

HOUSE OF ASSEMBLY

Tuesday 22 June 1999

ESTIMATES COMMITTEE A**Chairman:**

The Hon. D.C. Wotton

Members:

The Hon. G.A. Ingerson

The Hon. M.D. Rann

Mr R.D. Clarke

Mr S.G. Condous

Ms S.W. Key

Mr G. Scalzi

The Committee met at 11 a.m.

Legislative Council, \$3 267 000
 House of Assembly, \$5 814 000
 Joint Parliamentary Services, \$5 701 000
 Department of the Premier and Cabinet, \$44 105 000
 State Governor's Establishment, \$1 929 000
 Administered Items for Department of the
 Premier and Cabinet, \$1 100 000

Witness:

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

Departmental Advisers:

Mr G.D. Mitchell, Clerk of the House of Assembly.

Mr J.A. Neldner, Finance Manager.

Mr H.F. Coxon, Parliamentary Librarian.

Mr J.A. Leahy, Leader, *Hansard*.

Mrs E. Grove, Manager, Catering.

The CHAIRMAN: As most members would be aware, the Estimates Committees are relatively informal procedures and, as such, you would be aware that there is no need to stand to ask or answer questions. The Committee will determine an approximate time for consideration of proposed payments to facilitate changeover of departmental advisers. I presume that the Premier and the Leader of the Opposition have agreed on a timetable for today's proceedings. Changes to the composition of the Committee will be notified as they occur. Members should ensure that they have provided the Chair with a completed request to be discharged form.

If the Minister undertakes to supply information at a later date, it must be in a form suitable for insertion in *Hansard* and two copies are to be submitted to the Clerk of the House of Assembly no later than Friday 9 July 1999.

I propose to allow the Premier and the Leader of the Opposition to make opening statements, if they desire, of about 10 minutes but no longer than 15 minutes. There will be a flexible approach to giving the call for asking questions, based on three questions per member, alternating sides. Members may also be allowed to ask a brief supplementary question to conclude a line of questioning, but any supplementary questions will be the exception rather than the rule.

Subject to the convenience of the Committee, a member who is outside the Committee and who desires to ask a question will be permitted to do so once the line of questioning on an item has been exhausted by the Committee. An indication to the Chair in advance from the member outside the Committee wishing to ask a question is necessary.

Questions must be based on lines of expenditure as revealed in the Estimates Statement. Reference may be made to other documents, including the Portfolio Statements, and I would suggest to the Committee that it would be helpful if members were to identify a page number or the program in the relevant financial papers from which their question is derived. Questions not asked at the end of the day must be placed on the next sitting day's House of Assembly Notice Paper.

I remind the Premier that there is no formal facility for the tabling of documents before the Committee. However, 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 of Assembly; that is, that it is purely statistical and limited to one page in length. All questions are to be directed to the Premier, not to the Premier's advisers. The Premier may refer questions to advisers for a response.

I also advise that for the purpose of the Committee some freedom will be allowed for television coverage by allowing a short period of filming from the northern gallery. I now invite the Premier to make a brief opening statement if he wishes.

The Hon. J.W. Olsen: I do not propose to make an opening statement in this area.

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

The Hon. M.D. RANN: Following a brief discussion with you, Mr Chairman, and the Premier, and because each year, when we have been in either Government or Opposition, an omnibus question has been asked of Ministers, instead of my opening statement I will place those questions on the record now in the acknowledgment that I would not expect the Premier or his officers to have those answers at hand and therefore they can be put into the system to be answered in the normal way within a fortnight. My omnibus questions are: in relation to all departments and agencies for which the Premier/Minister has Cabinet responsibility, including those under relevant junior Ministers, will he list all consultancies let during 1998-99, indicating to whom the consultancy was awarded, whether tenders or expressions of interest were called for each consultancy and, if not, why not; and will he provide the terms of reference and cost of each consultancy?

Which consultants submitted reports during 1998-99; what was the date on which each report was received by the Government and was the report made public? What was the cost for the financial year 1998-9 of all services provided by EDS, including the costs of processing of data, installation and/or maintenance of equipment, including the costs of any new equipment either purchased or leased through EDS and all other payments relating to the Government's contract to outsource information technology to EDS?

During 1998-99, have there been any disputes with EDS concerning the availability, level or timeliness of services provided under the whole of Government contract with EDS and, if so, what were the details and how were they resolved?

Which of the Minister's agencies is buying new desktop computers prior to year 2000 and, if so, how many, at what cost, what is the manufacturer of the product and what

models are being purchased? What is the hardware and software that has been replaced or identified for replacement due to achieve Y2K compliance and at what cost? Did or will these replacement purchases go to tender?

How much did agencies within the Minister's portfolio spend in contracting the services of Internet providers during 1999-2000 and which Internet providers were involved? Will the Premier also detail how many FTEs are employed by agency in 1998-99 for information technology services and detail the figures for 1995-96, 1996-97 and 1997-98?

What are the names and titles of all executives with salary and benefit packages exceeding an annual value of \$100 000, which executives have contracts which entitle them to bonus payments, and what are details of all bonuses paid in 1998-99?

What are the names and titles of staff who have been issued with or have access to Government credit cards? For what purpose was each of these cards issued and what was the expenditure on each card for 1998-99? What are the names and titles of all officers who have been issued with Government owned mobile telephones? What arrangements apply for the payment of mobile telephone accounts and what restrictions apply to the use of Government mobile telephones for private purposes?

What was the total number and cost of separation packages finalised in 1998-99? What is the target number of staff separations in the 1999-2000 budget? How many TVSPs have been approved by the Commissioner for Public Employment for 1998-99? What classifications of employee have been approved for TVSPs in 1999-2000?

How many vehicles by classification were hired in 1998-99, and what was the cost of vehicle hire and maintenance in that year? Will the Premier list all employees with use of privately plated cars in 1998-99 and outline what conditions are attached to the use of the car by the employee?

Did any of the Premier's agencies rent vacant and unused office space during 1998-99 and, if so, what was the cost of rent or lease of this unused office space to the taxpayer? Are there any Government owned premises within the Premier's portfolios that are not currently occupied? What is the cost of holding these properties and where are they located?

Will the Premier detail all executive and staff development exercises undertaken by the Premier's agencies during 1998-99? Will he list all occasions during 1998-99 on which executive staff of the agencies under his portfolio entertained guests at taxpayer expense, all those present on the occasion, the purpose of the occasion and the cost to the taxpayer?

How many staff originally from within the Premier's portfolios were on the redeployment list in 1998-99? For how long have they been on redeployment and what are their classifications?

How many public help lines did the Premier's agencies operate during 1998-99, which were located in South Australia and which were operated from interstate? What issue was each help line intended to provide and what was the cost to the taxpayer of operating each help line?

What are the names of the public servants in the Premier's portfolio and which, if any, of the ministerial staff currently serve as Government representatives on boards of management of other bodies? What is the category of the board in question? What is the remuneration paid to these individuals for services on each board and at what level of classification are these employees? Will the Premier detail all interstate and overseas travel undertaken during 1998-99 by members of

Government boards, their destination, purpose, cost and all individuals who travelled?

Will the Premier detail all advertising and promotional activities and campaigns undertaken by all agencies within his portfolio for 1998-99? What issues were the concerns of these activities and of what did these activities consist? How much did they cost, and what activities are planned for 1999-2000? Will the Premier detail all local, interstate and overseas conferences attended during 1999-2000 by the Premier, his staff and public servants within the Premier's portfolio, including the cost, location and purpose of the conference? What are the names of any former member of State or Federal Parliament within the Premier's portfolio currently serving as a board member, a member of the Premier's staff or as a public servant? What are their duties and remuneration?

