scheme and how does it assist small businesses? How much subsidy

has been provided in the year to April 1997, how many companies have been supported and who are they?

**The Hon. J.W. Olsen:** A total of \$67 952 has been paid in subsidies, and 18 businesses have used the scheme after fulfilling the criteria for support. Some of the projects to which I have made some reference are export marketing plans, design of stock control systems, production line layout, new product market research, engineering designs, export pricing and HR planning. In a whole range of areas, this scheme assists companies to put in place productivity and efficiency gains and to make improvements in their operations that enable them to access export markets.

It is important to point out that, although we need new investment, jobs and businesses, one of the key functions of these programs is to give assistance to and improve existing businesses so they survive. The programs that I have referred to are part of that task.

**Mr FOLEY:** My question refers to Australis Media, Galaxy—the business into which the taxpayer has put an extraordinary amount of money. Given the current fluidity within the pay TV industry—and even in the past 72 hours we have seen major changes at Optus with rumours that Optus wants out of pay TV, and that Telstra may want out—can the Premier say how Australis is going at Dry Creek? What is the EDA's assessment as to whether or not this fine institution will be with us for much longer?

**The Hon. J.W. Olsen:** I am advised by the department that the joint venture arrangement with Optus, which clearly will not proceed, will not cause a loss of jobs in the customer service centre. The current head count at Australis is 216. Australis is transferring between 10 and 15 telemarketing jobs to the Adelaide centre from Perth and Canberra. If that strategy is successful, all telemarketing may eventually be done from Adelaide in the facility. There are continuing merger talks with several other operators such as Foxtel.

In terms of the preface to the member for Hart's question, I point out that the financial support to Australis is not of the order of the financial support that was provided for ASC, but I also point out that in looking at Australis and the telemarketing, back office operations and call centre operations in Westpac, which had a contractual requirement of 800 jobs but which has increased to 1 200 jobs—

*Mr Foley interjecting:*

**The Hon. J.W. Olsen:** No, let us pick another one—Bankers Trust. I know that the ABC tends to grate a little but, in terms of Bankers Trust, the honourable member might not have been present when I referred to it earlier in the Committee. Its original objective was to bring 50 jobs to South Australia. As a result of the negotiations—

*Mr Foley interjecting:*

**The Hon. J.W. Olsen:** The original shift was 50 and ranking up. It is now going to 560 jobs. That is the commitment. It is getting out of the Chifley Centre in George Street, Sydney. It is expanding its construction here. It will put a second wing on the BT facility at Science Park. It is doing that for a number of reasons: first, the cost of operating out of South Australia; secondly, the skills, availability and attitude of the work force; and, thirdly, the industrial relations record in South Australia. During the interviews it has conducted, it has been staggered by the quality of candidates and the work force in Adelaide. Based on that, it has committed to further expansion. One of the benefits of getting a Westpac and a Bankers Trust is that that levers open the door to other call centre operators.

The other week when I was in Sydney seeing the Prime Minister, we attended a function for a number of companies that were considering locating in Adelaide. We were arguing the case of what Westpac and Bankers Trust have done. Each of those companies has said that they are happy to be a third party endorsement for the Government. They are happy about locating in Adelaide, because of the ease with which they can locate here and the support they can get from the agency. I give credit to the agency for the way in which it is commercially focussed, proactive and business like in its approach. The needs of the customer are met, and there is follow-up after sales services. People from Bankers Trust might say, 'If another company is considering coming, and if you want endorsement from us about how the EDA operates and how it has facilitated the transfer, we will pick up the phone, talk to anybody and give South Australia endorsement.' That is invaluable to the marketing and presentation we want to break through in this call centre operation.

**Mr FOLEY:** I thank the Premier for that very detailed description of BT Australia, but my question was about Australis. What would be the potential financial loss to the State of South Australia should Australis cease operations in South Australia? I do not say that as a merchant of doom. However, the reality is that it has suffered a further \$200 million loss this year, and the whole shake-up of the pay television industry may well mean that Australis does not operate as it currently exists. What is the total financial loss possible to the State? I assume that that would include any moneys that were guaranteed for licences, paid out to build the facility or provided for the fit-outs of the facilities, and in any other areas where Government money could be lost.

**The Hon. J.W. Olsen:** The member for Hart has been hoping that this would fall over for about a year or 18 months, because we have run these questions every budget Estimates Committee since Australis came. The simple fact is that the—

**The CHAIRMAN:** You could put the same question of any business in any city in any part of Australia.

*Mr Foley interjecting:*

**The CHAIRMAN:** The honourable member has now changed the thrust of his question. He said he was not a purveyor of gloom and doom, but now he seems to be more positive.

*Mr Foley interjecting:*

**The CHAIRMAN:** The honourable member is changing the thrust of his question to vindicate his question. The Chair does not see a line for failed companies, and that is the problem the Chair has.

**The Hon. J.W. Olsen:** The company is there. It is employing 216 South Australians, and we are grateful for that; that is important. We only have to ask the 216 people who have a job. Despite the fact that there have been suggestions that this company would cease operating for the past 18 months or two years, it is still there, and it is still operating. I hope it is operating in two, five or 10 years from now. The fact that it is transferring telemarketing operations out of Canberra and Perth into Adelaide should give us some comfort, as another 10 or 15 jobs will be created. In relation to the outcome in the event of the hypothetical, we still have the building. I can assure members that there is a dearth of accommodation at Technology Park. We are having to give consideration to whether we go into a further building program at Technology Park to meet the requirements of those who are on a list wanting accommodation at Technology Park. Those decisions of Government will have to be

made in the next month or two, because there simply is not enough accommodation there. There is not a problem with the centre. Should the hypothetical occur, you have that.

In terms of any training costs that have been put in place, it is no different from the education system putting in place training for anybody else. It is a skills base retained by the employee who is, one presumes, a South Australian who will use that skills base and that investment of the State in a range of other job opportunities that would emerge. In any event, the reason why Australis is still there is that the contract it has in the United States is one of the best contracts about, and that is why there is some value in the company specifically and, whilst people are there, they have suitors in terms of discussions with Australis about the future.

**Mr FOLEY:** I want to put on the record that I totally reject and take offence to the suggestion that I am waiting for Australis to fall over. I find that a very disappointing comment from the Premier.

**The Hon. J.W. Olsen:** I am more than happy to recant that and say that the member for Hart has put out these constant press releases about this prospect and raised it in the House. I am certainly not suggesting that he will dance on the grave of Australis.

**Mr FOLEY:** The Government can say that, but I am about protecting taxpayers' money and about offering the scrutiny needed in Parliament to ensure that taxpayers are protected.

*The Hon. J.W. Olsen interjecting:*

**Mr FOLEY:** That is good. Any comparison between the economic value of the Submarine Corporation and Australis is somewhat stretching the limits of credibility. They are two totally different projects in terms of their contribution to the State's economic capacity. Do you think at the end of the—

**The Hon. J.W. Olsen:** It is better than yabby farming.

**Mr FOLEY:** Yes, that is a fair point. That was a disaster. With regard to Australis, did we get good value for our money, given that we were promised 700 jobs minimum, and we have, on the Premier's count, 216—

**The Hon. J.W. Olsen:** Not my count, their count.

**Mr FOLEY:** On their count, and lower skilled jobs than perhaps would be compared at, say, a Motorola, a BT or a Westpac? Given the size of the multi-million incentive package, does the Premier think we got good value for money on this one?

**The Hon. J.W. Olsen:** It is like any investment of a private sector company: you cannot make that judgment in the time line of two years. The judgment has to be made over a five or 10 year time line. A company not dissimilar to Woolworths could go into a location and, to get a market share, it might anticipate that it will run at a loss for a period of time until it establishes itself and gets a market; the growth pattern and the profitability is to come in the longer term. That is commercial reality; that is how companies operate. That is the risk taking and investment decision making that is undertaken by companies.

So, the member for Hart's question is simply one that nobody can answer today with real value judgment. That question must be answered in a number of years' time. There is protection in terms of our investment and some of the assets. The multi-million dollars that the honourable member talks about clearly include an asset base that we will retain in the eventuality. Many of the details are commercial and in confidence. A large part of any support is performance based and is not triggered until companies undertake and achieve certain time lines. As a member of the IDC, the member for

Hart would understand that. When one talks about the question of multi-million dollars the issue is whether, as of today, the triggers and performance base have meant the cash outflow. We must take into account that, if a company has to do certain things to attract \$10 million, it does not get the support until it has achieved its performance. That is another thing that has to be taken into account in any consideration of any of these projects where Government funds are invested.

**Mr EVANS:** I refer to page 51 of the Program Estimates in relation to skill management. What training initiatives and other services are provided to enhance business skills for persons looking to commence a business or existing small business owners? How many workshops have been conducted and how many participants have attended?

**The Hon. J.W. Olsen:** Some 110 workshops have been conducted, comprising 82 new intenders, 14 marketing, one franchising, three industrial relations, six general business and four retailing. The total number of participants through those workshops has been 1 194; 747 of those people have been new intenders, 209 in the marketing area, seven in franchising, 44 in industrial relations, 78 in general business and 109 in retailing. It is one of those programs through the Business Centre that once again is assisting people to focus the development of their strategies and where they are going. I do not know whether the honourable member has looked at the reference library, the in-house videos or the bookshop that are available at the Business Centre, and a whole range of information that is now available to assist people in the start-up phase in particular.

**Mr EVANS:** What services have been provided by the South Australian Centre for Manufacturing to manufacturing companies to improve their world competitiveness?

**The Hon. J.W. Olsen:** To the end of May, there were 184 rapid prototyping CAD modelling and scanning projects, 11 manufacturing and engineering projects resulting in savings to those companies of \$4 million, 127 training and education courses involving some 3 048 people, and 24 companies have been involved in quick machine and tool changeover activities, realising savings of some \$450 000. I will give a view in relation to the Silicon Works Centre, which has been established at SACFM.

Some 20 leading edge software programs have now been installed for education and demonstration purposes. It is the only platform of Silicon Works in the southern hemisphere. The licences for the software have been provided free of charge but have a value of between \$3.5 million and \$4 million. The total State cost of that was about \$1 million when it was first introduced. Once again it gives our manufacturing base in South Australia access to a platform that you would expect to get only in the United States or some of the leading edge European countries.

It is a way of positioning our manufacturers to have access to these platforms. With these platforms they can link with the United States or Europe and have design teams in three locations all interacting together to build models. For example, they do not have one in Victoria, so Ford comes to South Australia and can link with Ford in Europe and the United States, and the design teams can work together to design a new model car. Or, if they want to change a fender, steering column or other component in a car, that can now be done here. This platform is ahead of every other State—as I am reminded, it is the only one in the southern hemisphere—so we have something that positions our manufacturing base. We must continue to do that.

*Mr Foley interjecting:*

**The Hon. J.W. Olsen:** The former Administration; in particular, I think it was one of the ideas of the person sitting on my left that drove its establishment. That was for the purpose of giving a better break to manufacturing. The establishment of the Centre for Manufacturing resulted in other State Governments in Australia doing that. I have no difficulty in acknowledging that that was a very good policy initiative in South Australia for the 1980s. But we have to build and expand on that and make sure the automotive industry can meet this 10 per cent tariff reduction on 1 January 2005. It will be a real test. It is doing this not only for the manufacturing industries. Modelling for the Cranio-facial Unit is being done at the Centre for Manufacturing, and the Film Corporation is also involved. Those things are well not understood. In the minds of most people the Centre for Manufacturing conjures up workshops, not the Cranio-facial Unit or the Film Corporation.

**Mr EVANS:** The Premier raised the issue of tariffs in that answer. Will he outline what actions the State Government undertook to ensure that the automotive tariffs would not be reduced to 5 per cent by the year 2004, as recommended by the Industry Commission in its draft report?

**The Hon. J.W. Olsen:** We have canvassed in great detail what has been done. The real challenge now is moving on from those initiatives that were put in place and what we do by the year 2005. The policy outcome on tariffs was the result of a real five month battle. I publicly acknowledge the work of the State reference group, the Economic Development Authority, the chamber, Paul Noack from the unions and all local government. It was a South Australian effort. That South Australian effort demonstrated that we were prepared to push the boundaries back when people said to me in January, 'Don't be a fool; you can't win this battle.' South Australia did win the battle, and that was as a result of a number of initiatives. Following on from that, we need more than the enterprise improvement programs we have talked about in readiness for when we get to the year 2005 and there is an overnight drop of 10 per cent. Nobody should underestimate the impact of an overnight 10 per cent drop in tariffs in 2005. We must now work towards that objective.

That means getting productivity and efficiency in place and getting down the cost of operating to offset the tariff reduction but, more importantly, it means access to markets. That is why the new replacement for the export facilitation scheme will be really important for the automotive component suppliers and other companies to get access to markets. In taxation reform it is important to get wholesale sales tax off our back so that we do not have 4 to 6 per cent price disadvantage going into international markets, and it means the ASEAN countries opening their boundaries to trade. I note that President Suharto has been re-elected with a significant majority and I also note the family interest in the Timor car. I am yet to be convinced that in the year 2003 Indonesia will reduce its tariff barriers and have a real competitive base in its automotive industry. I would be surprised if it did that.

I would be surprised if Malaysia, given the direction in which its Government is heading, builds an automotive industry. International companies will not put at risk investing hundreds of millions of dollars in an automotive industry in the short term when over-production in the region has been forecast. The benchmark is the year 2003, and if these countries in that year do not reduce the tariff barriers and open up to trade opportunities Australia ought to rethink its

position. We should not move ahead of other Asian countries, and that is the position put by the Japanese Prime Minister in advising Australia as to what it ought do.

The other point that needs to be clearly put on the agenda is that, with respect to tariffs, much has changed between 1977 and 1997. Many economic journalists who have written articles post the Federal Government decision have ignored the fact that much has changed between 1977 and 1997. They have ignored the fact that we have achieved productivity and efficiency gains and have a sophisticated manufacturing industry but, despite that, the right decision has been made and I thank many sectors and individuals in this State for working together. It proves that, if you join forces across the State when challenged by a policy option that is to the detriment of the State and you put up a solid front, you can win the battle at the end of the day.

**Mr EVANS:** Will the Premier explain what action the Government has taken to influence the outcomes of the Industry Commission inquiry into the textile, clothing and footwear industry?

**The Hon. J.W. Olsen:** In discussions with the Prime Minister and Minister Moore I indicated the importance of that industry as an employment base in South Australia. We have yet to see the Productivity Commission report on TCF. I understand that report will be available in about three weeks. We will look at that report when it is made available and make some judgments on it. A decision in the national interest was made with respect to tariffs on motor vehicles, as I hope a decision in the national interest will be made with respect to TCF.

#### **Membership:**

Mr Quirke substituted for Mr Clarke.

**Mr FOLEY:** I note the Premier's statement today in terms of the efforts of his Government, the Opposition, unions and everyone else. In no way do I want to diminish the role of the Premier and his sterling efforts, but it must be put into context: whilst his input was obviously very important, the fact that the three car manufacturers sat across the table from the Prime Minister on that very fateful day and threatened to pull out their investment probably had a little more to do with it than the Premier's own effort. Understandably for political reasons, and as I clearly understand—

*An honourable member interjecting:*

**Mr FOLEY:** Just a little. It was a sterling effort nonetheless, but I am trying to put it in context, and members opposite need not 'Tut, tut' under their breath. I am acknowledging the role played by the Premier.

*Mr Andrew interjecting:*

**Mr FOLEY:** Absolutely, as they did with Lynn Arnold and John Bannon when we fought the first battle for car tariffs. Every Premier in this State back to Dunstan has played a very important role in protecting our manufacturing base, and we should not be apologetic for that despite what the Eastern State scribes might say. We should be parochial and proud of it, as is the Premier. With reference to page 121 of the Estimates of Receipts and Payments and page 55 of the Program Estimates, I want to question money spent on advertising by the Economic Development Agency.