Have any agencies within the Premier's portfolio rebadged or otherwise made presentational changes during 1998-99, through changes in letterheads or other stationery, signage, etc? What was the reason for the change and what was its cost? Has there been any refurbishment of the Premier's ministerial office or those of any of the Premier's CEOs during 1998-99, what was the reason for the refurbishment and what was the cost?

Since the 1997 State election, have any of the Premier's ministerial staff taken up permanent employment within the South Australian public sector? Name the individuals concerned and indicate the vacancy for which they applied. Were these positions advertised and, if so, when and where? What are the names of your ministerial staff, their classification and remuneration? Name all staff attached to junior Ministers and their classification and remuneration, and advise whether they have ministerial cars with drivers, cars without drivers, or access to ministerial cars or drivers and on what basis.

During 1998-99, what Government land or other real estate has been disposed of? Where were these properties located? Did the sale involve a tender process? For how much was each property sold? Who purchased the property and who acted as agent and/or legal adviser to the sale? Thank you for your cooperation.

The CHAIRMAN: Before I ask the Leader of the Opposition to continue with his questioning, does the Premier intend answering any of those questions at this stage?

The Hon. J.W. Olsen: Considering the speed with which the questions were put down, I had some difficulty actually collating them in order. The Government will endeavour to respond to those questions within the two week time frame, but the Leader put down a very extensive range of questions, the answers to which will take considerable work to obtain. I am not complaining about that, but I would ask for the tolerance of the committee if we are unable to get them all completed within two weeks, given that we are going into telephone and credit cards with a whole raft of officers. We will obtain that information as soon as practicable.

The Hon. M.D. RANN: I do not have any questions in relation to the Legislature lines or to the State Governor's lines except to acknowledge the outstanding work of parliamentary staff in all their capacities. I again put on record the Opposition's support for the role and diligence of His Excellency the Governor and Lady Neal.

The Hon. G.A. INGERSON: We support the Leader of the Opposition's comments in relation to the staff of Parliament House and work of the Governor.

The Hon. J.W. Olsen: I also acknowledge the role of Sir Eric and Lady Neal. They have continued a busy schedule of events in the country regions of South Australia, as well as the metropolitan area. Sir Eric meets frequently with leading national and international business people and visiting dignitaries. Government House has not only been a part of South Australia's heritage but also is an active working house and a place of business in the interests of the State. I acknowledge the work that Sir Eric has put in as it relates to trade missions, and also in assisting with, for example, the bid for the Police and Fire Games. He will lead part of a delegation in an attempt to win that significant event for South Australia. His involvement in trade missions particularly in Asia has been very helpful. Some capital works programs have been undertaken at the house in the course of the past year. During this financial year, over 21 000 people have attended functions in the house and the gardens. Along with other members of the Committee, I simply record my thanks to Sir Eric and Lady Neal for their continued high levels of energy and dedication in the interests of South Australia.

Mr Lewis: May I say at the outset, too—and it seems almost mandatory to do this—that I applaud the way in which the Governor has assisted South Australia (with multi-Party support) in the development of our thrust into markets around the world to ensure that we maximise opportunities for job creation in the South Australian economy. Underlining then what has been said by the other speakers—particularly the Premier—that is a very sensible thing for us to be doing. In addition to what the Leader of the Opposition has asked the Committee to provide about Government Ministers, would the Premier be kind enough to provide the Committee—on notice if he wishes—with the same information about the Leader of the Opposition's office? What is the size of the global allowance? Are there any credit cards? How much has been expended on those credit cards? Are there any mobile phones, and what money has been spent on those mobile phones as part of the account? What media monitoring equipment is held in the Leader of the Opposition's office? How many staff are employed to monitor it, and how is the global allowance acquitted and audited?

The Hon. J.W. Olsen: I will attempt to answer the questions of the—

The Hon. M.D. Rann interjecting:

The Hon. J.W. Olsen: The Leader mentioned it would not take him long to answer. When I was Leader, it would have taken an even shorter time to answer. The second floor now accommodates many facilities and luxurious offices whereas it did not even have air-conditioning previously—but I say that as an aside. I will attempt to respond to the member for Hammond's questions with the details as requested. Where we do not have the detail, I will seek in writing from the Leader of the Opposition the detail that the member seeks.

Mr Lewis: Would the Premier also be kind enough, under the same line, to provide the detail of how much money is spent in the Parliament on media monitoring for the benefit of all members of Parliament and, given the nature of communications these days, information technology, and so on, and the fact that one can download that information from some LAN address-type website, does he believe that it might be more efficient and expedient to put one media monitoring system in place for all members of Parliament and allow Ministers, Leaders of the Opposition in either House and, indeed, all members of Parliament, to have access to that LAN site to download items that they wish to see from such a site or, better still, from a local area network run by the

Library? As it stands at present, Independent members—and I am not here particularly to advance their cause—are members of the Legislature and we are examining the role and function of the Legislature in both Houses on this budget line.

As a backbencher, I do not have anything like the access to resources which are spread around not only in the Premier's office and the Leader of the Opposition's office but also in the offices of all Government Ministers, and I think this duplication is a waste of money. That is why I raise the question of why we do not put it in the Library.

The Hon. J.W. Olsen: I am advised in relation to cost that perhaps one FTE salary would be apportioned to the provisions of the clipping service and that that might be of the order of \$35 000 per annum. I am also advised that once the MAPICS service is complete and up and running there will be a website page from which you will be able to download data and information.

Mr Lewis: Will it be in codified form? Will there be a standard code we can use to identify the items that we wish to see or listen to, whether they be on radio or television?

The Hon. J.W. Olsen: As that is a technical question, we will attempt to get the response for the member.

Mr Lewis: Given that this is the threshold of the debate on the republic, how much is being budgeted in both time and expenditure in the Premier's Office and/or any other office to advance one or other of the causes pro or anti the retention of the existing order of the Federal Constitution? Is the Premier going to allow Ministers and/or himself to use ministerial staff resources to engage in the debate for or against the republic?

The Hon. J.W. Olsen: There is not a particular line dedicated as it relates to the republic for the expenditure of funds of Government. We will be legislating shortly to enable the referendum to proceed and the consequential constitutional circumstances that will arise depending upon the result of the referendum. Government Members are entitled to express their view on a republic model that has been proposed or on the continuation of the monarchy. In relation to staff, any staff have the right to express a personal point of view or be involved, in their time, in activities related to it, but no specific unit has been established nor funds allocated for a campaign for or against.

Departmental Advisers:

Mr I. Kowalick, Chief Executive, Department of the Premier and Cabinet and Commissioner of Public Employment.

Ms S. MacIntosh, Executive Director, Strategic and Executive Services.

Ms H. Butow, Executive Director, Cabinet Office.

Mr J. Chapman, Executive Director, Economic Reform Division.

Ms P. Martin, Director, Commercial Advice.

Mr S. Archer, Manager, Financial Services, Department of Treasury and Finance.