For a number of weeks I would come home late at night from a meeting and switch on the television and be engrossed by a program called *Directions for South Australia*. I understand that the Government paid for the production costs of that program. What were the total production costs of that

program and what was the payment made to Channel 9 to broadcast that program in both the late evening time slot and the 7.30 p.m. time slot?

**The Hon. J.W. Olsen:** I will provide the figures for the honourable member. I am pleased that the member for Hart was impressed with the positive outcome of what some individual businesses are achieving for South Australia. With respect to the 7.30 p.m. time slot, when an amalgam of the other programs was put together for the hour my understanding is that, in terms of ratings, it beat every other program airing on all commercial channels for that prime 7.30 to 8.30 p.m. time slot. That indicates that the public of South Australia want a diet of good, positive news rather than the doom and gloom of the past.

**Mr FOLEY:** The Premier has misrepresented my views: I was not congratulating or acknowledging the fine work. In fact, I would say that the *Directions for South Australia* program was one of the great political indulgences by Government. I think—

**The CHAIRMAN:** I think this is a supplementary question rather than a supplementary statement.

**The Hon. J.W. Olsen:** I am advised that an equal contribution of \$200 000 was made by Channel 9 and the Economic Development Authority, which amount covered the costs of production and interviews with individual businesses. An additional benefit is that parts of that program have been included in a CD-ROM which is part of a kit being used to market South Australia to a range of companies overseas. The kit talks about South Australian businesses, what they have to offer and what their potential is in South Australia.

**Mr FOLEY:** As I said, that program was an extraordinary political indulgence. I also suggest to the Premier and to the EDA that it was a totally inappropriate use of taxpayers' money. As fine a program and production *Directions for South Australia* may be, it delivers little, if anything, to the economic fabric of this State. It does no good to be running programs on prime time television that tell us how good we are at what we do. That money would be better spent running the program—

*Mr Andrew interjecting:*

**Mr FOLEY:** I will get to the question—

*Mr Evans interjecting:*

**Mr FOLEY:** The honourable member should take a point of order if he is not happy.

**Mr EVANS:** I take a point of order, Mr Chairman. What is the question?

**The CHAIRMAN:** We are all breathless. Will the member for Hart ask his question?

**Mr FOLEY:** If we are attempting to attract investment dollars the money spent would be better directed at our target markets in New South Wales, Victoria or Queensland rather than simply running a feel good program in Adelaide in which the Premier is able to appear in the lead-up to a State election. Apart from the \$200 000 paid to cover production costs, was any other money paid to Channel 9 to run the program, particularly in the 7.30 p.m. slot?

**The Hon. J.W. Olsen:** I will ask the Chief Executive to respond.

**Mr Cambridge:** As a result of a major marketing study undertaken by New Focus which looked at South Australia's position both interstate and overseas, we discovered that businesses did not want to hear stories from the Government: they wanted to hear from their confreres. They wanted to hear from other companies and learn how successful they had been. As a result of the New Focus survey, I made the

decision to put in place a series where companies could learn from their confreres. We have had excellent feedback from a range of companies in South Australia. It was great not to hear political rhetoric.

The series was not dressed up but presented straightforward case studies about what companies had achieved, and people wanted to approach these companies in an effort to learn from them. The series did not have any major marketing tools attached to it. It was deliberately done that way because I felt it necessary—and I reiterate that I made that decision—to promote success in South Australia to fellow South Australians and not dress it up as some advertising campaign.

**Mr FOLEY:** I appreciate your role. I apologise if the criticism is taken personally; it is not meant that way. It is appropriate for the Opposition to have views, particularly as we count down to an election. However, I maintain that the Premier's featuring prominently in a feel good exercise on commercial television warrants some comment. But you have not answered the question: did we pay any money to Channel 9 over and above the production cost?

**Mr Cambridge:** The answer is 'No'. The total payment to Channel 9 for everything was \$200 000.

**Mr FOLEY:** The Saturday *Advertiser* feature called 'Future South Australia' in the 'Insight' section is of interest to the Opposition. Is the EDA at all contributing to that supplement in the *Advertiser* and, if so, what does it cost?

**Mr Cambridge:** Again, this relates to the same New Focus survey which said that we should do a range of interviews and promote the key sectors so that people are more aware about what those key sectors are, giving prominence to what successes have taken place in those key industry sectors. That was a joint venture between the *Advertiser* and the EDA and, again, I forfeited any ability to alter editorial content. We said that we wanted that to be conducted free of any influence from the EDA or, for that matter, any political arm of Government, being sensitive to the time frames in which we live at the moment and wanting to ensure that South Australians were proud of their State and were aware of the key areas we were working on in South Australia. From memory, we paid about \$75 000 for that, but I will ascertain the exact amount for the honourable member.

**The Hon. J.W. Olsen:** While Mr Cambridge looks for that amount, I reassure the Committee that the member for Hart and I see the copy at the same time, that is, when the *Advertiser* arrives in the morning. I have not seen and have not been involved in any of the process or content of those articles or scripting.

**Mr ANDREW:** I refer to page 54 of the Program Estimates, referring to overseas representation. What is the number and the nature of investment projects generated through the State Government's overseas representative officers?

**The Hon. J.W. Olsen:** I made some reference today to major investment in terms of commercial and industrial properties in the CBD and Adelaide, which has been important. Over 40 potential investment prospects were generated for the year, the majority of which came from the London, China and Hong Kong offices. As I mentioned, they were in the areas of building, construction, food, beverage, livestock, manufacturing and hi-tech. There is potential to generate \$630 million in investments into South Australia from the overseas contacts. I refer here to projects currently being given serious consideration by overseas prospective investors. I put this in the context that these are being considered. I do not want anyone to interpret that what I am saying is locked



in; it is not. They are being considered and are being generated by the overseas offices and include: joint venture arrangements, equity investment for vineyards and wineries, development of aquaculture farms in regional areas of South Australia, buying of barley farms, a joint venture in expansion of businesses with a view to exporting products into the overseas market, investment in greenfield projects, therapeutic antibodies production, locating an office in Adelaide for businesses, interest from Asia in the Adelaide-Darwin rail link (something that we are continuing to pursue), hotels, commercial facilities and other accommodation, amounting to a total of \$350 million in those industry sectors.

**Mr ANDREW:** I seek an explanation with respect to export markets, particularly in terms of small-medium enterprises. What is the Government doing to increase the State's exports and the capabilities of these small-medium enterprises in South Australia to facilitate access to export markets?

**The Hon. J.W. Olsen:** I have mentioned the trade missions undertaken by the Government and those led by Sir Eric Neal. There were five outward trade missions—Indonesia, Hong Kong, Malaysia, Japan and the Philippines—for over 200 organisations. The cost of the missions was approximately \$800 000, with projected returns of between \$20 and \$25 million from three of the outward missions. The results of the last two missions are still being undertaken. Examples of successes from South Australian companies include: \$1.7 million worth of exports to Malaysia from a building company, with the projects completed by December 1997; a \$500 000 contract signed by a wine company for exports into China, with an expected doubling of sales for next year; two contracts for export of pizza pans into Hong Kong and Vietnam signed by a small business in metal spinning; a \$50 000 contract signed by a food company to supply fresh produce to Hong Kong; and a \$100 000 contract signed for export of citrus products into Hong Kong and China.

**Mr ANDREW:** I understand that the Government fully recognises the manufacturing sector's significance to the South Australian economy and is promoting the expansion of the existing manufacturing industry and the attraction of new industry to the State. What is the Government doing to ensure that sufficient land is available in the long term to accommodate the future growth of the manufacturing sector in South Australia? In particular, is the EDA pursuing any other initiatives in attempting to shape and influence the planning system so that any land required will be made more readily available?

**The Hon. J.W. Olsen:** We have traditionally had a competitive advantage in that respect, and we need to preserve that advantage. The EDA has strongly promoted the development of a coordinated whole-of-Government approach to the management of industrial land; it is a key issue. It has worked with significant influence and in close cooperation with DHUD. An industrial land strategy is currently being prepared in a joint effort between EDA and DHUD. It is a significant project, with a budget of about \$350 000 to undertake the task. Some of the key areas that it will look at include preparation of a comprehensive industrial land database, development of models to help determine demand and supply of industrial land, and a metropolitan development program. The availability of good industrial land strategically located in terms of transport, etc., is really a key. A lot of industry sectors are looking for that requirement and, therefore, this strategy has now been put in place

to identify where those parcels of industrial land are and how we can better utilise that land to attract investment.

**Mr FOLEY:** I refer to this theme of industrial development and the similar line to which the member for Chaffey referred. The importance of economic infrastructure to our State is reflected in the need for another bridge across the Port River so that we can facilitate a more streamlined rail corridor from our big investment in the Port of Adelaide. As the local MP.

I also refer to the horrendous traffic problems in inner Port Adelaide in terms of the bottleneck and the totally inefficient and inappropriate piece of infrastructure that currently exists for containers and trains. Is it a priority of the Premier and his Government to move quickly to put in place a program to develop this very important piece of economic infrastructure on which I as local member have been leading the charge now for some years?

**The Hon. J.W. Olsen:** That question would be more appropriately directed to the Minister for Transport, because it would come under her budget line. Suffice to say that the Government is giving real consideration to what those options might be. I do not know how long that will take, or whether it is another six, nine or 18 months away from final determination. A whole range of studies is being undertaken: transport studies, land availability studies and studies of infrastructure costs. There is a cross-agency working party trying to draw together the interests of respective agencies. I do not deny the member for Hart's view that this would be a valuable piece of infrastructure to put in place. That argument is right.

However, the Government has to pursue a range of options and has to clarify those options before it can consider the commitment of any funds. I understand that this has substantial costs in the construction. Are the commercial users prepared to contribute in that there will be a substantial saving for them? That effectively says that the commercial users will have a toll bridge. Is that a consideration or a viable option? The Government has not considered that, because the fine details of the proposal have not come up. That will need to be considered. But I repeat that I do not know how far away that is, whether it is six months or 18 months away.

**Mr FOLEY:** I welcome the Premier's personal commitment, although I am somewhat concerned about the process in Government. Any talk of working parties and cross-departmental considerations essentially means that it has not yet reached the level of Government that it should to make it happen. This has been on the drawing board now for 18 months. I do not know how much working parties have to do to consider the options for putting a bridge across the river. I understand that those things have to happen within Government, but it is a very important piece of economic infrastructure.

The port of Adelaide desperately needs it. The Minister for Transport has infrastructure costs in maintaining the existing network and, from what I have been told by the private users of both rail and road, they would be prepared to make a contribution, be it through a toll or whatever, because the costs of navigating their way through the port of Adelaide now are horrendous. If the Premier could show some of his 'can do' attitude to this bridge and turn his mind to it now that he has won the battle on the tariffs, perhaps we will see it happen in the next few years.

**The Hon. J.W. Olsen:** I do have a commitment to having a very serious look at the proposal, but it is important that we thoroughly assess the options. I have no doubt that, if it is not

done thoroughly, it will be a matter referred by some parliamentary committee to the Auditor-General to go through with a fine tooth comb. Whilst the process is thorough, it must of necessity be thorough in terms of accountability to this Parliament and the way in which the Parliament keeps the Government accountable for its policy decisions. The working party should not be seen as a fob-off. I took the member for Hart's comment to suggest that, because we have put in place a working party, this was to fob off the thing in some other area. That is not the case: the working party is to facilitate it.

One of the things that I found, and the member for Hart might have seen, is that occasionally a project will come into a department and do a round robin between departments. Because four or five agencies have an interest in the outcome, this proposal just keeps going in a circle. What I have attempted to do with these working parties is to get away from the circle and get the five or six agencies to come into one, so you broker the deal there and make decisions with responsibility for the agencies to do things in certain time lines. It is an endeavour to try to move it on, not to try to stall it.

**Mr FOLEY:** I did not mean to say that the working party was a fob-off; it is perhaps that circular argument that the Premier referred to. I just make the statement that I will champion the third river crossing in Port Adelaide for as long as it takes me to get that bridge built. I note that the member for Chaffey has had very quick success in getting a bridge in his electorate: I hope that the Government treats my electorate with the same level of importance with which it has treated the electorate of Chaffey, a well known marginal Liberal seat.

My next question is again on the cost of advertising. The EDA ran a number of adverts this year in the *Advertiser*, one in particular answering some critics who might have indicated that it was felt that the EDA had not spent enough effort on existing industries. What has been the total cost of advertising this year, not just in the *Advertiser*? How much was placed in the *Advertiser* and in the entire EDA promotional and publicity budget for this financial year?

**Mr Cambridge:** The advertisement to which the honourable member is referring was taken out to try to correct perceptions about only feeding the big end of town and not working with local South Australian companies. That was to show that from last year's statistics 93 per cent of all our investment funds went to local companies. I do not have the exact figures offhand, but our total marketing budget is just under \$2 million for 1996-97, and I will obtain the exact figures. The only other advertising we did was when the Business Centre, not the head office of EDA, put some small ads in the back end of the paper on a number of occasions, and the Centre for Manufacturing has placed the odd ad. In the main, we have not made any attempt to advertise the EDA or its services. The honourable member will find that there have been very few advertisements from the EDA in the past year.

**Mr FOLEY:** Will Mr Cambridge get back to us with the cost, particularly of that full page advert on existing industries? How much of that \$2 million promotional budget is spent within South Australia promoting the EDA, and how much is spent external to South Australia promoting our State?

**Mr Cambridge:** That is called a marketing budget, not a promotions budget. Most of it goes towards things such as the CD-ROM and the marketing materials to attract invest-

ment and local companies to reinvest in the State. I do not have the detailed figures, but we can confirm them. We would spend no more than 20 per cent of that budget on what the honourable member would call promotion. The bulk of it goes into pamphlets and such things to assist business access the services of the EDA locally, interstate and overseas.

**Mr FOLEY:** Since the stunning success the Premier had in Canberra in fighting the tariff battle, I understand that vehicle assembly workers etc. within the automotive industry have received a very jazzy piece of material on a couple of occasions now, advising them of how well the Premier has done. Whilst I do not detract from the Premier's every right to want praise heaped upon him for his effort, I question the role of the EDA, if there was a role, in producing a leaflet to go to vehicle workers in this very electrified pre-election period we are in.

**The Hon. J.W. Olsen:** The cost was about \$5 900. In relation to that, I put this point to the member for Hart. The whole tariff question for an extended period placed a great deal of anxiety and uncertainty on the lives of many people and in doing so created job insecurity. Post the decision in Canberra many people were saying, 'What is the import of this?' If members talk to the motor vehicle manufacturers, they will be told that the level of anxiety had built up to a point that many of them said that it was going to be hard to qualify. The purpose of that second publication, in part, was to say that this had been a joint effort—that was acknowledged in the pamphlet—and that this was South Australia working together. In addition to that, its purpose was to give some degree of greater certainty to those people in the manufacturing industry and the automotive industry in particular.

It had been a diet of six months of uncertainty. It is my view that it will take some considerable time before job certainty is back on the agenda for those people. It is important that they understand that this has given them some security in relation to job prospects over the course of the next eight years at least. That will only be qualified by further company announcements about investment. That is what is now needed for the work force generally to have, if you like, peace of mind in relation to job certainty and job security. I do not think one can fix a price in terms of qualifying that anxiety in people.

**Mrs PENFOLD:** My question relates to the Program Estimates, page 52, in relation to innovation. What assistance has been provided to support invention and innovation in South Australia? How many interviews have been conducted, how many telephone inquiries and how much information has been provided?

**The Hon. J.W. Olsen:** The Business Centre's innovation management program provides a starting point from which information can be obtained on all aspects of the process of commercialising inventions. Factors such as product protection through patent process, assistance with industrial design, marketing possibilities and accessing finance are discussed with many being referred to qualified professionals able to provide additional complementary services. The innovation management service works in close cooperation with the industrial supplies office, the magazine *Ideas and Investors* and other Government private organisations, including the Inventors Association, which has a representative from the Business Centre. Whilst only a small number of inventions are able to be commercialised successfully, those that do are often significant contributors to the local economy by way of

manufacturing and marketing opportunities which are created.

Innovation management is an essential support service for South Australian inventors, ensuring that every inventor has access to relevant information and advice on which they can base commercial decisions. An innovation kit providing information on commercialising inventions and other aspects of innovation is available, and it is provided at no cost to inquirers. The kit comprises information on patents, design, registration and trademarks. Examples of innovation ideas managed include a product to reduce the incidence of cot death in babies, a portable brick making machine using soil, a locking hinge suitable for use on commercial display stands and dividers, a multi-use footpath designed to allow access to services from the footpath, low cost modular octagonal housing and soil moisture activated irrigation control units. A total of some 370 interviews have been conducted and 702 telephone inquiries have been undertaken by the Business Centre's innovation management group.

**Mrs PENFOLD:** Following the release of the Commonwealth trade outcomes and objective statement in February 1997, what action is the Government taking to capitalise on the potential opportunities for South Australia?

**The Hon. J.W. Olsen:** I have mentioned a couple of times during the course of today's proceedings that export market, export strategies and export culture are critical. In response to some of the opportunities created, we have proceeded with the development of a complementary State Government export strategy to dovetail into that. The prime objectives are to give directions to South Australia's tradeable goods and services sector, provide a clear and stable framework of Government services to support exporters and develop and implement policies to take advantage of identified opportunities. The statement will embrace all export sectors including service, manufacturing, rural and mining. It is also intended to incorporate export trends and projections and provide market access and market development opportunities. Market access is critical, for example, to the automotive industry.

As key export opportunities are identified, work is also being undertaken to develop a series of export initiatives and measures to realise the opportunities. A number of initiatives have been developed, including a program to support and encourage firms in networking collaboration to penetrate export markets, or it might be import replacement such as the steering wheels example I gave earlier, which was a case in point. It also includes an increased marketing role for the State's overseas offices, increased contact with international organisations such as the World Bank and Asia Development Bank, increased funding for the new exporters' challenger scheme and industry specific training programs on export marketing. They are all designed to dovetail to help develop this export culture within the State.

**Mrs PENFOLD:** What is the South Australian Government doing to lift the skills of small to medium size business owners in South Australia, and in particular what has been the progress of the success factor program launched by the Premier in December?

**The Hon. J.W. Olsen:** The success factor program is a good program for small business in particular. It caters for the needs of small and medium businesses, owners and managers. It is run in conjunction with the Regional Economic Development Board. The program is designed to assist owners and managers to analyse their businesses to determine where they are making most of their profit. They are advised that they should be looking to earn a 15 per cent rate of return

on funds that they have invested in the business. If they are not earning that percentage, the question is asked whether they should be in the business. It gives them a focus to ask, 'What am I here for? Am I operating a business that will give me a rate of return that is appropriate?' They have to ask themselves whether they could be getting a better return putting their money elsewhere. Should they be investing in some other enterprise?

The program then goes through a step-by-step examination of the business to determine the areas of improvement, whether that be by cost cutting, product rationalisation or expansion, and market assessment. The program starts very much with an emphasis on numbers but uses the information to gradually review the broader business issues of the company. The program was trialed in 1995-96 and we had outstanding feedback from that. So far this financial year, 117 businesses have been on the program or have booked to go through the program. The feedback from the representatives of the companies who have been on the program has been excellent. I would like to see this program expanded to the regional economic development boards, in particular.

**Mr FOLEY:** Can the Premier provide the Committee with the employment numbers at the Centre for Manufacturing, the Business Centre and the ISO?

**The Hon. J.W. Olsen:** The Business Centre has 48.5 to 50 full-time equivalents; the Centre for Manufacturing currently has 27 and the recruitment potential there is for 35 to be based on fee-for-service; and the ISO has four, increasing to five.

**Mr FOLEY:** Given the importance of the car tariff issue as public policy and the important role of the Government, particularly the EDA, in that program, will the Premier say whether all the taxpayer-funded cars used by the EDA are Australian made?

**The Hon. J.W. Olsen:** Yes. There is a Holden Calais, a Holden Berlina, a Holden Commodore Executive, a Holden Acclaim, a Mitsubishi Verada, a Mitsubishi Magna Altera, and a Mitsubishi Magna Executive.

**Mr FOLEY:** The following information has been provided to us from people within Government. Is the vehicle driven by the Chief Executive Officer a taxpayer-funded vehicle and, if so, what make and type of vehicle is that?

**Mr Cambridge:** Under my package arrangements, I chose to cash in my car allowance and do my own thing. The Government does not provide that car. I have chosen to pay more than I should because I do not get the full benefit of taking a Government-provided car by taking a car of my own choice.

**Mr FOLEY:** As it is a matter of your choice, you can choose whether you answer this question: what make of car is it?

**Mr Cambridge:** It is a BMW.

**The Hon. J.W. Olsen:** I thank the officers at the table for their preparation for the Estimates Committee and their assistance during these proceedings.

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

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

Minister for State Development—Other Payments,  
\$66 252 000

**Departmental Adviser:**

Dr G. Simpson, Managing Director, Sagric International.

**Membership:**

Ms White substituted for the Hon. Mike Rann.

Mr Becker substituted for Mrs Penfold.

Mr Condous substituted for Mr Andrew.

Mrs Hall substituted for Mr Evans.

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

**The Hon. J.W. Olsen:** SAGRIC is the international technology and transfer project management arm of Government. Its current operations started more than 20 years ago and, since incorporation in 1979, the company has increased its regions of operations, as well as the range of South Australian technology promoted internationally. To date, SAGRIC International has completed over 700 technology transfer contracts in more than 70 countries and the delivery of world class South Australian technology in the main fields of agriculture, education, health, environmental technology, technical training, land management, water technology and supply management. It has employed on its contracts more than 1 500 years of professional experience, mostly from South Australia and, in doing so, has greatly increased the international awareness of the technical capabilities of professionals and organisations in which they are based.

The economic impact to South Australia of SAGRIC's overseas contracts is in excess of \$500 million and is increasing at the rate of over \$25 million per year. It involves the procurement and supply of over \$130 million of equipment as part of technology transfer contracts, in addition to its core business of commercial technologies transfer. In 1996-97, SAGRIC is managing over \$170 million of technology transfer contracts in 20 countries. In January 1997, the Government services export unit commenced operations. The unit drives on the capabilities, networks and systems of SAGRIC International to assist State Government agencies to commercialise their technology in conjunction with the private sector.

There has been restructuring with a new board in place, a business plan and strategic focus for return on capital with SAGRIC. In recent times, we have been able to exit Mrad Pty Ltd, and the commercial exposure of the Government of South Australia of up to some \$20 million is now eliminated. Dr Simpson, the staff and the board are to be complemented for what they have been able to achieve with regard to the performance of SAGRIC in meeting the challenge of the business plan in the past year.

**Mr FOLEY:** The Premier just said that the Government services export unit budgeted this year for \$450 000 but \$950 000 is the estimate for next financial year. What does that entail?

**The Hon. J.W. Olsen:** It is a policy decision to which the Government gave consideration. A number of Government agencies were chasing export markets. We wanted to ensure that it was not being used simply for overseas travel by some agencies of Government and that there was a clear strategic focus. Now, through SAGRIC, all Government agencies will focus on those opportunities. The expertise and knowledge of SAGRIC as to what is a possible beneficial outcome will

be applied to the measure. I will ask Dr Simpson to comment further.

**Dr Simpson:** We are trying to draw on the systems and international networks of SAGRIC to the benefit of both the private and public sectors in South Australia in a focused strategy for the State internationally. Regarding the figures that the honourable member mentioned, the unit will be funded out of SAGRIC's profits.

**The Hon. J.W. Olsen:** It has a coordinating role across the whole of Government to make sure there is a handle on overseas visits and programs that people are wanting to put in place.

**Mr FOLEY:** I do not have a problem with that, and I wish you luck in terms of that being achieved. What is the expected turnover for SAGRIC this financial year? What profit will be achieved, and what dividend, if any, is being paid to Government?

**Dr Simpson:** The revenue figures for 1997-98 have not been finalised yet, but there will be about \$27 million or \$28 million in revenue. This will produce a profit of about \$2 million, of which we are budgeting on paying \$1.5 million to the State Government.

**The Hon. J.W. Olsen:** This is the new business plan that has been agreed to with the new board and given specific outcomes and contribution to revenues.

**Mr FOLEY:** Who is on the new board? Who is the new chairperson? What salaries are paid to those people?

**Dr Simpson:** The Chair of the board is Robert Hogarth. Other board members are Brian Fricker, Gloria Harris, Sybella Blencowe, Lloyd Groves, Nigel Monteith and me. The board fees are the fees set.

*An honourable member interjecting:*

**The Hon. J.W. Olsen:** Historic information is not relevant to the current board. I will be more than happy to supply that information. It is nowhere near that.

**Mr FOLEY:** I hope you use that principle of historic information and relevance at the next State election.

**Mr CONDOUS:** Will the Premier provide details on the export of health related goods and services that occur through the international contracts undertaken by SAGRIC International?

**The Hon. J.W. Olsen:** SAGRIC has been contracting South Australian health services overseas for some six years. The company has completed or is currently completing in excess of \$40 million in health contracts mainly in the fields of primary health care and community health, examples being the \$9 million PNG population and family planning project, which combines demographic data collection and analysis, community involvement in the delivery of provincial family planning services and the \$6 million PNG sexual health HIV/AIDS prevention and care project, which involves promoting sexual health, preventing sexually transmitted disease and reducing the impact of STD and AIDS on individuals in the community.

Health contract opportunities in the Asia Pacific region are expanding rapidly, and SAGRIC is now working closely with EDA and the Centre for Manufacturing to provide additional equipment export opportunities for South Australian manufacturers and suppliers of health equipment. I guess Dynek is one of those companies. A handbook of health providers has been compiled by the Centre for Manufacturing, and SAGRIC International is working with the centre to provide information on its health equipment supply contracts to those providers.

**Mr CONDOUS:** Who are the main clients of SAGRIC International and what are the benefits to South Australian Government agencies in addition to the commercial returns?

**The Hon. J.W. Olsen:** As I mentioned earlier it was established in 1979 to undertake international commercial transfer to the public sector. The company has successfully completed more than 700 contracts in 70 countries, based on South Australian public and private sector technical capabilities. In doing so the profile of South Australia's technology has been elevated in these countries, getting past this 'rust belt' tag that some journalists in Australia tend to apply to South Australia. The professional skills of agency staff have been developed and, more importantly, cultural awareness of the individuals and agencies has been increased. It is a way in which the intellectual property of Government agencies and departments can be taken into the international marketplace commercially.

Under the business plans now in place, the beneficiary will be the taxpayers of South Australia. Some of the clients of SAGRIC include the international banks, the Asia Development Bank, the World Development Bank, as well as foreign governments and the private sector of some of those countries. The Federal Government is the biggest client for the technology available in South Australia, and SAGRIC has been the biggest contractor to the Government by contract number and the second biggest by value for a number of years.

**Mr QUIRKE:** I am pleased to hear that there has been a bit of house cleaning since the days of Pat Harvey who, I point out to the Premier for the historical record here, used to top up his pension by exactly the amount of money that he was short changed when he retired after the Economic and Finance Committee was after him for the way in which his salary was set up. How are salaries for SAGRIC determined now? Is it by a wink and a nod at a board that used to bring in consultancies that would rubber stamp pay rises for people there?

**The Hon. J.W. Olsen:** I am not sure whether the honourable member is talking about the board or—

**Mr QUIRKE:** I will clarify that. The way it was done until a few years ago was that the board would give a wink and a nod and authorise pay rises to executives, usually on the basis of what they thought they should get.

**The Hon. J.W. Olsen:** I assure the honourable member that whilst the board sets the fees for staff, directors' fees are set in consultation with and within the policy parameters put down by Graham Foreman's office—and that is across Government.

**Mr QUIRKE:** I would like to ascertain the salary structures of SAGRIC.

**The Hon. J.W. Olsen:** It is in the annual report. I simply draw the honourable member's attention to the annual report.

**Mr QUIRKE:** All the executive salaries are in the annual report, including details of their packages and so on?

**The Hon. J.W. Olsen:** If the honourable member lists exactly what he wants I am more than happy to ascertain the information.

**Mr QUIRKE:** I would like to see the executive salaries of SAGRIC and how each one of those salaries is composed, including the superannuation component, the provision of cars and/or other fringe benefits, and the total cost to the taxpayer for each package.

**The Hon. J.W. Olsen:** I assure the honourable member that salaries packages put forward for all chief executives of Government agencies now include total package: cars,

superannuation or any benefits are added into the total lump sum identified as the salary package for the people concerned. No longer is it a base salary plus the add-ons left somewhere else: the total salary package is the figure to which Government refers across all agencies.

**The CHAIRMAN:** We are still examining the vote for State Development, Other Payments, but the SAGRIC examination is completed. The MFP is the next agency.

**The Hon. J.W. Olsen:** I thank Mr Simpson for his attendance here today and the assistance of the agency in the presentation of information to the Committee.

#### Additional Departmental Advisers:

Dr L.S. Hammond, Chief Executive.

Mr K. Aufderheide, Financial Controller.

Mr J. Cogdell, Senior Accountant.

Mr B. Harper, General Manager Business Development.

Mr R. Hook, Project Director, Glenelg/West Beach Development.

Mr D. Lambert, General Manager Project Delivery.

Mr K. O'Dea, General Manager Commercial.

Mr D. Ryan, Manager Government Relations.

**The CHAIRMAN:** Does the Premier wish to make an opening statement?

**The Hon. J.W. Olsen:** At the time of the Committee hearings last year the MFP had been facing considerable uncertainty about its future. It was confronted by some widespread scepticism in the South Australian community about whether it was capable of achieving the ambitious objectives that had been set when the so-called MFP project was brought to South Australia. In the year since the last Estimates Committee hearings there have been some significant changes. The last year has seen a record that represents a strong response to the ultimatum which I gave to the MFP Development Corporation board late in 1995 and which I repeated in the hearings last year.

For the record, *Hansard* shows that I said that this was about performance based deliveries and that it was non-negotiable. The MFP has responded. In 1996-97 it has delivered to the point of physical implementation of the project that defines the MFP for most South Australians, namely, the Smart City development at the Levels. That is the flagship project, to be called Mawson Lakes, and I would anticipate on-site work starting within the next few weeks. That follows the Government's decision last October to participate and invest in the project and the recent completion of negotiations and documentation.

An amount of \$6.4 million has been allocated in this year's budget. The project will be developed on 620 hectares of land adjacent to Technology Park. It is a high-tech based development that will integrate commercial, industrial, residential and educational activities. A new community will develop over 10 years with an investment in excess of \$850 million. It is estimated that the project will create 1 500 construction jobs as well as creating permanent jobs and student places on site. The pipeline scheme is continuing to be negotiated with the end users, and the proponents and I would hope that, in the not too distant future, we will be able to reach a successful conclusion on that project.

All Commonwealth funds allocated for the project are now secure and earmarked, and progress is being made. That clearly is a project of invaluable economic benefit to South Australia. In addition, we have put in place a new and streamlined board. The size and cost of the MFP has been curtailed substantially. I decided earlier this year to merge

with the MFP the Urban Projects Authority, tourism projects of an infrastructure nature from the Tourism Commission and the strategic planning and policy group of the Department of Information Technology Services.