The Hon. J.W. Olsen: I will take this opportunity to make an opening statement on this line, which will be the only line on which I will make such a statement. In developing a strategic approach to the work of Government, sound budget planning and financial management are key steps on the path to strong economic recovery. The 1999-2000 budget represents two years of major budgetary and financial management reforms, culminating in the full introduction of

output based accrual budgeting. The Government has been committed to these reforms and we see them as a key part of our larger agenda for achieving a highly effective public sector. Our goals have been to ensure that public sector agencies become increasingly transparent, financially accountable, competitive and responsive to community needs.

This year the Government has presented an overview statement for our strategic priorities in the introduction to the portfolio statements, thereby providing a strategic framework for the information provided by portfolios on their planning and priorities. Last year the Leader of the Opposition criticised the budget presentation because the 1998-99 budget information was shown only in comparison with the previous year's expenditure and no comparison was made with the previous year's budget. The Leader was also critical of no detailed information being provided on programs. This year, full comparison is provided for financial information between next year's budget, last year's estimated expenditure and last year's budget. Also, the final stage of accrual output budget reporting introduces output information, which provides information at the same level of detail as the former program reporting. Therefore, we have responded to those comments.

Importantly, the budget papers show greater detail on services delivered to the community, more performance information about service delivery and a standardised reporting on investment projects. These improvements place a strong emphasis on the linkage between service delivery and its supporting investment and provide the basis for closer scrutiny of these key aspects of Government services. The budget development process has ensured more effective integration of strategic planning and budgeting by portfolios.

The portfolio statements contain clearer definition of services, outputs or outcomes and their linkages to portfolio objectives and strategies. This has resulted in financial plans being more responsive to the demand for services, the supply of those services and the negotiated prices for the services. Importantly, the capital investment statement now shows the linkages between expenditure on assets and the investment decisions that support the delivery of services to the community. Measuring performance is a critical component of the Government's reform process and there is considerably more performance information in this budget than in previous years. For most outputs, performance measures and targets have been developed for service delivery. This will provide a basis for evaluating efficiency and effectiveness in future years as historical data is included. I would certainly like to acknowledge the work that has been put in by officers to bring about these reforms in the budgetary process which have South Australia, in that respect, to the forefront.

I now turn to the section of the Department of the Premier and Cabinet portfolio statement. Through its central agency role, the department provides strategic policy advice and coordinates whole-of-government initiatives. Over the next year, the department will contribute to the Government's key priorities of creating business opportunities; developing an employment strategy focused on young people in regional South Australia; supporting a strong, independent and tolerant community; and improving Government operations to become more businesslike and accountable for public resources and services. The department will focus on a wide ranging agenda of improving the strategic approach of Government; contributing to the ongoing reform of Commonwealth-State relations, including national taxation reform; the revitalisation of the City of Adelaide and the opportunities for regional development; expanding the prospects and oppor-

tunities for youth employment; leading and contributing to ongoing public sector reform initiatives; and successfully dealing with the year 2000 millennium bug issue.

Commonwealth-State relations will be a critical area for Government to manage over the coming year. As you know, an intergovernmental agreement on Commonwealth-State financial relations was signed at the Premiers' conference in April, with the effect that the entire proceeds from the GST would be delivered to the States and Territories in accordance with fiscal equalisation principles. This was a good deal for South Australia, with net budgetary benefits expected in the medium to longer term, and the Commonwealth meeting any shortfall in the first few years with transitional top-up grants. For example, the estimated revenue benefit in 2004-05 is \$70 million. Given that recent developments have made the taxation reform package more complex and the Commonwealth is reformulating key parts of the new system, the Government (along with other State and Territory Governments) will be carefully examining these changes to ensure that these net budgetary benefits are retained in future years.

The department will coordinate and support a number of other strategies aimed at reforming Commonwealth-State financial relations in the areas of national taxation arrangements and specific purpose payments. Another key area of coordination will be implementation of the National Competition Policy Agreement across Government to ensure that necessary obligations are met for achieving the second tranche of competition payments.

The department plays the lead role in ongoing public sector reform initiatives with the objective of ensuring that public sector agencies can effectively respond to the increasing complexity of issues and demands. During 1999-2000 the department will introduce an initiative for developing leadership and management skills across the public sector through its Leadership SA Program. This initiative involves a commitment of \$2.4 million over three years, including \$1.5 million in 1999-2000. That is an important program in ensuring that the public sector is able to meet the challenges as we emerge into the next millennium.

As part of the Government's employment strategy for responding to the high levels of youth unemployment, \$3.2 million has been allocated to develop public sector employment opportunities for young people through the Graduate Recruitment Program. This will provide for 600 graduate positions over three years. In addition, up to a further 300 graduate and 200 trainee positions will be offered to young recruits each year as part of the rejuvenation of the public sector—in other words, getting the age profile balance back into the public sector in South Australia and having trained managers available for the next decade and beyond. The Government is planning a major graduate recruitment drive for young people under 24 years, with advertising to start in July.

The Government's commitment to revitalising the City of Adelaide has been shown through the joint establishment and funding of the Capital City Project Team with the Adelaide City Council. The team is administratively attached to the department and provides executive support to the Capital City Committee, which I chair. Importantly, the project team will assist with the necessary coordination between the two levels of government, as well as identify potential opportunities for the city. Might I add, there has been a quantum change in the productive relationship between the Government of South Australia and the Adelaide City Council, and I acknowledge the Lord Mayor's cooperative role in that regard. A key

theme of rejuvenating the city is to highlight it as the 'Learning City' where Adelaide's educational institutions and research centre offer significant new opportunities, including the development of offshore education.

In a wider context, lifelong learning is essential to the State's economic prosperity to have a skilled available work force to meet the emerging demands of the new private sector investment from international corporates. The Government has therefore established the Centre for Lifelong Learning and Development as a key strategy for the advancement of the State, and \$1.3 million has been allocated for its operations and programs. The centre is administratively attached to the department, and it will undertake a range of research and development activities relating to life long learning and employability. The centre's aim is to underpin the State's leadership in learning effectiveness and knowledge growth and to foster a community commitment to lifelong learning.

Through the South Australian Multicultural and Ethnic Affairs Commission and the department's Office of Multicultural and International Affairs, the Government will increase its focus on regional South Australia through a series of initiatives. The Multicultural Access to Justice Program will now be extended to country areas ensuring that all South Australians have access to our justice system. This initiative will engage justices of the peace to advise people with ethnic backgrounds on how to lodge complaints against administrative authorities.

Another initiative will involve expanding the successful multicultural youth leadership summit, held for the first time last year, so ethnic communities in regional areas can be represented at these summits. Funding will be made available to assist country students to attend the next summit.

All Governments must address the critical challenges of the millennium bug. The Government has therefore established the Office of Year 2000 Compliance within the department and provided funding of \$1.3 million last year and \$1.5 million this year for its operations and programs. Its role will involve promoting and coordinating Year 2000 readiness for the State Government, business and community sectors and minimising the associated business risks through the Office of Year 2000 Compliance.

Key strategies will include ensuring that all Government agencies are Y2K ready by the end of September 1999 and informing the community about issues that will impact on consumers and their rights and obligations under consumer law.

Another critical responsibility will involve working with local and national emergency management organisations to ensure that contingency plans are in place to deal with Y2K created problems during and after 1 January 2000.

The budget papers we are considering today reflect the strategic directions and priorities for the portfolio over the coming year, and we approach these tasks with a sense of confidence and purpose in the interests of the State, given the encouraging economic indicators.