The role of the MFP is to develop Adelaide as the Smart City. The core role and business of the MFP has not fundamentally changed. The organisation exists to bring new innovations to South Australia and to be part of the Smart City. This morning at the Mile End site I was able to demonstrate clearly how the environmental work undertaken by MFP is invaluable to South Australians. In this case, an inner-CBD site was contaminated with the spillage of 50 years of diesel distillate. In addition, 130 000 litres of diesel fuel had leaked into the aquifer. That diesel fuel has now been drawn out and floated off and the water returned to the system under EPA and SA Water guidelines.

Remediation of the ground is taking place and eight metres of soil will be removed from the site. The contaminated soil (30 000 truck loads) has been consolidated and compacted under the car park behind the athletics stadium. We will have in that remediated Mile End site, with the deviation of the western bypass and the closure of Railway Terrace, a 60-housing site development. This project has taken a location that was sadly contaminated and turned it into a prime CBD site for housing and sporting and recreational activities, and that is certainly a major MFP outcome. It was staggering to see what had been achieved.

It is the same sort of development as that involving the remediation of Garden Island, the work that has been done in the wetlands, the advice in relation to the Patawalonga and the establishment of upstream wetlands. That is part of the capacity that has been built up by the MFP over a period. A number of key projects are in place, the responsibility for which now lies with the MFP, including the consolidation of a number of disparate functions of Government in different agencies. My purpose in consolidating them in a policy and implementation arm in one agency was to ensure that we removed the round-robin approach for projects in South Australia, that is, a project doing the rounds of five or six Government agencies to reach approval.

The consolidation of the infrastructure arm of Government into one agency gives a greater degree of accountability and, hopefully, it will be seen by the business community as a more expeditious way of dealing with a range of projects in South Australia. After 20 years and some five plans, we have seen the development of the Holdfast Bay project come to fruition. I am absolutely delighted that approximately \$20 million off the plan has been sold. The way things are going we will sign off on stage 2 before stage 1 is constructed, and I am keen for stage 2 to take in Magic Mountain. Other initiatives include the National Wine Centre at Hackney and the refurbishment and remediation of the Harborside Quay development at Port Adelaide. I am sure that the member for Hart would be pleased to see that development taking place.

In addition, the \$15 million development at Lipson wharf is under way. I mentioned previously today the Torrens Domain and the responsibility of the development corporation in relation to that, as well as site remediation in a number of areas, including, hopefully, the Federal Government's signing off of \$5 million to enable the remediation at Islington to commence shortly, a project that is long overdue. That is a snapshot of the MFP policy change and, over the course of the past few months, the responsibility that has been introduced and the reasons for so doing.

**Mr FOLEY:** The Opposition has indicated publicly that it is reconsidering its position in respect of the MFP. It would be fair to say that the Opposition is somewhat disappointed that the Government has chosen to totally reorientate the MFP, given the Premier's remarks. Quite frankly, the projects the Premier has mentioned, as worthy as they are, were well under way by existing Government agencies long before the MFP was given responsibility for them. I point to the Harborside Quay project as an example, given that Premier Arnold launched it in 1992. The Urban Projects Department had been remediating that property only to see it badged as an MFP project.

The Opposition's view is essentially that the MFP has a job to do in respect of its original charter. The pressure was on it to perform. The MFP cannot be measured as being successful simply by bringing under its umbrella a series of projects that were already under way within Government. It would be fair to say, particularly as I was a strong supporter of the MFP, that I am now somewhat disillusioned with that commitment, given that so much money has been expended in endeavouring to bring the MFP up to speed. Through Government direction, the MFP is taking its eye off the ball and is now responsible essentially for a series of urban development proposals. That is not what we in the Opposition considered the MFP's role to be.

We believe that many of those tasks were adequately controlled in other areas of Government, particularly the issue of the Torrens Domain. I have seen some pretty silly Government announcements but that one was up there with some of the best. To call the Torrens Domain some sort of MFP vision for the future simply to put under its umbrella a whole collection of CBD development projects such as the redevelopment of Parliament House, the EDS building on North Terrace, the Nova Cinemas located in the east end of Rundle Street and other projects is a nonsense, because it is essentially allowing the MFP to be totally distracted from the taxpayer's investment in terms of achievement. I believe that those projects were more adequately handled by other areas of Government. The Premier raised the issue of the MFP's being more accountable but, quite frankly, we have one line in the budget papers: MFP Development Corporation.

We no longer have the transparency we had when a lot of these activities were undertaken by the urban development projects team, the tourism development team within the commission and the other areas of Government which are now under the umbrella of the MFP. We have lost all of that accountability. Frankly, I think that far from being more accountable it is now even less accountable. After the long period of effort by Governments to get the MFP up and running and the massive taxpayer investment in it, to distract totally what it is all about is a failure of policy and something that we will no doubt debate in other forums. I refer to page 128 of the Estimates of Receipts and Payments. Could the Premier explain the \$2.313 million subsidy to the MFP project board?

**The Hon. J.W. Olsen:** Whilst my advisers try to find those figures I will respond to some of the member for Hart's comments. The member for Hart misrepresents the position. In any organisation such as the MFP Development Corporation there is an evolving brief. It has to move on; it has to have the next phase. The MFP has been around for a considerable period. The gestation period was far too long, and we all agree about that. At the end of 1995 there was a refocusing. I have put in place a number of measures which I would have thought met the questioning of members of the

Opposition and, indeed, my own questioning. We have reshaped and refocused. The core objectives of the MFP have still been in line. When one signs off the major technology development at Mawson Lakes of \$850 million one ensures that it is set and that it will now proceed. You have to move on; you cannot mark time. It is the responsibility of the development corporation to do that intellectual capacity and smart city concept. It should not be confined to Technology Park but put in a number of nodes across the metropolitan area of Adelaide.

The honourable member has misrepresented the position with respect to the Torrens Domain. I advised this Committee earlier today that it is not for the MFP to oversee the refurbishment of Parliament House. For the honourable member to suggest otherwise is arrant nonsense. This Government has actually done something with Parliament House. I can well remember sitting in a room on the second floor when the former Administration would not even provide an air conditioner. At least this Government has done something about the refurbishment of Parliament House. It is designed to bring together, as the Adelaide 21 strategy identified, a coordinated approach to development in the CBD of Adelaide. We do not want an *ad hoc* approach with the public and private sectors but a coordinated approach so that we do something with the Torrens Domain, the North Terrace Boulevard or the North Terrace precinct—call it what you will—so that at the end of the planning strategy and after the implementation stage in the next five to seven years we have something substantial to show for the private and public sector investment.

In recent years the Adelaide City Council has dropped the ball. I would hope that no member of this Committee would deny that the ball has been dropped in recent years. With the election of the new Lord Mayor, Jane Lomax-Smith, we have a clear focus in wanting to draw together. Certainly, the State Government and the Adelaide City Council will work together in a cooperative way to achieve for the CBD, the North Terrace precinct and the Torrens Domain an outcome of which South Australians can be proud.

That is not something which will be there tomorrow: it is something which will evolve over the next five to seven years and which will be important. It is not a policy failure: it is simply a matter of moving on to the next phase and the next quantum step forward. The judgments will still be there in terms of environmental remediation in South Australia and in relation to the Mawson Lakes development. I invite the member for Hart to join me when the bulldozers cut out their first strip at Mawson Lakes. In respect of harbourside quay, I acknowledge that it has been in the gestation period for a long time, as has the Glenelg project. This has been brought about by a coordination of agencies and a drive—

*Mr Foley interjecting:*

**The Hon. J.W. Olsen:** It is the people in the MFP who have brought together in a consolidated forum policy development and decision making of government. This is designed to get things moving rather than stalling in different agencies' baskets; it is moving forward. I am confident that in the fullness of time the member for Hart's criticism will be seen to be ill-founded. In relation to board efficiencies, I point out to the member for Playford that they have been achieved. We have reduced combined board costs by 31 per cent. We have reduced board membership by 33 per cent. The combined staff levels of the new organisation are down 10 per cent. Excesses have been curtailed. The entertainment and travel expenses are down

33 per cent. The number of senior executives is down 38 per cent. I am sure that this is all music to the member for Playford's ears. Real achievement and real focus has been there in the past year. I said to the member for Playford in a number of answers that there would be a new focus and that it would be implemented. I point out that it is there and that it has been delivered as indicated.

My only other throw away line in respect of the member for Playford as he moves to the Senate is that the Senate Estimates Committees have no time limit on them. So, the Committees sit until the last member of the Committee has asked their last question. I hope it is a system we never employ in South Australia. In response to the member for Hart's specific question, under the tax equivalent regime land tax is payable, and that is an offset provided by Treasury.

**Mr FOLEY:** How many MFP executives currently earn in excess of \$100 000 per annum?

**The Hon. J.W. Olsen:** Ten. It was 16, but it is now 10.

**Mr FOLEY:** Are any of these executives eligible for bonus payments, and which officers received bonus payments this year?

**The Hon. J.W. Olsen:** No. No-one received any bonus payments.

**Mr CONDOUS:** Can the Premier outline the expertise and experience that South Australian Government agencies have demonstrated in dealing with rehabilitating and remediating polluted urban environments, and will he indicate how this is an advantage to South Australia?

**The Hon. J.W. Olsen:** The honourable member's electorate would be one beneficiary of much of the work done upstream. In fact, the honourable member's representations with respect to the Glenelg-West Beach development brought about some major modifications in that project. As it turns out, it is a real win for all groups. The expertise and experience that South Australian Government agencies demonstrated in cleaning up polluted sites is very significant. The clean-up of the Mile End rail yards to which I referred a moment ago and to which I will not go into detail again is an outstanding example.

The creation of award winning wetlands around the Gillman and Barker inlets is a significant project. I refer to the rehabilitation of Garden Island, the rubbish dump and Port Adelaide including the innovative recycling of green waste to manufacture soils used in clean-up, the remediation of old sheep burial pits at The Levels involving university researchers in biological disposal of old sheep carcasses *in situ*, the proposed new generation linear wetlands at Mawson Lakes involving aquifer storage and the recharging and clean-up of the Patawalonga and upstream catchment management techniques to prevent problems at the source—something that will benefit the honourable member's electorate in particular.

The restoration of the port waterfront and the harbourside quay area, along with the future clean-up of the AN area at Islington, are examples of a growing concentration of skills from the public sector, universities, the MFP Development Corporation, private sector consultants, major construction companies and engineering firms. It is a coordinated approach to bring together all that intellectual property. That then means that you can transform difficult, polluted, neglected areas by remediation into residential leisure and tourism facilities. It draws together a range of researchers, scientists and different teams in the rehabilitation of mistreated urban precincts to make it a showcase of environmental solutions. What has been achieved with those wetlands at Urrbrae (now targeted for awards, I see) and what has been

done in relation to the Gillman and Barker Inlet areas are techniques that will stand this State in good stead.

If we look at the Asian marketplace, in particular, the Government of Brunei has asked for details, and videos have been sent to them in terms of the mangroves and the clean-up of those areas. They have major problems with neighbouring countries impacting on their mangroves. Other major cities throughout the Asia Pacific region, as they start concentrating on conservation and environmental clean-up, will bring us major project management opportunities. What we will effectively have achieved, in a range of places throughout the metropolitan area of Adelaide, is a national and international demonstration site. That then gives us the opportunity to project manage that expertise in marketplaces interstate and overseas.

**Mr CONDOUS:** Will the Premier outline to the Committee the nature of the proposed Torrens Domain project? Has it specified funding and where is such funding referred to in the budget papers?

**The Hon. J.W. Olsen:** An estimated \$150 000 over six months has been provided for administration purposes to coordinate and meet expenses associated with the project. That will be absorbed from within the MFP Development Corporation's budget. It is important to understand that the role of the MFP Development Corporation will be to develop a master framework, concept plans and design initiatives for the Torrens Domain. It will not be taking actual control of them, which is the misrepresentation that is constantly put forward. The plan is to revitalise that North Terrace precinct, the face of Adelaide, and to take it into the next century. We had in the past a whole range of disparate groups and nobody coordinating anything. We talked about this in South Australia for many decades, but it was not delivered.

This is about doing something, about putting in place structures to deliver for South Australia something that successive State Governments, successive Adelaide City Councils and the public of South Australia have wanted for some time. This is about doing something and delivering for South Australia. Some 30 significant projects in the northern sector of the CBD are either under way or in development, with private investment of more than \$600 million. It is born of the Adelaide Partnership strategy. This is about picking up advice and recommendations and putting in place the structures to deliver at the end of the day.

The member for Hart can deride that, but I guess, being the sort of person he is (and I know that he will), in eight years when all this is coming to fruition he will be prepared to say in subsequent Estimates Committees or in Parliament that the policy did work. I could go on in terms of a whole range of projects, but it is an exciting policy concept that is important in the CBD.

**Mr CONDOUS:** Will the Premier explain to the Committee the Glenelg-West Beach development outlined on page 36 of the Capital Works Program, and the benefits for the State?

**The Hon. J.W. Olsen:** Since the announcement of that project I have highlighted the sale of almost \$20 million worth of property, which is encouraging. The estimated total budget cost is \$48 million, of which \$26.7 million is foreshadowed in the budget. Construction will be under way by December this year. The project will comprise a \$70 million residential commercial tourism development at the Patawalonga mouth with shops, cafes over the beach, a new marina, a site for car parking at the end of Anzac Highway, a tavern, and 170 apartments and marina berths inside the

Patawalonga Basin. The consortium will spend up to \$15 million on infrastructure works to create the marina basin, marina pier and lock modifications as a platform for various elements of the project.

There will be a new focus for boat users, with the Government building a \$10 million offshore boat launching facility at West Beach to replace the facilities at Glenelg. Whilst there is additional capital infrastructure, that was a direct result of many of the representations made by the member for Colton about the Patawalonga outlet and about dissecting the beach at West Beach. Those representations were taken on board, the scheme was modified as a result of those representations, and what we have is an outcome that, from an environmental point of view and from an aesthetic point of view, meets all the requirements. Indeed, since being announced the development has received support from all sectors of the community.

I would like to commend officers who worked extraordinarily hard to work through the options to bring about an outcome that was in the interests of all people. At one stage the member for Colton introduced me to the Residents Action Group, which put a range of options. It demonstrates that by taking some account of the points of view that are put forward you can modify proposals to win the support of those groups at the end of the day. The outcome is particularly good for South Australia and for those interest groups, following the member for Colton's representations that have been taken into account. I concede that there is greater infrastructure input to the project, but the outcome is better.

**Ms WHITE:** In this Parliament I and my colleague the Hon. Paul Holloway have drawn the Government's attention to an inconsistency between the Government's public statements and budget paper statements that the total cost to the South Australian taxpayers of the Wirrina marina resort development is to be \$14.9 million and the evidence provided by the South Australian Tourism Commission to the Public Works Committee that the total cost will be \$19.5 million. It seems to me that the Government is attempting to hide the true extent of the South Australian taxpayers' contribution to the work being done by the Government on this private development.

Will the Premier explain to the Committee why the total cost of the public contribution appears in this year's budget papers as \$14.9 million when the combined evidence of SA Water and the South Australian Tourism Commission to the Public Works Committee has been that the total cost to the taxpayer is \$9.5 million for the marina and public road upgrade plus \$10 million for the provision of water supply and effluent treatment infrastructure, a total of \$19.5 million?