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

The Hon. M.D. RANN: No, thank you, Mr Chairman. I wish to address one issue which is of great importance to the State and, in particular, to the people of the Port Adelaide area. On several occasions in this House we have sought answers from you about the proposed ship breaking industry development at Pelican Point. Obviously it is quite clear from the correspondence that you have had a great deal to do with this project, given the correspondence that you have entered

into with the Australian Steel Corporation. Given that, I would like to discuss with you the comments that were made—and also some of the bizarre behaviour—last week in the Public Works Committee by one of your key advisers, Alex Kennedy, who is also a consultant to the Electricity Reform and Sale Unit which has been overseeing National Power's Pelican Point power station development.

You would be aware that the Submarine Corporation has been very critical of the Pelican Point power station development in terms of the impact on the submarine project. Before getting into that, there are some issues which I would like to clear up with you about the ship breaking industry. In comments in this House on 26 May this year, you made several references to the fact that it was this Government that went out and sought to attract the ship breaking industry to South Australia. Indeed, you said:

If the honourable member wants me to make an apology for going out and attracting new private sector investment, complying with the law of the Parliament in achieving it, then he is horribly mistaken. We will continue to attempt to attract new investment.

I have a series of questions on this issue. First, did the Government seek to bring the Australian Steel Corporation's ship breaking industry to this State, as you suggested in Parliament, and what incentives did you offer to the corporation to come to Pelican Point?

The Hon. J.W. Olsen: First, my reference to attracting private sector new capital investment was in the generic and broad sense. I again repeat: this Government, all Ministers and all members will be proactive in encouraging private sector new capital investment in this State. It is the key plank for job creation and the development of job certainty. To my knowledge, no incentives have been offered to the Steel Corporation. The details to date simply are, as I have previously advised the Parliament, that they sought an indication that for 90 days the Government would be prepared to hold the use of the land or its being allocated for other purposes, pending their capacity to demonstrate that they could fund a feasibility study. The 90 days having expired, they sought a further 90 day period, and that 90 day extension has not yet expired.

The Hon. M.D. RANN: In your letter dated 30 July 1997 to the Australian Steel Corporation, you indicated your strong support for this ship breaking project and offered the land at Pelican Point which you claimed was 'superbly located for your purposes'. You also said that the Environmental Protection Authority in South Australia (EPA) did not see any problems which could not be readily managed. Can you perhaps explain to the Committee why you believe Pelican Point is a superb location for a ship breaking industry?

The Hon. J.W. Olsen: Simply, a group of proponents have put a proposal to the Government. I need to correct the inference contained in the Leader's question. The fact is that we have simply said we would not dedicate the land for other purposes in the intervening period upon which the proponents could demonstrate the capacity to fund a feasibility study. I put to the Committee that that is but phase 1: there is a long, long way to go. Until such time as a feasibility study (if the proponents can fund it) is concluded—and that would take as I understand it perhaps several years—and until such time as other appropriate safeguards that apply to South Australian projects are undertaken and reported on, there is nothing further that I can add for the Committee.

The Hon. M.D. RANN: I think there might be. You wrote to the Australian Steel Corporation again, as you have just indicated, on 15 March this year and again on 14 May, and

I have copies of both those letters here in front of me. As you say, on each occasion, you have extended for 90 days an option over the land at Pelican Point for the ship breaking development. In the letter dated 15 March this year, you said that the land at Pelican Point would only be held for 90 days 'subject not only to demonstration by the Australian Steel Corporation of available financing, but also to the provision of suitable milestones set out in the plan for the feasibility study'.

Given that, as you have indicated to the Committee, the 90-day extension was granted, both then and then repeated (as indicated in your 14 May letter) for a further 90-day period until the middle of next month, I take it that the ASC (not the Australian Submarine Corporation but the Australian Steel Corporation) was actually able to satisfy your officers that it was capable of meeting those requirements in terms of financing, is that correct?

The Hon. J.W. Olsen: No. The fact is that an initial 90-day period was put in place, at which time the proponents were to demonstrate a number of factors to which the Leader has referred, namely, a capacity to fund a feasibility study and to put in place appropriate time lines upon which the study would be concluded and reported upon. The proponents sought an extension, in part. Delays were associated with Government advice as it related to titles for the land. Therefore, the Government considered it reasonable to extend the initial 90 days for a further 90 days.

The Hon. M.D. RANN: The Premier mentioned that a 90-day option was extended without those conditions being adhered to, but, Premier, one of your close confidantes and one of your key advisers, Alex Kennedy, last week told the Public Works Committee that not only was no Government commitment ever given to the Australian Steel Corporation but that, further, it did not even have an option on the land at all. Alex Kennedy said that the ASC did not even have an option on the land—no commitments, no option on the land. Is she right?

The Hon. J.W. Olsen: The Government has simply said to the ASC that, in the interim, we would not allocate or dedicate the land for other purposes pending ASC's demonstration that it could fund a feasibility study. There is not an option on the land. Simply, we indicated that we would not dedicate the land for other purposes.

The Hon. M.D. Rann interjecting:

The CHAIRMAN: Order!

The Hon. G.A. INGERSON: My question relates to Output Class Central Coordination Policy Advice, implementation of major initiatives across Government. The siting of the National Wine Centre at the corner of Botanic and Hackney Roads has met with some opposition. Why was this site chosen and what are the benefits of the site?

The Hon. J.W. Olsen: After carefully considering a number of regional and metropolitan locations, both the State Government and the Australian Wine Industry were of the view that the chosen location for the National Wine Centre was, in fact, the best site. I hasten to add that my understanding is that the development has bipartisan support. This was the only site, of all those considered, which was central, had sufficient space to incorporate a vineyard into the design specification and which was not aligned with any particular wine region. The location of the site is important for its proximity to the Botanic Gardens, North Terrace and the East End.

The development offers a tremendous opportunity to create an integrated development with the Botanic Gardens,

the rose trial gardens and the Adelaide International Rose Garden. As required by the Australian Wine Industry, as a condition of its support for the National Wine Centre, the design brief called for a building of some significance and a building that would become a symbol and icon of Australia's national wine industry. The building needs to make its presence felt while at the same time being part of the precinct, the area, and some quite particular design applications are needed for that.

It is of paramount importance that such a major tourism development is visible, identifiable and accessible to the public. This is an opportunity for South Australia to develop a national facility in an industry with which this State is so closely linked. The new National Wine Centre buildings will be located on a site which originally housed the Adelaide Lunatic Asylum from 1852 to 1902 before it became the Infectious Diseases Hospital. I am advised that in 1938 the building was demolished. It was only after this state that the land had been used for botanic gardens. In fact, for some time the area had been given over to corrugated iron sheds.

The 1970s buildings and glasshouses were dilapidated and provided parking for vehicles, machinery and storage areas. Demolition of the buildings and the unsightly work areas will improve what is now a run down corner of the gardens and will, in fact, reduce the area of built form and paving leading to a significant net increase in garden and parkland areas. To those who indicate that this is contracting the parklands and gardens, I say that that simply is not the case. There is an expansion of actual parklands as a result of the National Wine Centre. The initiative will also allow the Botanic Gardens Administration and State Herbarium to be relocated into two heritage-listed buildings. Mr Chairman, I believe you had some close interest in the old Goodman Building and the Old Tram Barn A. Those buildings will be restored and upgraded, and their surroundings transformed from what is a derelict landscape into an attractive botanic setting.

The Hon. G.A. INGERSON: My next question also relates to the wine and rose development and, in particular, the benefits of the rose garden to South Australia. The Adelaide International Rose Garden was a more recent addition to the Botanic Wine and Rose development. Why is South Australia planting this garden and will there be any benefits for the State?