*Mr Foley interjecting:*

**The Hon. J.W. Olsen:** I will ignore the gratuitous advice from the member for Hart. The member for Taylor has misinterpreted the figures. The allocation is \$14.85 million to the Wirrina development. The honourable member is confusing an extension of the trunk main which will go through to Normanville and which is part of the normal provision of infrastructure for development that is taking place in the southern coastal region. The Opposition cannot lump a trunk extension into the Wirrina development. Try as the Opposition might to suggest there is a cost overrun, I am advised that there is no cost overrun. It is \$14.85 million. The other fund to which the honourable member is referring is a trunk main extension from Myponga to Normanville.

**Ms WHITE:** Supplementary to that, that answer is not good enough.



**The Hon. J.W. Olsen:** I am sorry. Perhaps the honourable member should withdraw her question.

**Ms WHITE:** I raised this issue with the Auditor-General and he could not say that the total public cost was \$14.9 million. He agreed with my assertion that it was \$19.5 million or thereabouts. The estimated total cost in the budget paper reads \$14.9 million. People from the South Australian Tourism Commission and SA Water when specifically questioned about the total public cost—that is the total of taxpayers' money to this project—have given information that adds up to \$19.5 million.

**The Hon. J.W. Olsen:** What is the question? There was a statement, but I have not heard a question yet.

**Ms WHITE:** There is a clear inconsistency between the information that the Premier is trying to give to the people of South Australia—that is, that taxpayers are putting in only \$14.9 million—and the evidence of his own departmental officers that it is closer to \$19.5 million. How does the Premier explain that?

**The Hon. J.W. Olsen:** The member for Taylor has just seen an officer give me the response, that is, that the member for Taylor is confused. As for interpreting the Auditor-General, let me say that I will not take the member for Taylor's advice regarding the view of the Auditor-General: I would rather take it directly from the Auditor-General and it be clear and concise, not an interpretation of a discussion with the Auditor-General. Suffice to say, my answer to the question is in the parliamentary record. It is clear, concise and specific.

**Ms WHITE:** If that is the case and this difference of \$5 million is not a cost to the taxpayer, who is footing the bill?

**The Hon. J.W. Olsen:** It might be news for the member for Taylor but the simple fact is that when the Government installs, under the capital works program for SA Water, major infrastructure such as a trunk main, it is a cost to the South Australian taxpayer—it has been throughout history and will continue to be in the future. The cost recovery takes place in terms of fees and charges that are put in place, as the member for Hart knows full well. I have indicated that this is a trunk main between Myponga and Normanville.

*Mr Quirke interjecting:*

**The CHAIRMAN:** The interpretations vary. I have three questions down against the member for Taylor, or three statements, depending on how you choose to put it. I am taking the member for Taylor's advice. I was assured by the member for Taylor that the second statement she made was a question, so I put it down as a question. I do not want to argue the issue.

**Mr BECKER:** I think the member for Taylor mentioned something about a supplementary, but it does not matter. The member for Taylor is on the Public Works Committee. Why did the honourable member not pursue this issue when the Public Works Committee looked at it? Why did the honourable member not note it in a report?

**The CHAIRMAN:** The question should be directed to the Premier through the Chair, if the member for Peake pleases.

**Mr BECKER:** It may be that the issues raised to the Premier—

**The CHAIRMAN:** It is an interesting variation to liven up an otherwise straightforward evening.

**Mr BECKER:** It makes you wonder about the work of some parliamentary committees. The Premier has given a very detailed outline of the status of the MFP stage 1 development of Mawson Lakes. Will the Premier further

enlarge on that and advise the Committee of what will make this development different from all other developments?

**The Hon. J.W. Olsen:** There is a present budget allocation of \$6.4 million for infrastructure. The all up cost over the 10 years of the project will be \$31 million. The joint venture agreement with Delfin, Lend Lease and Telstra is about to be executed. The Mawson Lakes development will be different in a number of ways. First, planned key features will be integration of university, high tech and IT activities, and shopping, recreation and housing; and lakes and innovative waste water treatment will be key features of the project. It proposes some 4 000 dwellings for 10 000 to 12 000 people constructed over a 10 year time line. The total anticipated investment will be around \$850 million. Approximately 1 500 construction jobs will be created. It will be an IT&T community development which will be internationally recognised as an integration of economic, social, education and environmentally sustainable development. It will include part of the University of South Australia's Levels campus site, Technology Park and greenfields land.

The site does not require major remediation and reclamation. The new community will be characterised by an existing stock of jobs with potential growth; coast links with the northern sector of Adelaide; innovation and amenity in its design and buildings; and a strong commitment of Government at all levels with Telstra, an experienced developer of proven record. It is clearly a once in a life time opportunity to position South Australia and take Technology Park, which is 18 years old, the next quantum step. Technology Park has served its purpose: it has to move on. It has to put a benchmark in for the next generation. Much has changed in the IT&T area, in Technology Park. We were ahead of the pack. We slipped. It is not ahead of the pack any more. It now needs this next quantum step forward. This is the next phase.

I refer to the sheep burial pits. Whilst there was some murmur—humour—about burial pits, carcasses being retreated and put back in situ, by finding an innovative solution to that in conjunction with researchers the originally forecast cost of some \$2.5 million has been reduced by over half to about \$1.1 million. At the same time, it creates a valuable product and that is a benefit and a technology as a result of meeting the challenge. That is just another outcome and something to differentiate the project.

The other point that needs to be borne in mind is that the Northern Adelaide Development Board is particularly good and it has a school to work transition for young people in year 12, streaming them for job opportunities. I understand that of the year 12 students in that region all but a handful—I think two or three—who left school last year have found employment. It is that sort of focus that the Northern Adelaide Development Board has in place. Working with businesses in the region and putting in place job opportunities for the future is a model that ought to be used elsewhere.

**Mr BECKER:** It is good news, but what annoys me is that, although we have an \$850 million development with 1 500 construction jobs, I understand that there is a shortage of jobs in that area and that some construction companies have left the State. What impact will that have?

**The Hon. J.W. Olsen:** Sometimes it seems that we cannot win. The defence and electronics industry has expanded at 20 per cent over three years, but suddenly we have a dearth of software engineers to meet the job opportunities in that industry. Regarding the construction industry with our capital works program, the development at Roxby Downs is putting

pressure on the construction industry in South Australia to meet ongoing needs.

We have to make sure that we do not enter another boom-bust cycle, which has been experienced all too often in the industry sector in South Australia. We must try to even that cycle out in some way. At the moment, some people are coming back from interstate because of the opportunities here. For example, in the northern part of South Australia, drilling rigs for exploration are simply not available. They are all being used. The number of units being used for exploration has accelerated but we could put more into the field to spend the money that has been allocated for further exploration in the north.

Whilst those indicators are good, the way they can be translated into jobs is to make sure that the State has the human resource and the companies have the resources to meet the demand that is evolving. Clearly there are pressure points. In part, it is a healthy problem to have, but we have to match the back-up from companies with contracts that are available.

**Mr BECKER:** The MFP has developed a certain amount of expertise in mosquito control. When I was first elected to Parliament in 1970, light aircraft would fly down the River Torrens to spray periodically to control mosquitoes. That practice has been cut out because it was too dangerous and the chemical is no longer in use. This is a major problem for people living in the Patawalonga area, around the River Torrens at Henley South, near the wetlands area at Salisbury and other new areas. Whilst it might be laughable to the Opposition, it is deadly serious for the people who are allergic to mosquito bites. What guarantee can we give these people that we are concerned about the containment of mosquitoes and the reduction of the likelihood, if there is one, of Ross River fever or any other diseases that may be transmitted by these pests?

**The Hon. J.W. Olsen:** I thank the honourable member for his question and I assure him that, in the Riverland, particularly during summer after a good wet winter, it becomes a difficult problem. However, I am told that the MFP Development Corporation's contribution to mosquito control is a contract with the South Australian Health Commission, which has lead agency responsibility. Biological control—via fish—is in place. Properly designed wetlands with natural biological communities resolve the problem, particularly at the Gillman site. I will arrange for the South Australian Health Commission to give the honourable member a more detailed response to his question.

**Mr QUIRKE:** The Premier and I have had some discussions about the Dean Rifle Range and a number of people are very concerned about this issue, particularly their landlords. As I understand it, the situation is in limbo and there is some concern that the relocation is not going to happen. Will the landlord, namely the MFP, give a long enough lease down there for the Dean operations to continue, given the Olympic Games coming up and the possibility of Commonwealth Games applications in the future? Will the Government advise whether the process of relocation, which was quite well advanced until fairly recently, will be picked up in the future and that the parcel of land identified for a future rifle range will be held by the Government so that if a changeover has to take place in the intermediate future that will be okay?

**The Hon. J.W. Olsen:** In relation to the alternative land to provide a fall back position to the rifle range, we are awaiting final planning approval at Lower Light. My understanding is that an agreement is in place for the

purchase of suitable land by SARA. We are also waiting for SARA to confirm loan availability and we are assessing the risk of SARA staying on site, which was the matter that I referred to earlier. As it relates to the fall back position of the land, that has been put in place, and I do not envisage that there are any difficulties in ensuring that there is a fall back position for the Rifle Association.

**Mr QUIRKE:** I have a couple of supplementary questions. Is it the position that, although there is discussion that the lease will terminate at the end of next year, that will not be the case and that it will continue into the indefinite future? Is it no longer required to bring this land directly into those mosquito ponds—you call them wetlands? That also raises the question of the safety templates behind the target butts, which go into part of the wetlands. Will that be an issue in the intermediate future?

**The Hon. J.W. Olsen:** An assessment is being made of the risk of the rifle range staying on site as it relates to the wetlands and the walking trails through the wetlands. SARA does not have a lease currently. The MFP has notified that it will have occupancy until late in 1998. We are trying to give some surety for a year or so in advance. In the meantime, we have protection in terms of the alternative land site available for the association. I can assure the honourable member that we will not put them into a no-win position and put them out in the cold. In good faith, all parties have to negotiate the outcome and move forward cooperatively to get an outcome that suits everybody. That needs to be understood but, if all the parties do that, they will not be inconvenienced. If the inference is that SARA would not have a range for a period of six or 12 months because of its exiting one spot and not establishing the other, that is not what is proposed in the negotiations, and it will not be an outcome.

**Mr QUIRKE:** I thank the Premier for his assurances. SARA will be pleased with that, because this has been a long saga. I make no reflection on the present administration of the MFP, but I have evidence from my office all the way down that there have been a number of problems with MFP officials having an attitude towards SARA and to rifle shooting in particular—that they would prefer to see it anyway. I made the comment to three of the leading lights of the MFP who came out to see me at different times that I had found something that the MFP did not stand for. I note that Dr Webber is not here tonight, but I ask the Premier for details of Dr Webber's travels over the past 12 months. Has he met the deadlines that I understood were set down for the signing of various contracts in the Australia/Asia business consortia area by the end of last year?

**The Hon. J.W. Olsen:** The answer to the last part of the question is 'No', but I will get the honourable member the full travel details as required. We will take that question on notice and advise the honourable member.

**Mr QUIRKE:** Have we got anything out of the Australia/Asia business consortia at this stage, other than a lot of frequent flyer points? Is there anything on which we can hang our hat and coat over this?

**The Hon. J.W. Olsen:** The short answer is 'No'. Once again, I will detail some information for the honourable member.

**Ms WHITE:** The budget papers indicate that the estimated total cost of the Worrina marina and resort is \$14.9 million. In response to my earlier question, the Premier admitted that the cost to taxpayers was much more than that. In fact, there was a \$5.1 million upgrade to the reticulated water supply system in the Normanville area to the Myponga reservoir.

Does the Premier stand by his statement that that is not regarded as a cost to Wirrina when evidence provided by his own South Australian Tourism Commission and the then EWS Department in May 1995 says of that \$5.1 million for the reticulated water supply system:

Taking into account the development proposed at Wirrina Cove, the upgrade is likely to be required as early as 1997—

that is, earlier than 2007 when it would otherwise have been required—

and cost an additional \$2.6 million as a result of the demand from the Wirrina Cove Resort.

How can the Premier say that this is not a cost to the Wirrina project from the public purse, when clearly evidence by his departments to the Public Works Committee indicates otherwise?

**The Hon. J.W. Olsen:** As I indicated in my previous answer, Wirrina will pay an augmentation charge, as will any other recipient along the line, and that is part of SA Water's requirement for a return of funds for major trunk infrastructure upgrade. Wirrina will pay the same augmentation charges as, indeed, any other draw-down consumers.

**Ms WHITE:** What is happening with the Granite Island development? As members would be aware, in March receivers were appointed to the Greater Granite Island Development Company. It has been stated publicly by the Tourism Minister that the Government has offered or had offered an assistance scheme, with some conditions attached to an offer of a significant amount of money. How much total funding has the State Government put into the Granite Island development? How much of that taxpayers' money will now be recovered by the Government, given that the development has just gone belly up?

**The Hon. J.W. Olsen:** I understand that \$1.3 million has gone in in infrastructure, which involves the causeway, the screw pile jetty and services to the island. I am advised that that is infrastructure that was required in any event. The Government exposure with respect to the private sector company that has been put into liquidation is \$80 000.

**Ms WHITE:** I note that, in this year's capital works program under the MFP line, there is no item for the Hog Bay Inn. Last year there was a line allocation of \$300 000 and, when I asked what that was for, I did not receive a satisfactory response from the then responsible Minister. Have we spent that \$300 000, and what did we get for our money?

**The Hon. J.W. Olsen:** We have not spent the money. In relation to Hog Bay, we are still negotiating with a private sector consortium.

**Mrs HALL:** Referring to page 36 of the capital works program document, under the heading 'Tourism development projects', I note that the Government has allocated \$20 million to be spent over the next two years on the National Wine Centre. What benefits will flow to South Australia from this important national project?

**The Hon. J.W. Olsen:** I welcome the support of the Opposition for the establishment of the National Wine Centre at Hackney. As I mentioned earlier, what is really important now is passage of the legislation through both Houses of Parliament to ensure that we secure the National Wine Centre for South Australia. There is no doubt that one person from one State in particular has been pursuing aggressively the establishment of the National Wine Centre, and he will not get it. That will mean that we need to proceed in advance. The Government has allocated \$20 million for the National Wine Centre, which will be a working, living display. I noted

comments in the paper from one or two people saying it ought to be in a wine region and a whole range of things.

I simply point out to the Committee that the Winemakers Federation and the wine companies in particular had a number of requirements. First, it had to be divorced from any particular brand name or company, that is, it had to be generic in nature, so that there is no single advantage for one company over another. Therefore, it could not, for example, go to Penfolds or the Magill Estate. Secondly, it had to be close to the CBD so that it could obtain maximum tourist visitors, and it had to be easily accessible to transport links. That is why Hackney met those requirements. Thirdly, a working display was required by the industry.

At the Hackney site, you could plant a range of vineyards with different varieties and, therefore, it could be an interpretive area for the various vines grown for the many varieties. As I understand it, it will include in the Goodman building an interpretive centre for the various wine regions throughout Australia. Of course, that will pick up McLaren Vale, Coonawarra, the Barossa, Clare Valley, and the like, so that people going into the wine centre can have 'a taste of' and a description of the various wine regions to which they might like to go.

South Australia is the pre-eminent wine State of Australia. It is absolutely critical and essential that the National Wine Centre be located in the State that exports nearly 70 per cent of Australia's wine. Certainly, the Winemakers Federation and the representatives on the working party from Victoria and New South Wales are complementing that. They are anxious to get on with the project, and we will assist them in moving forward. I hope we will continue to get the cooperation that we have received so far from the Opposition as this legislation passes through the Parliament so that we can simply get on with it and start constructing the National Wine Centre.

I would hate to see delays in the sign-off of this National Wine Centre in one form or another so that South Australia and, say, Victoria applied to the Centenary Federation Fund for funding of a national centre of this nature—and the National Wine Centre would qualify for the Centenary Federation Fund. I would hate to be in a position where Victoria made an application and was granted Centenary Federation funding and we were not, simply because it had the capacity to proceed immediately while we were delayed in the construction of the building. I welcome the support to date; however, it is a timely warning that unless we process this expeditiously it is still up for grabs, and it is important that it stay here in the wine capital.

**Mrs HALL:** Given what the Premier has said about the cooperation from the Opposition that he and I am sure South Australians expect, will he give the Committee some information about the working relationship with the private sector and the job opportunities that may flow from the establishment of the National Wine Centre and any coordination in this project involving the MFP with any of the educational institutions in South Australia?

**The Hon. J.W. Olsen:** They are in the process of developing a business plan for the National Wine Centre. We have said that we will contribute up to \$20 million capital, but we are not prepared to put in place a drip feed thereafter: the operational costs of the National Wine Centre have to be met by the industry. If the Government puts the infrastructure in place I do not think it is too much to expect the industry to take ownership, management and responsibility for the wine centre thereafter. The cooperation from the industry has been

outstanding. Its enthusiasm, dedication and commitment to the National Wine Centre have been unstinting. It accepts that it has responsibility for maintenance, operation and carriage of the National Wine Centre in the future. It has committed to putting in kind a whole range of support services into the centre. I cannot quantify the in-kind support, but it is substantial; it has agreed to that. We have key people in the wine industry in John Pendry, Brian Croser and Perry Gunner, to name but a few who have been putting in an enormous amount of effort to get this National Wine Centre up and running quickly.

In relation to the jobs being created, one of the intangibles of the project is bringing a national icon to South Australia in the National Wine Centre. We have the world's largest collection of Aboriginal art and artefacts here in South Australia. With that and the Bradman collection, the National Wine Centre adds another dimension to tourism in South Australia. If you ask people why they go to South Australia, their answer will be that it is because South Australia is the wine State—the wine capital—that has an interpretive centre. Other unique tourism facilities can be established in South Australia, so the National Wine Centre will bring an intangible, long-term tourism benefit for South Australia. I do not know exactly how many jobs will be created in the centre itself, but it will not be many; however, the intangible benefits that flow from the tourism industry will be very significant in creating jobs in the State.

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

**The Hon. J.W. Olsen:** I thank the officers at the table for their work and preparation for the Estimates Committee and their attendance and assistance tonight.

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Information Technology Workforce Strategy Office,  
\$963 000.

**Departmental Adviser:**

Ms J. Taylor, Acting Chief Executive Director, Workforce Problems Planning.

**The CHAIRMAN:** I declare the proposed payments open for examination, and I refer members to pages 44 and 125 to 126 in the Estimates of Receipts and Payments and pages 65 to 70 in the Program Estimates and Information book. Would the Premier like to make an opening statement?

**The Hon. J.W. Olsen:** I seek to have my opening remarks inserted in *Hansard* without my reading them.

The Information Technology Workforce Strategy Office was established in February 1996, as a direct response to concerns expressed by key members of the State's information industries sector, regarding the ability to meet the on-going workforce requirements of this rapidly developing area of activity.

The Government was acutely aware that workforce skills and expertise are considered critical factors by companies when they are engaged in the process of deciding the most appropriate location for their enterprises. The IT Workforce Strategy Office is the front line government agency responsible for ensuring that South Australia's workforce has the skills and abilities IT & T companies require, thereby providing the State with a genuine competitive advantage in attracting new entrants to our information industries sector.

The Government established the IT Workforce Strategy Office as a separate, autonomous and highly responsive Department, with a clear brief to build in South Australia a workforce that will support the growth and development of the information industries sector. The establishment of this Office has enabled industry to work closely

with Government in promoting South Australia as a location of first preference to highly skilled and expert IT & T professionals interstate and overseas.

In addition, not only has the IT Workforce Strategy Office been very active, in concert with industry, in attracting professionals to the State's workforce to meet specific shortages, but the department, through its activities, has been particularly well placed to play a key role in promoting the State's Immigration Strategy.

The IT Workforce Strategy Office has also proven its ability to work effectively with industry and to respond positively to particular issues or concerns through the introduction of appropriately targeted programs and projects. In doing so, it has produced all the advantages associated with small, effective government.

Since its formation, the IT Workforce Strategy Office has successfully undertaken several major initiatives which serve as excellent examples of this effectiveness, and I would like to apprise this Committee of these initiatives before taking questions.

One of the Office's major achievements has been the key role it has played in the conduct of this State's most comprehensive demand analysis targeting the information industries sector. The first stage of this survey was recently completed, and has provided a wide range of valuable information to both Government and industry. The results from Stage One of the survey clearly show that the information industries sector is a vibrant and dynamic contributor to the State's economy, with over six hundred and seventy (670) companies currently operating in SA. Further, it is interesting to note that of these companies, over seventy percent (70 per cent) are South Australian owned. The sector also employs over ten thousand people (10 000), making it one of the largest sources of employment in the State. In fact, an employment growth rate of over fifteen percent (15 per cent) per annum is predicted over the next few years, which represents a quite remarkable rate of expansion by any measure.

Stage Two of the survey is currently under way, and will provide information on the economic factors affecting the industry, including the potential for growing domestic and overseas markets.

Several strategies have been developed by the IT Workforce Strategy Office to address the current and predicted growth in the demand for professional IT & T personnel. In the short term, a campaign, known as 'The Adelaide Advantage', has been launched to attract highly skilled IT & T professionals to South Australia from interstate and overseas. This campaign, involving some of the major companies operating in South Australia including Motorola, British Aerospace, EDS, Vision Systems, CelsiusTech and Ngapartji, commenced in Canberra in February this year.

The promotion also was integrated with the Immigration SA campaign in the UK and Hong Kong.

The next stage of the Adelaide Advantage campaign will commence with a number of presentations in Sydney in August. At the request of industry, this phase of the campaign will target graduates as well as experienced IT & T professionals.

Information about the Adelaide-Advantage campaign is available world-wide through the internet, on a site developed and coordinated by the IT Workforce Strategy Office. The site also contains summary data obtained through Stage One of the information industries survey, and gives its visitors an excellent 'snap shot' of the industries, as well as details regarding the advantages of living and working in South Australia.

The web site has proven to be a very successful method of communicating with IT & T professionals, with over 20 000 'visits' to the site in a two month period.

While these strategies address the workforce needs of the information industries in the short term, it is obvious that if we are to continue to have a ready supply of the skills essential to maintain the rapid growth of this important sector, we also must address the longer term issues.

Consequently, the IT Workforce Strategy Office, in conjunction with DETAFE and the Australian Information Technology Engineering Centre (AITEC) commissioned the production of a highly interactive IT Careers Guide CD ROM, as part of the strategy to provide school students, career counsellors and parents with information about career options in the information industries.

The IT Careers Guide CD ROM has been distributed to all secondary schools in South Australia and also is now supported by the IT Careers Web Site. This CD ROM was successfully showcased at the recent Careers Expo by the IT Workforce Strategy Office and DETAFE.

Additionally, the IT Workforce Strategy Office has been working with South Australia's three universities and with industry to create

a centre of excellence in information technology and telecommunications research and development.

In order to facilitate the establishment of this centre, the Government has committed to providing seed funding for two and a half new chairs in Information Technology. When combined with the contribution from the Universities, this funding will establish the nucleus around which the centre can be developed.

Industry will be involved in this project through the formation of an advisory body, which will work closely with the universities in providing direction for the research undertaken. The advisory body also will be able to assist in the identification of opportunities to commercialise the intellectual property created by the work undertaken at the centre.

Mr Chairman, these projects and programs represent just a few of the successful initiatives that my Government has undertaken to ensure that not only are the current workforce needs of the information industries sector being met, but that appropriate strategies are in place to also ensure we can work closely with industry to meet the needs of the future.

#### Membership:

Mr Clarke substituted for Mr Quirke.

The Hon. M.D. Rann substituted for Mr Foley.

**Mr CLARKE:** My question relates to the quest for information technology specialists of whom we apparently cannot find enough here in South Australia and we are going overseas seeking to recruit these people. A constituent has come to my office who speaks four languages: Polish, German, Russian and English. She has done studies in computing, computer programming, and the like, and cannot get work.

I have referred the matter on to the Premier's department. I do not expect the Premier to know because it has happened only in the past few days. How many computer people have been recruited from overseas in the past 12 months, at what cost, where are the jobs and what particular skills do they have that do not exist amongst the unemployed in South Australia, or skills that cannot be taught to the unemployed in South Australia?

**The Hon. J.W. Olsen:** Let me respond first to some comments made by the Deputy Leader before asking Ms Taylor to respond to some of the specifics. The Government is attempting to create the opportunity for South Australians to meet the challenge of software engineers in the defence and electronics industries. I do not know whether the Deputy Leader understands this point, but unemployed software engineers are not walking around the streets in great quantity at the moment. We are doing something about creating those opportunities for South Australians. We have issued a CD-ROM to secondary schools, and we will be issuing a CD-ROM to primary schools, the purpose of which is to identify to young schoolchildren the opportunities that are available in the defence and electronics industries in the area of software engineering in South Australia. We want them to give consideration to becoming qualified in those areas to take advantage of job opportunities.

In addition, the three vice-chancellors of the universities are working cooperatively with the Government to put in place courses to bring about sufficient graduates for those opportunities. When Motorola selected Adelaide and Australia to locate one of its four worldwide software development centres, it had undertaken a study around Australia in respect of the availability of software engineers. It was fully understood at that time that universities not only in South Australia but around Australia were not producing sufficient quantities of software engineers. The three vice-

chancellors responded in a very flexible and responsive manner.

That is one reason why we won the Motorola site because, by the time representatives of Motorola had left Sydney but before they arrived in Chicago, we were able to respond to one of their concerns and indicate that the universities would work cooperatively with the Government to meet Motorola's need. I have indicated that the shortage of software engineers was not unexpected. I have indicated that we are doing something about educating and giving encouragement to our own people to take up these opportunities. In the meantime, we have multimillion dollar investments by companies in South Australia and, if we want them to stay and expand, we simply must meet their current work force needs, which is what the office is attempting to do.

We have travelled overseas to London and Hong Kong seeking skilled migration from those two locations simply to plug the present need. If we do not have South Australian or Australian people with the capability currently within our work force, it would be foolhardy for us not to bring in skilled people who can meet that need. So the investment of multinationals can be certainly endorsed and quantified and further investment attracted to this State, but importantly it is giving another couple of hundred people the opportunity to earn a pay packet every week in South Australia to buy a home, a car or a washing machine and to spend money at the local supermarket, delicatessen and service station. That is called economic activity; it is creating jobs for other small business people in South Australia.

The response in London has been staggering. We received approximately 5 500 applications to the initial promotion. In two months we received more applications and inquiries than we get in a year. A lot of fine tuning must be done, and I will ask Ms Taylor to respond further to the question.

**Ms Taylor:** We have identified a number of skill shortages through the demand analysis that we have undertaken of the industry and, in specific terms, they include the areas of application software, project management, systems analysis and design, network specialists, software engineers and specific language and object orientated programming, which includes languages such as Java. In respect of the question about the numbers of successful applicants, we have referred over 200 resumes that have come to our office to a number of companies. People have the opportunity to deal directly with the companies through our Adelaide Advantage Web Site.

People can link directly into those companies through our web site. That web site has been so successful that we have been contacted by a local company that wants to join our web site because of the advantages it offers. With respect to take-up numbers, we do not have the exact numbers from the companies but I am sure I can supply information to the honourable member. I know EDS has recently announced that it is looking for skilled people. EDS is part of the Adelaide Advantage Campaign that is promoted overseas and interstate. The next promotion of that campaign is into Sydney, and at the suggestion of companies such as EDS and Motorola we are also targeting graduates because the supply of graduates out of South Australian universities in the short term is insufficient to meet those needs, so we are also expanding that net.

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

**The Hon. J.W. Olsen:** I thank Ms Taylor for her preparation and for being present to answer questions from the Committee.

Office for the Commissioner for Public Employment,  
\$12 468 000

**Departmental Advisers:**

Mr G. Foreman, Commissioner of Public Employment.  
Ms J. Andrews, Director, Personnel Policy and Planning.  
Mr J. Stock, Director, Personnel Management.  
Mr G. Whiteway, Director, Executive and Consulting Services.  
Mr S. Archer, Manager, Financial Services.

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

**The Hon. J.W. Olsen:** The Office for the Commissioner for Public Employment supports the role of the Commissioner for Public Employment, who is a statutory appointee under the Management Services Act. The office is responsible for monitoring and upholding the personnel management aims and standards detailed in that legislation. The Act changed the role of the office and its core business, laying further emphasis on leadership as distinct from the operations; the provision of guidelines to ensure good practice rather than directives to agencies and focusing the office's attention on advice to Government and key corporate human resource decisions and issues such as work force management; and chief executive appointments and human resource development.

A significant achievement of the office during the past year was the coordination of the Government Youth Training Scheme through which in excess of 1 500 young unemployed South Australians were given traineeships across the public sector. With past programs achieving high levels of employment outcomes, the office expects similar success in respect of the sizeable program which is the largest of its kind that has been attempted in Australia. Next year the office will coordinate a recruitment program aimed at recruiting 500 young people, 150 of whom will be graduates into areas of growth across the public sector in South Australia.

The Government has maintained its no retrenchment policy through a memorandum of understanding with the unions. Through the application of TVSPs, outsourcing, incentive payments, retraining, redeployment, career transition and outplacement services the management of surplus staff and the transfer of staff to the private sector resulting from asset sales and outsourcing has been achieved with relatively few surplus staff remaining.

This achievement involved considerable personnel management effort by both operating and central agencies. However, there are costs associated with maintaining surplus staff who cannot be readily redeployed or outplaced or who are unwilling to voluntarily separate. The office plays a central role in advising on policies in the area and providing assistance to the individuals and agencies affected in this way. The office is the lead agency for the implementation of the common human resource management system across Government agencies and continues to provide guidance in human resource management across the public sector through the publication of guidelines and background briefings. The

office recently reviewed its corporate plan and developed a strategic plan focusing on outputs. Key result areas are a high quality public sector work force, community confidence in public sector employment, effective personnel management with the public sector, and the public sector working more closely with the wider community.

**Mr CLARKE:** I refer to Finance Paper No. 1 and to page 7.3 under the voluntary separation package schemes. Essentially, the table shows that, during the almost four years of this Government, over 16 000 full-time equivalent employees have been retrenched from the Public Service and in excess of \$900 million has been paid out in redundancy pay. In terms of some of the statements the Premier made earlier today and at other times about the multiplier effect of EDS or United Water coming into South Australia and leading to X number of new jobs being created by the fact that these people spend money buying houses, washing machines and the like, what is the multiplier effect on employment in this State with the dismissal of over 16 000 full time equivalent public servants at a cost of over \$900 million in the past four years?

**The Hon. J.W. Olsen:** I am sure the Deputy's Leader will explain to him why the former Administration put in place targeted voluntary separation packages for some 5 900 people at a cost of about \$400 million. So, almost half the figure mentioned by the Deputy Leader represents the policy put in place by the former Administration.

**Mr CLARKE:** My specific question was: what is the multiplier effect of the loss of 16 000 full-time equivalent employees in this State?

**The Hon. J.W. Olsen:** It would be exactly the same multiplier effect as that of the policy introduced by the former Labor Government.

**Mr CLARKE:** What does that equate to in terms of the number of jobs lost in this State?

**The Hon. J.W. Olsen:** The Deputy Leader is trying to overturn the previous Labor Party policy and this policy as negatives. The Deputy Leader fails to understand—and I guess a bit of commercial business experience would be of some help here—that debt reduction strategy and investment attraction go hand in hand. If a State has unacceptably high debt management levels and debt servicing levels, it is not an attractive place for investment by the private sector. The Deputy Leader fails to understand that that in itself has a major impact in terms of the multiplier effect, job creation and job generation in this State.