The Hon. J.W. Olsen: Development of the Adelaide International Rose Garden fulfils, first, an election promise by the Government. The rose industry will be recognised by the establishment of this significant garden in the City of Adelaide. The development was based on an idea of the Hon. Legh Davis following his visit to the highly successful annual rose festival in Portland, Oregon and subsequent discussions with the City Council. The International Rose Festival in Portland, Oregon attracts tens of thousands of visitors from around the world. The gardens will be just another feature of the development of the tourism industry in South Australia using some of the unique features of this State to build benefits.

South Australia produces approximately 50 per cent of Australia's commercial and domestic roses and houses the largest commercial rose garden in the southern hemisphere at Renmark (David Ruston), which happened to be featured on news services this morning. The International Rose Gardens' close proximity to the National Wine Centre mirrors what are historical and practical links that exist between the production of wine and the propagation of roses which, for centuries, have been used in vineyards as an early warning for

the onset of mildew. The gardens will showcase roses of an international standard, including a section devoted to exceptional Australian bred roses.

This development is designed to fulfil two roles: it will be both a garden and a source of information about rose varieties—the growing and maintenance of roses to educate the home, professional and institutional gardener. Sections will feature various types of roses that are exceptionally hardy and disease resistant, and the like, and will also demonstrate the various features of roses. Commemorative roses that have been named in Australia will be grown, including the Olympic Gold rose, the Howard Florey rose and the Children's rose which aids the Women's and Children's Hospital.

The rose garden, the vineyard and the backdrop of the National Wine Centre leading into the Botanic Gardens will add quite a new feature to the Botanic Gardens. It is in line with what we are attempting to achieve in developing roses and vines through a proposal to link the airport with the city with roses and vines to once again showcase South Australia.

Mr CONDOUS: My question relates to Budget Paper 3, Estimate Statement, page 34, and Budget Paper 4, Volume 1, Portfolio Statements, page 1.45. What will happen to the heritage buildings and other structures on the site of the National Wine Centre and the Adelaide International Rose Garden?

The Hon. J.W. Olsen: First, it is important to indicate that all heritage listed buildings, the heritage wall and important trees on the site have been incorporated into the designs for the Botanic Wine And Rose redevelopment. The retention of all heritage items and important trees has been achieved largely by placing the National Wine Centre on the site of the existing non-heritage buildings and car park areas. The design has carefully taken into account appropriate set-back distances from the heritage wall, Yarrabee and former stables in the corner. The planned form of the building respects the geometry of the important stand of jacarandas on the west, First Creek, the stables and the north-south heritage wall. The jacarandas are approximately the same height as the proposed National Wine Centre, to give a perspective of height of the trees and the building.

The heritage listed sections of the stone wall along the Botanic Road frontage will be retained and will obscure the service area and loading area on the southern side of the National Wine Centre building, just as it now obscures a collection of back of house facilities used by the Botanic Gardens. The wall in the interior of the site has been incorporated into the design of the facilities of the National Wine Centre. Appropriate safety issues will be incorporated to ensure that vehicles will be able to move with adequate clearances. The Botanic Gardens administration and State Herbarium are being relocated to the Goodman Building and Tram Barn A, both heritage listed buildings that are being restored and upgraded. The Goodman Building, I am told, is coming up exceptionally well.

The relocation of the State Herbarium will increase public awareness of and access to this valuable scientific resource. Its important specimen collection will be stored in improved conditions, incorporating better management of insect control and temperature extremes. Importantly, the refurbishment of the tram barn will provide extra storage capacity to accommodate the State Herbarium's short to medium-term expansion of its collection without having to construct additional facilities that would result in future further incursion into the Botanic Gardens. Effectively, the system in place will

preserve a greater area of the Botanic Gardens. Heritage advice confirms that the proposed renovations are appropriate and are in accordance with heritage principles.

The Hon. M.D. RANN: I want to pursue the matter of Pelican Point. Last Friday, apart from abusing members of Parliament and the committee process, Alex Kennedy gave evidence to the Public Works Committee that ERSU and all other Government agencies had been supplied with documents that showed that the Australian Steel Corporation did not have the financial standing to go ahead with a ship breaking development on Pelican Point. Given his two recent letters to the Australian Steel Corporation, has the Premier been provided with a copy of these documents that Alex Kennedy refers to and, if so, what was the information contained in those documents used in considering whether or not to extend the options on the land at Pelican Point for the ship breaking development? If not, why not, given that Ms Kennedy says that you have all been provided with the details that, basically, the Steel Corporation does not have the financial backing or credibility to go ahead with the project, anyway?

The Hon. J.W. Olsen: First, I am not in possession of that information and have just asked officers with me whether some of the information—it is a little difficult to identify exactly what the Leader is talking about, but in general terms I understand the thrust of his question. I am advised that there is not that detail available to the Government, as I interpret the Leader's question. What has occurred to date is simply this. The Government has granted to ASC a 90 day period within which the Government would not consider any other dealings with land at Pelican Point, so that it had an opportunity to prove that it had the financial resources to undertake, first, a feasibility study and, out of the feasibility study, its capacity to prove that it had the resources to implement a project.

The ASC was to identify all certificates of title needed for its project, undertake a professional survey, and demonstrate that it could finance that feasibility study—which would not be inexpensive, I am advised. Also, as has been noted in the Leader's questions, ASC was to identify milestones during the feasibility study that it would undertake to achieve within time limits. Therefore, if a feasibility study took two years, for example, there would be time lines in the two years and reports given to Government during those two years. If the ASC is able to show that it has money for a feasibility study and that the land is properly identified, then Cabinet will consider the granting of an option over land—which option might be to sell or lease the relevant land for a period of time—only to be exercised on a successful conclusion of the feasibility study. That study would include the undertaking of a full environmental impact statement and the putting in place of appropriate other measures, for example, AQIS.

The Hon. M.D. RANN: We are not talking about something that just happened in 1997. Here we have the decision made to give National Power a site at Pelican Point despite massive community opposition and opposition from the Submarine Corporation (it could have been collocated over at Torrens Island). We have letters in March and May of this year extending the option. We understand that it has another month or so to go before having to comply with the next 90 day extension, but here we have the Premier's chief adviser, the Premier's political adviser and also someone central to the process of Pelican Point saying that 'all of you' have been told that ASC does not have the finances.

Also last Friday, Alex Kennedy made clear that the Treasurer—that is, the Premier's Treasurer, Rob Lucas—had asked her to place on the record of the Public Works Committee that all Ms Kennedy's views were the views of Rob Lucas, the Treasurer. Ms Kennedy said that the ship breaking proposal was 'a ridiculous project that should not go ahead'. Here she is saying that she is representing the Treasurer, saying that the Premier has been informed about this, that he is giving ASC an extension, and she is saying that it is a ridiculous project that should not go ahead and that she speaks on behalf of the Government.

Alex Kennedy also said that there was a conflicting interest between a power station and a ship breaking industry on Pelican Point, even though the Premier has given the go ahead for the power station and given extensions to the ship breaking project. She says that there is a conflicting interest between a power station and a ship breaking industry at Pelican Point. That appeared to be the view not only of the Treasurer but also of ERSU. That is how it was presented to the committee before Ms Kennedy became abusive.

Premier, given these views and the apparent conflicting interests of these two industries, and given the conflict between what Alex Kennedy is saying representing the Treasurer and what you are saying to this Parliament's Committee today and also in your letters to the Australian Steel Corporation, why have you personally allowed a series of 90 day extensions over land options for the Australian Steel Corporation on Pelican Point after the power station was approved, when your own Treasurer's representative said that it is a ridiculous project and a conflict of interest with the power station and that it should not go ahead?

The Hon. J.W. Olsen: Let me correct part of the preamble of the Leader's remarks. There is not an option. I have previously indicated to the Committee the process and the offer that has been put in place—

The Hon. M.D. RANN: So it's not an option; it's an extension? It's an offer but it's not an option?

The Hon. J.W. Olsen: The Leader can make his point for the television news services. I have detailed the sequence of events and what accurately and specifically is available to the ASC. I wish to correct another point. The Leader said Ms Kennedy was my chief adviser. She is not my chief adviser, and the honourable member knows that. Ms Kennedy works for the Electricity Sector Reform Unit as part of a consortium that controls—

The Hon. M.D. RANN: She represents the Treasurer.

The Hon. J.W. Olsen: The Electricity Sector Reform Unit is accountable to the Treasurer. The Leader went on to say that in evidence there was abusive nature. I have not read the evidence, and I would want to check the transcript before concurring with the Leader's view on that. What I saw reported—and that is all I have read at present—would not go into the category of being abusive at all.

In relation to the suggestion of conflict of interest, the Leader would know, during his time in government, that with a range of projects that come in there are competing interests for projects, for locations and a range of other issues. It is the role of Government to attempt to facilitate and resolve any conflicts or competitive interests between private sector investors. It is important that Government undertake that role to get maximum private sector investment in the State. Therefore, any so-called conflicting interest referred to by the Leader would be treated no differently from that which applies to a whole range of projects, working them through with interested parties to a successful outcome.

The Hon. M.D. RANN: We do not know whether there has been yet another stuff-up in terms of the Australian Steel Corporation—and this is all a way of wriggling off the hook—or whether the corporation is being encouraged to locate its proposed ship building industry elsewhere in the State, because no other location has been discussed, given that someone claiming before a parliamentary committee, chaired by a member of the Minister's own Party, is saying she speaks for the Government on saying that it does not have the finances, that there is a conflicting interest with the power station and also that the project should not go ahead.

If the Australian Steel Corporation comes back to the Government after this July extension that you have given, knowing that the Pelican Point National Power project is going ahead and having met all the terms and conditions necessary to take up land at Pelican Point, will the Government fast track the planning approvals for the ship breaking development as promised in your letter to the corporation?

The Hon. J.W. Olsen: Once again, let me correct the preamble of the Leader and the provocative tone of his remarks. First, we will check the record to see whether the Leader is taking in a different context evidence that was put before the committee last week and reinterpreting with a different emphasis that evidence. That is the first point I want to make.

The Hon. M.D. RANN: Why don't you check with the Chairman of the committee? He is one of your Caucus members.

The CHAIRMAN: Order!

The Hon. J.W. Olsen: Secondly, the Leader keeps emphasising that it was I who extended the period to 90 days. I can assure the Leader that, in both instances, the establishment of the first 90 days and the extension of 90 days was a matter that was considered by the Cabinet. In relation to the final component of the Leader's questions about fast tracking (I think that was the term he used) planning approvals, as I have identified in a previous answer, much has to be done before that stage is even reached. Preliminary advice to me is that quite considerable time will elapse before that arises.

The position will be that the feasibility study and funding of a major capital project sometimes takes years to bring to fruition. The time lines identified in the 90 day extension would have to be adhered to. It might be that this feasibility study is of some two years' duration. I do not know; it will be on the basis of what is submitted prior to, I think, 19 July, which is the further 90 day extension. So, the question of fast tracking is not relevant at this point. I should have thought there would be one if not two Estimates Committees before that stage is even reached.

The Hon. M.D. RANN: By way of brief supplementary, the point I want to understand from you, as Premier of the State, is that, given that a parliamentary committee was told this last week, do you agree with the Treasurer's representative that this is a ridiculous project that should not go ahead? Do you agree with the Treasurer's representative that there is a conflict of interest with the power station project?

The Hon. J.W. Olsen: In relation to the conflict of interest, I just indicated to the Leader—and I will repeat it if necessary—that he would know during his time in government that Government gets a range of proposals located next door to one another, or within vicinity, using infrastructure, upon which there are issues to be resolved between the respective competitive parties. The Government's role is to facilitate an outcome in the interests of all the parties to get

the investment in place and the jobs created. This project is no different from that.

The Hon. M.D. RANN: The project has already been given approval. It is not as though you have two people vying for approval.

The CHAIRMAN: Order! The Leader has asked his question. Has the Premier concluded?

The Hon. J.W. Olsen: I will respond to the rejoinder. That is no different from a project coming in and being located to an existing facility and how infrastructure may be overloaded and how you meet the needs of the two corporates in the one area. The Leader is merely—I guess for the bulletins tonight—trying to draw some conclusions that are simply too early to attempt to draw. You cannot put in place—

The Hon. M.D. RANN: But your representative drew them—that's the point—saying she represented the Treasurer.

The CHAIRMAN: Order!

The Hon. J.W. Olsen: We can have 23 questions in a row if the Leader keeps interjecting a further series of questions. What we are doing is simply repeating answers that I have given to previous questions of the Leader in relation to Ms Kennedy's position with Government.

Mr SCALZI: I refer to the Central Coordination and Policy Advice, Budget Paper 3, Estimates and Statement (page 34), and Budget Paper 4, volume 1 (page 1.45). Across Australia over the past 20 years there has been a steady decline in the involvement of volunteers in the community, with the result of responsibilities being placed more and more on the shoulders of fewer and fewer people. Volunteer burnout is something that we cannot afford to have, as these people are our society's backbone and are critical in the creation of strong, vibrant communities. What is the South Australian Government doing to build support for volunteers and volunteerism in this State?

The Hon. J.W. Olsen: I thank the honourable member for his question and I do so because of the role that volunteers play in the broader community which, I think, in part, has been taken for granted. Volunteers provide a range of services that the Government simply would not have the resources or capacity to provide. I also put it in this context and perspective: a volunteer giving up their time to go out into the community to help others really means something substantial to the recipient, more so than someone doing their job. That is not to cast aspersions or questions over people in the delivery of a range of services. It is simply that a volunteer making a personal sacrifice is usually taken into account by the recipient and, therefore, their support is important. In this State we have something like 250 000 volunteers.

Let me use the Kosovars as an example. The way in which the Kosovar refugees have been assimilated into the Hampstead Safe Haven and the way in which 200 Red Cross volunteers have assisted them has meant that we have not seen the difficulties that have occurred in other locations. I think that is the result of the way in which South Australians tend to approach these things. The 250 000 volunteers that we have in this State make a substantial contribution and for that reason we have put funding of \$500 000 aside in this year's budget to support a volunteer summit and a program of grants for volunteer organisations, first, to recognise, secondly, to reward, thirdly, to support and, fourthly, to put in programs with some funding so that they can expand their services to the broader community.

As I have indicated, I do not think volunteers have been appropriately acknowledged, recognised and supported by past governments. The summit that we are proposing to hold

on 1 August will provide a forum for the Government and organisations to share ideas, concerns and seek views from the volunteer community with a view to building onto their contribution and to look at how government can assist volunteer organisations. Are there things that government does that are an impediment to volunteers? Are there things government could do to facilitate volunteers? If there are, what are they? Let us explore them.