**Mr CLARKE:** On the basis of the figures that the Premier used as to the multiplier effect in terms of Westpac and other acquisitions to this State, I point out that the loss of about 16 000 full-time equivalent jobs in the State Public Sector in effect means the loss of at least 60 000 jobs in this State. Does the Premier dispute that?

**The Hon. J.W. Olsen:** The analogy drawn by the Deputy Leader is an absolute nonsense. Instead of looking for advice from his economic advisers in the gallery he ought to get some good economic advice from the Centre for Economic Studies.

**Mr CLARKE:** With respect to the separation packages and the more than \$900 million that has been spent, has the Commissioner for Public Employment conducted any surveys as to where that money went? Did people, on separating from the Public Service, use it to create new businesses or employment opportunities, did they pay off their mortgage, or did they put the money into the bank and head east rather than spending it in South Australia?

**The Hon. J.W. Olsen:** The pattern of expenditure of people who drew a TVSP in the past 3½ years would be no different from the previous two years. No doubt, the former Labor Administration did some analysis as to where the money was spent, and the pattern would be no different. I remind the Committee that \$420 million of the \$962 million was allocated under Labor's policy options.

**Mr CLARKE:** The Premier seems to be endorsing everything we did.

**The Hon. J.W. Olsen:** With the exception of the collapse of the State Bank, yabby farms, marineland and a few other things.

**Mr CONDOUS:** The Government has successfully completed 1 500 placements under the Youth Training Scheme intake. These placements will continue over the next financial year. Could the Premier indicate the diversity achieved within that intake?

**The Hon. J.W. Olsen:** Of the 1 580 traineeships placed, 182 or 12 per cent were indigenous participants; 564 or 37 per cent were male; and 954 or 63 per cent were female. Also, 335 (22 per cent) were placed in rural locations. With respect to regional coverage—because I anticipate that will be the Deputy's next question—in the Riverland 30 were placed; Eyre Peninsula, 33; Gawler-Barossa, 33; Murray Bridge-Murraylands, 43; the Iron Triangle, 107; the South-East, 62; and Kangaroo Island-Yorke Peninsula, 12—

*Mr Clarke interjecting:*

**The Hon. J.W. Olsen:** I am reading off the schedule prepared for me; it is not a long time since I have been there.

*Mr Atkinson interjecting:*

**The Hon. J.W. Olsen:** The inane comments of the honourable member just breezing into the Committee in the past few minutes do not deserve response. Fifteen were also placed in the Victor Harbor-Fleurieu Peninsula region. That makes a total of 335. There were 19 occupational groups under the scheme. The main categories were: clerical, 936; recreation and sport, 121; dental assistants, 79; information technology and multimedia, 79; laboratory, 47; library assistants, 31; and horticultural, 34. There is no doubt that in location, occupation and individual characteristics that is a quite diverse spread.

#### **Membership:**

Mr Atkinson substituted for Ms White.

**Mrs HALL:** I refer to page 29 of the Program Estimates. Following the 1996 Olympic and Paralympic Games in Atlanta I understand the Government undertook a program to assist South Australian medal winners with exploring the future through ambassadorial work within the public sector. Can the Premier tell the Committee what the response to the Olympic Ambassadors Program has been and what the athletes have been doing?

**The Hon. J.W. Olsen:** All Government agencies were circulated with the explanation of the program and how they could access the services of an athlete. This received a very positive response from agencies. It is worth noting that this is the first such scheme that has been implemented in South Australia and, possibly, Australia.

It should further be noted that a number of athletes from other States have remarked on the nature of the scheme. The fact that we got 50 per cent of the Olympic medals with the population base we have *pro rata* I would have thought was an outstanding result for South Australia, the Olympic athletes in particular, and the schemes that support these

athletes in their training and being able to access national and international competitions. The program is designed to be extremely flexible, enabling athletes' competition and training commitments to compete with their workplace demands, as it is extremely unlikely that athletes could commit themselves to a normal working day or working week: athletes will work a maximum 40 hours per fortnight and be paid at an hourly rate. The budget allocation for salary and oncosts for each athlete is up to \$20 000.

Athletes promote the programs and services of the departments they work for. It is of great benefit to the State to have high profile athletes promoting South Australia; it is an intangible economic benefit. They also have an ambassadorial role that involves speaking at schools, being involved in community projects and with other charity and community based non-profit organisations. That is good support work within the community. As part of the program a number of the athletes have completed courses to enhance their personal skills in ambassadorial roles. These include presentation skills and public speaking workshops, a media training course, the Aussie Host Customer Service communications training program and other computer and business courses relating to the athletes' involvement and requirements of their department.

Most Olympic and Paralympic athletes have been placed in Government departments and have been involved in a whole host of events on behalf of the State. They are often at functions that I attend, and they are great ambassadors for the State. For example, athletes have been involved in the South Australian fruit fly promotion, the launch of the Clean Water Ambassador, the Christmas Pageant, promotion of The Parks Community Centre, Clean Up Australia, Life-Be in it, Bike Week, Takeover 97, International Women's Day and the ceremony for recognising year 12 merit students. Three of the ambassadors are helping to launch the Department of Recreation and Sport's South Australian Drugs in Sport policy, and some of the charity and community groups that have benefited from these athletes' appearances and public speaking have been: Red Cross, Canteen Kids, the Bone Growth Foundation, the Australian Flying Doctor, Wheel-chair Sports, numerous Rotary clubs, service groups, school groups and sporting organisations. The scheme is currently being reviewed every eight weeks to ensure its implementation in an efficient and effective manner.

**Mrs HALL:** Again I refer to page 29 of the Program Estimates, 'Training and development services'. The public sector management course has been in operation now for some time. Will the Premier tell the Committee how many have participated at State level, how many have graduated, and how does the State public sector compare in participation with the Commonwealth and local government within South Australia?

**The Hon. J.W. Olsen:** The public sector management course is a joint State-Commonwealth initiative that provides state of the art management development specifically directed at middle managers within the public sector. The course is nationally accredited and provides local articulation into other postgraduate courses. The course is in its sixth year of operation in South Australia, and is of 12 months duration. At the end of May 1997 some 236 South Australian participants had completed the course or are currently enrolled, and 139 have graduated to date.

State public sector participants make up something like 60 per cent of total participation in South Australia. Commonwealth agencies contribute 30 per cent and local

government 3 per cent. The South Australian participants achieved the highest academic results nationally and, with the Northern Territory, shared the highest participation rate. The course develops middle managers within the public sector who are identified as having potential for leadership and higher management.

**Mr CLARKE:** I do not expect the Premier to have at his fingertips the figures in answer to the question I am about to ask, so I am happy for the question to be taken on notice. How many executives across the South Australian public sector are in receipt of \$100 000 or more in salary or remuneration package and how many of them are eligible for performance bonuses? Will the Premier list the remuneration cost of each CEO of each agency as to what they are paid now and what they were paid 12 months ago? Were they eligible for performance bonuses and, if so, how many of them were paid?

**The Hon. J.W. Olsen:** I am advised that no bonuses have been paid to any chief executive, and the information that the Deputy Leader seeks is included in the annual reports of all agencies.

**Mr CLARKE:** Those reports do not come out until around September or October of each year and they do not identify the precise cost as per each CEO. Under the agency it will state how many earn above \$100 000 as a package: it does not state the total package per CEO of each agency.

**The Hon. J.W. Olsen:** Annual reports are no different from shareholders' reports that put the total remuneration package of major recipients in salary bands.

**Mr CLARKE:** So, the Premier will not answer it?

**The Hon. J.W. Olsen:** No, I am simply saying that it is included in the annual reports. If it is in the annual reports, I am not going to get officers of agencies to prepare further detailed information for the Deputy Leader when it is already prepared and tabled in the Parliament.

**Mr CLARKE:** This question relates to the training and development services, in the Estimates of Receipts and Payments, under the Youth Training Scheme. The 1997-98 State contribution to the YTS is \$12.336 million. How many trainees will the total \$14 million in the program employ for the year 1997-98, and what is the average remuneration of a person in the Youth Training Scheme?

**The Hon. J.W. Olsen:** I will ask Mr Foreman to respond.

**Mr Foreman:** The figure of \$14 million involves completing the 1 500 trainees who have been taken on over the 12 months up to the last March, but each trainee is engaged for a period of up to 12 months. So, it is the remainder of that plus \$3 million that will be used towards the recruitment of another 500 recruits to the State public sector. In terms of what they are paid, they are paid the going national training wage applying to all trainees.

**Mr CLARKE:** What is the additional administrative cost associated with the scheme? For example, how many extra people have had to be taken on by your office to oversee the administration of the YTS and essentially what is the average level of on-costs per trainee within the YTS scheme?

**Mr Foreman:** A total of 10 staff have been involved in carrying out the project and a small number of trainees have also supported that team.

**Mr CLARKE:** On-costs of trainees was the other part of the question.

**Mr Foreman:** We would need to take that on notice, but it is minimal.

**Mr CLARKE:** By way of supplement, we need some clarification on certain statements made in the budget about

the claimed extra funding for the YTS. In the budget speech it was claimed that the allocation of \$3 million in the budget would allow the employment of 500 trainees. However, in Financial Paper No. 1, page 410, it is claimed that this allocation will allow a doubling of trainees to 1 000. Greg Kelton's article in today's *Advertiser* says that the \$3 million will lead to the employment of 3 000 trainees. Does it involve 500, 1 000 or 3 000? Is that the multiplier effect?

**The Hon. J.W. Olsen:** The \$3 million is specifically for the 500 positions that have been clearly identified: \$3 million equals 500.

**Mr CLARKE:** Why does Financial Paper No. 1, page 410, refer to 1 000?

**The Hon. J.W. Olsen:** The Deputy Leader is getting programs mixed up.

**Mr Foreman:** Financial Paper No. 1, page 410, where it mentions 1 000 employment opportunities, is talking about the South Australian Government employment partnership strategy, which is a program under the Department for Employment, Training and Further Education. It is not a program based in the public sector: it is a broader program.

**The Hon. J.W. Olsen:** And is obviously distinct from the \$3 million.

**Mr Foreman:** It is not a program of this office: it is another program.

**Mrs HALL:** Will the Premier outline to the Committee the position of the South Australian Public Service record of appointing women to leadership positions in this State?

**The Hon. J.W. Olsen:** I would be happy to incorporate in *Hansard* specific details. Suffice to say that since June 1993 an increase of 77 per cent has occurred in the proportion of female chief executives or executives in the South Australian Public Service. It has gone from 10.3 per cent to 17.8 per cent in May 1997. We are the highest in Australia: South Australia has 17.8 per cent; Victoria, 15.9 per cent; New South Wales, 14.8 per cent; Western Australia, 10.3 per cent; ACT, 3.4 per cent; Northern Territory, 8.1 per cent; and Tasmania, 6.3 per cent. Clearly, the track record and performance of this Administration in terms of appointing females to chief executive positions is out performing the rest of Australia.

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

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Office of Multicultural and Ethnic Affairs, \$2 697 000

#### Departmental Advisers:

Dr S. Ozdowski OAM, Chief Executive Officer, Office of Multicultural and Ethnic Affairs.

Mr S. Everard, Manager, Government Relations and Coordination Branch.

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

**The Hon. J.W. Olsen:** I have some opening remarks but, given the time, with the concurrence of the Committee I will simply incorporate my opening remarks in *Hansard*.

The South Australian Government has launched a number of significant initiatives in the area of multicultural and ethnic affairs. These have been influenced by:

- the Government's commitment to continue to strengthen the State economy, together with the recognition of the vital role migrants play in stimulating economic development;



- the Government's commitment to adopting a whole of Government approach to ensure maximum efficiency and effectiveness of policy development and service delivery; the Government's firm resolve to resist racist forces, to prevent the spread of racist sentiment or behaviour in the community and to affirm its support for multiculturalism and the benefits of cultural diversity.

#### MAJOR INITIATIVES

##### Immigration Promotion

Immigration SA is a comprehensive immigration promotion program initiative, unique to South Australia. It is specifically designed to attract mainly skilled migrants to meet the needs of industry, to contribute to economic development and to boost overall population growth in SA.

Immigration SA comprises 4 key components.

1. The Immigration Promotion Campaign targets people who have initiated the immigration process and are likely to be granted a visa for residency in Australia. The strategy focuses on countries where South Australia has been successful in attracting independent migrants and those countries likely to provide migrants with the skills needed in South Australia.

2. The State Settlement Package comprises:
- an On Arrival Accommodation Program which will provide furnished, pre-booked accommodation, where required, for the first three months of residence; a Meet And Greet Service is available at Adelaide Airport, which ensures that, where required, migrants are met and escorted to their accommodation and assisted through the initial settlement phase;
  - a Migrant Information And Referral Service (MIRS) which answers queries, before and after a migrant arrives, on areas such as employment, housing, education and immigration issues and refer them to other service providers;
  - an Overseas Qualifications Recognition Service which provides post-arrival assessment of qualifications against Australian standards, referral to trade/professional associations and referrals to bridging courses, if appropriate;
  - a South Australia Settlement Orientation Service which provides migrants with a comprehensive post-arrival orientation and settlement program linked to English language training where needed.

3. The Migrant Home Ownership Promotion promotes SA's low cost housing and advises and assists migrants in purchasing their own home. The initiative also provides information on State Government home ownership schemes.

4. The Job Matching Scheme facilitates the matching of visaed or prospective migrants in the migration pool to prospective employers experiencing difficulties recruiting suitable personnel locally, through the use of local employment consultants.

The State Government is also working in close cooperation with the Commonwealth to establish and implement a range of regional migration programs to attract suitably skilled people to SA. These programs, some of which are already in place, include:

- the Regional Sponsored Migration Scheme (RSMS), which recognises the special needs of employers in regional areas who are unable to meet their skilled workforce needs from the local labour market;
- the Regional Linked Category, which is a sub category of the Concessional Family Migration;
- the Regional Established Business in Australia (REBA), which allows temporary residents holding a long stay business visa to obtain permanent residency without having to apply outside Australia. The program is available to those who have owned a successful business in a designated area of Australia (all of SA) for a minimum of 2 years and who are sponsored by a State business development agency;
- the State Sponsorship Scheme, which allows the State to select and manage a quota of applicants under the Independent Category to meet skill shortages identified in South Australia; and,
- the Points for Students in the Independent Category, which grants additional points to overseas full fee paying students who have studied in SA.

##### International Trade

The Council for International Trade and Commerce of South Australia (CITCSA) was established in 1994 to help increase overseas trade and export opportunities through the use of South Australia's cultural and linguistic diversity and international experience as well as to coordinate and provide support to the many Country Specific Chambers of Commerce here in SA.

The Chambers work to harness local expertise to:

- open up new avenues abroad for South Australian firms;
- facilitate bilateral trade arrangements;
- attract overseas enterprises seeking to do business with SA;
- heighten South Australia's visibility and viability in the global market place.

A review of CITCSA's operations, including the Trade Exhibition Grants Scheme, was undertaken earlier this year, with the Government taking this review into account in its ongoing support for the Council.

##### Access & Equity Evaluation

A major Evaluation of Access and Equity has been carried out across the State public sector. The Evaluation, a State first, was undertaken to determine the extent to which all South Australians can access programs and services with equal ease, irrespective of their first language or their cultural, racial or religious backgrounds.

##### Multiculturalism And Racism

The South Australian Government has provided leadership by affirming its support for multiculturalism and the prevention of discrimination on the basis of race, ethnicity, religion, language and culture. The Government enacted the Racial Vilification Act, 1996, which carries tough criminal sanctions, sending a strong message that South Australia will not tolerate racially motivated threats or attacks.