Another example involves Operation Flinders, where kids at risk go up to the Flinders Ranges in a program for a week. At the end of the day, how do you value a program where, with one of those kids, you might have given them a new start, a new focus or attitude to life and diverted them from a course of perhaps getting off on the wrong track, so to speak? What is the value of that? It is an intangible value and that is the difficulty. Because it has been an intangible value we have not tended to have a bottom line. This is the plus and minus in a ledger and, therefore, it has a value and therefore we ought to do it. We want to explore that with volunteers. In the summit we are seeking representatives for the summit from service groups, community members working on projects, for example, in the environment, voluntary welfare organisations, sporting groups, school groups, volunteers to help with emergency services, and the summit will also provide an opportunity to look at ideas of involvement of the corporate sector and means of ensuring greater recognition.

We have put in place a unit to link corporate donations towards community work. For example, how do we link a Lions club, Rotary club or service club with Trees for Life when they might have a program and they need further resources for planting, which is good community service work, and perhaps the corporate sector might like to fund a service club in doing that work? How do you bring them together? That is the purpose of what we are proposing to do in this summit.

The Hon. G.A. INGERSON: My question relates to the Centenary of Federation, which will be celebrated throughout Australia in the year 2001. What is the Government of South Australia doing to provide leadership and financial support for South Australia to celebrate the Centenary of Federation, particularly for people beyond the metropolitan area?

The Hon. J.W. Olsen: Cabinet has appointed the South Australian Centenary of Federation Committee. The Minister responsible is the Treasurer, Rob Lucas, and the chair of the committee is Jane Jose and they have a supporting staff unit. Staff have made presentations to every local government authority in the State and I would have to say the response has been warm. In our third tier of government there is strong interest in the celebration of the Federation. Over 200 grant applications have been received from across the State. Successful projects are still to be announced early in the new financial year and a second round of grants will open for application in October 1999, closing on 31 March 2000.

The focus of the national program will move around the country and its focus on South Australia will occur in October 2001. South Australia's major celebrations will involve major regional as well as metropolitan communities and the full details of that will be announced later. An outcome (an output, as we keep calling them these days) is that community development is a key and integral feature of the Centenary of Federation celebrations supported by the Government and the Commonwealth. Achievements of the nation will be recognised and celebrated, as will core values of the diversity of our society.

Mr McEwen: Will the Premier comment on the broad approach the Government is taking to wages within the public sector? The member for Chaffey has just brought to my attention the fact that over the past five years wage rises within the public sector have been more than double inflation. Given that wages are a big component of Government expenditure, can the Premier make an observation about the policy setting in relation to further pay increases in the public sector?

The Hon. J.W. Olsen: While I get some notes to respond to the question, I indicate that as to the past two years the wage increases struck with the public sector—and I will have to check this—are about half of the private sector wage increases. That was not the case for the first three years of the five year period that the member has referred to. I have noticed the member for Chaffey's comments previously about the wages discipline of the Government in the broader media and, in my view, those statements are not an accurate reflection of the constraints that we have put in place. We need to take into context the wage movements for the public sector *vis-a-vis* wage movements for the private sector. To repeat: over the past two years we have seen about half the movement in the public sector as in the private sector. I am sure the member for Chaffey would want for her teachers an adequate pay outcome and for her police officers and other departmental people providing services in the Riverland to be appropriately and adequately rewarded as in the provision of services elsewhere.

The Government has been quite rigid. I point out that at one stage I said at a public forum, 'If they go on strike, let them. It will save us some wages.' I got criticised for being provocative in that statement but I hasten to add that, since that time, we have settled the firefighters union application, in principle terms, within the parameters that we put down in the first instance. Bearing in mind that that 12 per cent is over a period through to early 2002, we have a three year timeline and we can look at that in terms of CPI movements, and incorporated ordinarily in these enterprise agreements are some productivity gains.

We have signed off with the Public Service Association and with the nurses. In the decision with the Public Service Association, we agreed to a key claim, which I think on principle and merit the PSA had a right to ask for. We supported it because we thought it was right in principle. That claim was that like work across like Government agencies equals like pay. A parity question was put in place. Whilst we had a protracted series of negotiations with the Public Service Association, the average increase which was settled recently is within the parameters originally put down by the Government.

In addition, the honourable member would note that we have been quite firm in our position with the South Australian Institute of Teachers, and we have stated what we think is a fair and equitable wages outcome. The teachers, unlike the firefighters, the nurses and the Public Service Association, have stood on their dig. It is now a matter before the Industrial Relations Commission and I am advised that, when a similar case went to an industrial commission interstate, the outcome was less than the offer that was on the table in the first instance. I have no idea what the outcome will be, of course, and I will wait to see what it will be.

I also note that a number of teachers have approached officers of Government asking how they can accept the Government's offer. The answer is that this matter is now before the Industrial Relations Commission. We sought to

negotiate with Janet Giles, but she decided to take a different, antagonistic, provocative approach, and the matter is now before the Industrial Relations Commission. We will abide by the umpire's decision in the fullness of time.

I want to deal also with the broader policy question posed by the honourable member. The agreements that we have put in place generally provide for the public sector a pay rise with an end date of 2001. Most agreements conclude at the end of 2001 or in early 2002. In other words, there is a two or three year time line for the enterprise agreements. Ordinarily we seek productivity and efficiency gains or changes in work practices to get efficiency gains to build into the agreement so that part of the wage cost increase is offset by performance related measures of the work force in the particular sector.

Secondly and importantly, we have applied what I think is a discipline of wage constraint across most, if not all, sectors of Government. That has meant protracted negotiations, but we have held the line and secured an outcome that I think is fair and reasonable. It is not just a matter of ensuring that there is cost containment because, as we all know, the Government does not spend the Government's money: the Government spends taxpayers' money via revenue raising measures, and the biggest component of the budget is wages. At the same time, the public sector is entitled to reasonable and fair wages movement. To that extent, in the last two years in particular, with the five year time line that the honourable member referred to, that outcome has been met.

The Hon. M.D. RANN: I again refer to the lines dealing with central coordination and policy. My question relates essentially to the ETSA privatisation. Now that we are in the lease phase, one's memory turns back to October 1995 when huge publicity was given to the Premier's signing of the contract with United Water and all its benefits to South Australia.

The Hon. J.W. Olsen: A very good contract, too.

The Hon. M.D. RANN: The Premier says it was a very good contract. I remember him telling the Parliament and the people that it was written in the contract that it be Australian owned, that Mr and Mrs South Australia would own the shares in the companies, that there would be a centre for a water industry internationally, that 1 100 jobs would be created, and that it would result in a 20 per cent reduction in the price of water rather than a 25 per cent increase. The fact is that now it is 100 per cent foreign owned and hundreds of jobs have been lost. That has been the subject of some debate and copious amounts of documents, FOI claims and cases in the District Court over time.

The point that I want to raise today is that most of us, and I hope the Government itself, would have been concerned with the process of awarding that contract. What must be remembered is the bizarre scene when the probity auditor went out to dinner when the vital documents were being lodged and there were questions about who was allowed to open and copy the bids. In fact, there was unauthorised opening and copying of those bids. The probity auditor went home hours before the final bid was received and individuals were allowed to leave the SA Water building after the opening of the ultimately unsuccessful bids but before the receipt of the successful bid. That is how crook it all was. Two unsuccessful bids were opened earlier and then, hours later, without the probity auditor present, without the videotape surveillance working on this supposedly secure room, the process was stopped. If it had happened in Sydney, there would have been an Independent Commission Against

Corruption (ICAC) inquiry to determine what the hell went wrong in the process of a lease privatisation deal.