An anti-racism education campaign with programs covering schools, workplaces, sporting organisations and the general community is being developed and will be ready for implementation immediately Commonwealth funding is made available.

##### Strategic Plan

The Government's new direction in multicultural and ethnic affairs has been developed through OMEA's/SAMEAC's Strategic Plan for the next 3 years. The plan is based on the vision of the creation of an open, inclusive, cohesive and fair society where cultural, linguistic and religious diversity is valued and supported.

##### Interpreting and Translating

The Interpreting and Translating Centre (ITC) continues to be a leader in this field and its competitive pricing policy has resulted in increased assignments and gross earnings in both government and non-government areas.

##### OTHER INITIATIVES:

- the Declaration of Principles for a Multicultural South Australia is now available in 14 languages.
- a Non-English Speaking Background Women's Forum has been established.
- developed an Action Plan for Occupational Health and Safety of migrant workers.
- the role and level of participation in the Multicultural Forum has been expanded to increase awareness of the benefits of cultural diversity in SA.
- cross-cultural training is being offered across the public sector to improve understanding of cultural diversity and develop cultural inclusivity practices.
- the Multicultural Grants Scheme has encouraged projects promoting multiculturalism.

**The Hon. M.D. RANN:** On 28 May 1997 the Premier promised to report back to Parliament the following day regarding the authenticity of the briefing paper which included opinions regarding the political leanings of ethnic organisations. The Premier said at the time that the Chief Executive Officer had advised him that the Opposition's claims in relation to this matter were fabrication and nonsense, a position which the Premier pulled back from in subsequent media statements. Why has not the Premier reported back to Parliament regarding this matter? Can the Premier confirm that the document was prepared by officials or an official from the Office of Multicultural and Ethnic Affairs and that the briefing is one of a series of briefings covering a wide range of ethnic groups and not just Italian groups?

**The Hon. J.W. Olsen:** I am advised that the briefing notes as tabled in Parliament were prepared on 7 March. These working notes were prepared at the request of the Branch Manager, Community Relations, who is not currently with OMEA, for use within that branch only. The records

indicate that at no time have they been provided to me, Ministers, MPs representing me, or to any other person outside OMEA or, indeed, outside the Community Relations Branch of OMEA. The notes do not have any official status. The office records have been examined, and there is no record or recollection of briefing notes containing political assessments ever going out of the office since the appointment of the CEO.

**The Hon. M.D. RANN:** With some fanfare in Parliament, the Premier said that it was a fabrication, did not exist, did not come from his department, did not happen; yet now he has confirmed that it did happen. When are we going to get a straight answer? The fact is—

*The Hon. J.W. Olsen interjecting:*

**The Hon. M.D. RANN:** No, hang on a minute. You had your say in Parliament the other day, and I am asking you a follow-up question. The Premier is quoted—

*The Hon. J.W. Olsen interjecting:*

**The Hon. M.D. RANN:** Okay. We know all about your misrepresentation and what you did to your predecessor. The Premier was quoted in the media as saying that the document was prepared for the Chief Executive Officer, and I assume by this that the document never left the Office of Multicultural and Ethnic Affairs, other than the copy that I received. How can the Premier explain the fact that a copy of the document in question was distributed around the office as a blue, which is a status reserved for documents which have been sent to persons or agencies outside the office? Perhaps he can also clarify why the political assessments were done internally in the first place?

**The Hon. J.W. Olsen:** I need to recollect the statement of the Leader in the House. If my memory serves me correctly, his statement was that this documentation was prepared for me or my predecessor and—

**The Hon. M.D. RANN:** You denied the existence of the document. You said that it was a fabrication.

**The Hon. J.W. Olsen:** Mr Chairman, is he going to let me answer this question or is he going to keep interrupting?

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

**The Hon. J.W. Olsen:** You would not know what that word meant.

**The CHAIRMAN:** Come on, Leader.

**The Hon. J.W. Olsen:** God, you are inane.

**The Hon. M.D. RANN:** But I am not disloyal.

**The CHAIRMAN:** The Leader is bent on a certain line of questioning; he will address his questions through the Chair.

**The Hon. J.W. Olsen:** The Leader is having a testing day. He is rather testy tonight. The point that I want to make to the Committee is that I have never seen the documentation. It has never been provided to me. I never sought for it to be prepared. My predecessor never saw the documentation. My predecessor never sought for it to be prepared. I have just indicated to the Committee on advice from the Chief Executive that it was an officer who prepared some internal notes for the department without authorisation, an officer who is no longer with OMEA. The Committee can therefore draw its own conclusions.

**The Hon. M.D. RANN:** Regardless of the Committee's drawing its own conclusions, why was this material prepared about the political leanings of ethnic groups in South Australia? Why was it denied specifically by you and others, including in newspaper reports and the ethnic press—that this was somehow made up by the Opposition?

**The Hon. J.W. Olsen:** The Chief Executive can answer that question, because this is not a policy decision of Government. It was not an instruction of Government and was not received by the Government; it was an internal departmental matter. The Chief Executive can respond, and I invite him so to do.

**Dr Ozdowski:** The document was prepared without any apparent need and without any authorisation or request from me. This document was prepared on the initiative of the Branch Manager, and it did not go out of the office, with the exception of reaching the Opposition.

**The Hon. M.D. RANN:** Its status was as a 'blue', which is reserved for documents 'with the consent to persons or agencies outside the office'.

**Dr Ozdowski:** I can explain this. Blues are copies of external documents prepared by my office. The system in the office is such that any piece of correspondence or briefing that leaves the office is put on the blues. On this occasion, this document was put on the blues, despite the fact that it was not a document that did not go out. The blues system is regulated in such a way that each branch manager puts his or her own correspondence on the blues. So, the Branch Manager simply decided to put that document on the blues. It created a difficulty in introducing further investigation. Because this document was circulated in the blues in the office, it was difficult to take disciplinary action against that officer.

**The Hon. M.D. RANN:** Did you inquire why it was prepared?

**Dr Ozdowski:** Yes, I inquired, and I requested written statements from all officers who were involved in that branch. The genesis of the document was such that the document was prepared soon after I arrived in the office, and it was prepared as a briefing for me. When I saw that document, I issued instructions to the officer and the rest of the officers in the organisations that no Party-political comments were to be included in any documents produced by my office. Since then, no document containing my signature or any document I saw contained any Party-political comments. This document, which was originally produced when I arrived at the office, was somehow re-cooked before that officer left the office in March this year. When I asked the branch manager why this document was recouped, I was told that she asked that statistics on the Italian community be added to the document. From my point of view it is not a convincing explanation, mainly because the statistics added were from the 1991 census and not from the census about to be available.

**The Hon. M.D. RANN:** Were the same political leanings and attributes given to groups other than Italo-Australian groups?

**Dr Ozdowski:** We conducted a search of all files in the office, and only one document contained this kind of detail involving Party affiliations.

**Mr CONDOUS:** What is the Government doing to address skill shortages and population decline in South Australia?

**The Hon. J.W. Olsen:** Over a number of years we have been experiencing a relative decline in both population and migrant intake, the result being a corresponding negative impact on the South Australian economy. A number of strategies are being developed across Government to increase the intake of skilled, independent migrants (and in this Committee I have made reference to these opportunities on a number of occasions), business migrants and overseas fee

paying students, as well as attracting retired and semiretired people to the State and taking up South Australia's share of refugees and humanitarian migrants. Immigration SA is a promotion strategy designed to attract skilled, independent migrants to the State.

It contains a package of measures developed by an interdepartmental task force that was established specifically to increase the population of South Australia through immigration and to help meet the needs of local employers experiencing shortages of skilled workers that we have not been able to meet from within South Australia or nationally. On several occasions I have detailed extensively to the Committee the initiatives of Immigration SA, its purpose and task to meet a dearth particularly in software engineers in the IT, defence and electronics industries in this State at the moment.

**Mr CONDOUS:** Will the Premier outline some of the specific services that the Government will provide to assist newly arrived migrants?

**The Hon. J.W. Olsen:** There is the Meet and Greet service, where volunteers meet migrants and escort them to accommodation when they first arrive. The On Arrival Accommodation Program makes pre-booked accommodation available to independent migrants through the Housing Trust and facilitates settlement, providing some certainty and stability at a time when they are going through substantial change. The job matching scheme provides opportunities for South Australian employers who are unable to find skilled staff locally to recruit highly skilled prospective migrants who meet their requirements, utilising qualifications and skill data collected by the Commonwealth Department of Immigration and Multicultural Affairs from potential migrants to Australia.

The home ownership promotion is an information package provided to newly arrived migrants that will encourage them to buy a home, providing them with information about HomeStart finance and the sort of programs available to the majority of South Australians. The Migrant Information Referral Service through OMEA is available to provide a high standard client service delivery to new arrivals with up-to-date information and referral services as appropriate.

**Mr CONDOUS:** Can some more detail be given about the provision of accommodation to new migrants?

**The Hon. J.W. Olsen:** The On Arrival Accommodation Program is part of the State settlement package offered only to independent skilled migrants under the Immigration SA program, and it is unique to South Australia. The program is already proving to be one of the key strategies of Immigration SA, attracting migrants to choose South Australia as their settlement destination. Extensive contact with prospective migrants offshore indicates that this service is often pivotal to their destination decision. It provides pre-booked accommodation through the South Australian Housing Trust, and I have made reference to that. That program administered by the trust provides pre-arranged accommodation for up to 12 weeks. It does not disadvantage existing clients, as dwellings for the program are made available only once they become vacant. Initially 15 furnished units will be available from July 1997, with this number increasing in response to demand, and full program costs will be recovered through the South Australian Housing Trust market rent, which includes a loading to cover the cost of furnishings.

**Mr ATKINSON:** I refer the Premier to page 64 of the Program Estimates which, under Issues/Trends, states:

There is a continued need to improve community relations by combating racism and promoting a greater interaction and understanding among all sectors of our community.

My question is about the Premier's parliamentary secretary for multicultural and ethnic affairs, who is furnished with an office in the Office of Multicultural and Ethnic Affairs. Does the Premier condone his parliamentary secretary's copying the overseas travel report of the Hon. Paolo Nocella in relation to his trip to Italy and the former Yugoslav Republic of Macedonia and Greece, and cutting and pasting the report to give the impression that the Hon. Paolo Nocella visited only the former Yugoslav Republic of Macedonia? He then sent it to Greek community leaders who are in dispute with Australians from the former Yugoslav Republic of Macedonia about borders and nationalist symbols. Did this act by the parliamentary secretary enhance community relations and promote greater interaction and understanding? Does the Premier, who is represented by the Hon. Julian Stefani in matters multicultural, accept responsibility for the Hon. Julian Stefani's conduct in this portfolio?

**The Hon. J.W. Olsen:** First, the preface to the honourable member's question is wrong: the parliamentary secretary does not have and is not given an office in any location. That is the first point. The premise of the honourable member's question—

*Mr Atkinson interjecting:*

**The Hon. J.W. Olsen:** Check on it, because that is right: the Hon. Julian Stefani does not have an office and has not had access to a permanent office. The other matters mentioned by the honourable member have been canvassed in extraordinary detail in another place, so I do not think it is a productive use of the Parliament and the Estimates Committee, given the time constraints, to canvass something that has been canvassed in another place.

*Mr Atkinson interjecting:*

**The Hon. J.W. Olsen:** And the issue has been canvassed *ad nauseam* in another place.

**Mr ATKINSON:** I understand that a significant sum of money was expended in 1996-97 on the Immigration SA strategy, including the costs of travel for the CEO, Dr Sev Ozdowski, twice and Miss Katrina Nicholson and Mr Victor Duranti. Given that there was no provision in the 1996-97 budget for any expenditure in relation to the Immigration SA program, which programs had funding reduced to enable the funding of the overseas promotional campaign undertaken in 1997, and how much in total was spent on Immigration SA in 1996-97?

**The Hon. J.W. Olsen:** The Chief Executive will respond to the question.

**Dr Ozdowski:** The Premier reallocated \$80 000 from the CITCSA program to the Immigration SA program. Expenditure receipts indicate that, to the end of May, \$45 000 was spent on the immigration promotion. We are still working on travel costs but they are around \$40 000, which includes the hire of venues for seminars. As soon as the figures are finalised they will be provided to Parliament as part of a response to a question asked by the Hon. Paolo Nocella.

*Mr Becker interjecting:*

**The Hon. M.D. RANN:** Sir, I ask the honourable member to withdraw those offensive remarks. As he nears retirement he should know better. I understand that the same blues, including political affiliations, were prepared on four other ethnic groups, including the Greek Vietnamese and Cambodian communities and one other ethnic group. I understand that these were destroyed.

**Dr Ozdowski:** That is not correct.

**The Hon. M.D. RANN:** You say that that is not correct. Is that an absolute? I was asking the Premier but you are speaking for him. Given that this Committee comes under the rules of Parliament, you are prepared to say that the blues were not prepared on any other ethnic group or organisation other than those Italo-Australian groups?

**Dr Ozdowski:** That is correct.

**Mrs HALL:** I refer to page 64 of the Program Estimates with respect to the promotion of multiculturalism and to one of the 1996-97 specific targets and objectives, that is, a review of the operation of the Council for International Trade and Commerce and the grants scheme. Will the Premier outline how the Government is using our multicultural community to promote international trade?

**The Hon. J.W. Olsen:** The establishment of the International Trade and Commerce Council SA is an important part. The Government assists a number of different chambers to undertake trade missions overseas. They usually undertake those with great enthusiasm. There is a requirement in relation to the programs they put forward for funding, the outcomes, the number of people who go and the reports at the end of such trade missions to ensure that 'there is value for money'. Twenty-seven country specific chambers and business councils have taken up residence in the facility provided by CITCSA, and four additional chambers have become non-residential members of the Council of International Trade and Commerce SA. The council and chambers have become a centre for many small and medium sized South Australian commercial enterprises seeking information and overseas business practices as well as cross cultural issues. The international trade division has been a success. The funding that has been put in place for the respective trade missions has helped promote international trade in South Australia in a very productive way.

**Mrs HALL:** There has been some criticism that the country specific chambers of commerce trade exhibitions grant scheme guidelines are too rigid and inflexible and do

not allow the funding of valuable initiatives which fall outside the guidelines. Did the review address these concerns?

**Dr Ozdowski:** The initial arrangement was that the funding for CITCSA operations be provided on a three year basis. When the third year was coming to an end we undertook evaluation of the program. The review was undertaken by an executive consultant provided by the Commissioner for Public Employment. The review recommended that the funding would continue, and the Government provided the budget funding for the next three years. However, there were also a number of recommendations to refocus activities of the chambers. In particular, the consultant recommended that by the year 2000 CITCSA will aim to be totally self funding. A stronger role was envisaged by CITCSA in the assessment of applications for grants and also better linking of South Australian products to the networks which are provided by CITCSA members. The report will soon be considered by the Government, and the revised approach to CITCSA will be announced by the Government.

**Mr BECKER:** I understand that the Multicultural and Ethnic Affairs Commission has undertaken an evaluation of access and equity within the South Australian public sector. Which issues has the evaluation addressed, and when can we expect the report of the evaluation to be completed?

**Dr Ozdowski:** The former Premier issued terms of reference which asked for the access and equity evaluation to be undertaken in the Public Service. It was the first ever evaluation undertaken. It covered all State departments and authorities and involved quite deep consultations with a range of community bodies and chief executive officers. The report is almost ready and I understand that the Chair of the commission will hand it over to the Premier this month.

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

#### ADJOURNMENT

At 10.3 p.m. the Committee adjourned until Wednesday 18 June at 11 a.m.