I am asking the Premier today for some assurances on the record that this time the Government will do it better, that this time there will be an emphasis on probity and propriety rather than the shambles that occurred last time. What process is being established in terms of the awarding of the contract to ensure that there is integrity in the process and what assurances can the Premier give about the *bona fides* of the companies bidding for our electricity assets? Given that the privatisation of South Australia's power raises the issue of the future power needs of South Australians and raises questions of reliability of supply as well as the integrity of companies that may or may not be involved, will there be public interest provisions in terms of the sale? What weighting will be given to public interest other than the price received? In other words, when going through this process presumably there will be a secure room and hopefully there will be a different probity auditor from the one who botched the process last time. I would like some assurances from the Premier about the probity of the process and whether the integrity and *bona fides* of the companies involved will be included as a public interest test in the sale or whether it will simply go to the highest bidder.

The Hon. J.W. Olsen: Let me tackle a number of points arising from the very long preamble of the Leader. The benefits of this water contract will be very clear and evident in terms of giving a land bridge for a range of small to medium enterprises to sell goods and services into the international marketplace which they would otherwise not have the opportunity to do. The export figures for the second year of the contract should be available soon, and from the verbal advice that I have received I am sure that, in an objective way, the Leader will come out and say he is delighted with what has been achieved in the second year of this contract for exports, which underpin jobs.

With respect to the 20 per cent savings, we keep rewriting a little bit of history. The contract does save 20 per cent in the provision of the services, and it is being redirected for the benefit of South Australians in a range of other services that otherwise simply would not be available. I give the Leader credit to this extent: he has so muddied the waters—

The Hon. M.D. RANN: The Premier said that Australian ownership was in the contract. Was it?

The Hon. J.W. Olsen: The Leader should just listen to what I want to say. With respect to that question, the Leader knows the evidence that was given before the select committee before the final contract, and that evidence clearly indicated the criteria that the company had to go through in terms of commercial viability to move to Australian ownership in the right time to do it. The quicker we get to exports, the more opportunity there will be for the Australian ownership. But I give the Leader credit for this fact: he has so muddied the waters that most people think we have sold water off to overseas corporations. We all know that not to be the fact—but do not let fact be confused with perceptions. I understand the political point of the Leader. He keeps talking about 'the sale'—along with his spokespeople from the Opposition—to reinforce this view that we have already sold our water, when in fact we have not. We have simply entered into an operation and maintenance contract for our infrastructure, which we continue to own. But never mind: never let the facts get in the way of a good story, as the old saying goes.

In relation to the performance of the Government, we have sold a range of public assets in the past six years in an endeavour to successfully begin the process of debt retirement and now, hopefully, we are moving into the next century with it really having been given a kick. For instance, look at SGIC, Forwood Products, the Pipelines Authority of South Australia and the State Bank: a range of assets have been sold, quite successfully. The Government has always had probity of process and integrity of process in mind, and any subsequent test review assessment of the water contract has not led us to believe that any matters are untoward there.

The Hon. M.D. RANN: Do you think that the probity auditor process is acceptable, where—

The CHAIRMAN: Order!

The Hon. M.D. RANN: —he goes off for tea and bids are opened unlawfully?

The CHAIRMAN: Order!

The Hon. J.W. Olsen: That is like saying that I should be personally accountable for the actions of every public servant in this State every day of the year (which, I believe, number 92 000, including all those registered under the Commonwealth system), which is clearly a nonsense. As the Leader knows, the role of Government is to put the appropriate checks and balances and instructions in place. It is then incumbent upon people (with the appropriate penalties in place) to follow those checks and balances and processes as put down by Government.

In relation to the issue raised by the Leader with respect to power utilities, he knows that the lead Minister is the Treasurer, and I invite him to direct specific questions to the Treasurer, as the responsible Minister. I go on to say that, regarding National Power, clearly, there is a need for generating capacity to be on stream by October next year. Failure to bring additional generating capacity on stream by October next year will mean that we will have progressively to shut down sections of the business community in South Australia, or in the suburbs, because we will not have peaking capacity, particularly for the summer heat cycle, when maximum demand occurs.

The reason why we are intent on pursuing the establishment at Pelican Point at the earliest possible opportunity is to ensure that, whether it is Bridgestone in the Leader's electorate, other manufacturing industry or the suburbs, we are not put in a position of having to shut them down as availability of power is reduced at critical times. Competitive advantage for a State is about ensuring not only the right price but also reliability of supply. For that reason, despite what the protesters might be saying at Pelican Point, that project will be implemented, and it will be implemented on time. The broader South Australian community's interest is based on that.

In relation to the public good (which is an extension of that question about National Power), there are two further Bills before the Parliament relating to the sale of electricity. One Bill relates to the Regulator. It incorporates environmental factors and a whole raft of provisions, protections and safeguards that do not exist today but are measures that will be required of purchasers of the lease as and when they unfold. I hope that there will be a speedy resolution of these matters through the Parliament in the course of the next month so that those environmental and regulatory safeguards can be put in place.

The Hon. M.D. RANN: I find it staggering that the Premier talks about 90 000 public sector employees. I asked whether the Premier was satisfied with the probity auditing

process of the water contract, which was the subject of two years of debate, litigation, FOIs, debates in Parliament and no confidence motions. Basically, the Premier does not know, and he is not prepared to give assurances that the electricity sale process will be more diligent than a process where the probity auditor disappears, where we see tampering with documents, where we see bids opened unlawfully and where we see video camera surveillance break down. Let me tell the Premier that we will be pursuing this until election day: he had better get it right this time.

With respect to the issue of probity, the Legislative Council was informed by the Hon. Ron Roberts that one day he had been called back from the Chamber and asked whether he would speak to a member of Parliament on the Government side. Following this, a proposition was put to him in the President's Chamber by a Government member (I understand a Lower House member). The Hon. Ron Roberts claimed that this Lower House member said that he was representing the Government, or the Premier, and asked what it would take for him to change his vote to support the privatisation of ETSA. Mr Roberts said that the approach to him was, in effect, 'What do you want? Tell us what you want and we will consider it.' Is the Premier aware of any such approach? Was such an approach ever made with the Premier's approval and knowledge, and who made the approach, not just to Mr Roberts, but to any other member of the Upper House, in order for them to change their vote?

The Hon. J.W. Olsen: Let me repeat some of the history again. First, in relation to the water contract, I point out to the Committee that it is now two or three years old. This Parliament has debated *ad nauseam* that contract. All the points put forward by the Leader are simply rehashing old ground that is so stale it is not funny. I gave the Leader the assurances that he was seeking in my earlier response, so I will not repeat them.

With respect to the threat of the Leader, we will just deal with the facts of the matter before us, not the sort of threats that keep arising. The Leader comes back and asks the question in a different way a second time if he does not get an answer that suits the news bulletins for the night. So, we have the second phrasing of the questions to bring in a new angle for the TV bulletins tonight—and I understand where the Leader is attempting to go. On the point whether anyone represented the Government in discussions, the answer is 'No.' The reason for that is I first had a discussion with Mr Crothers back in February, so there would not have been a need to.

The Hon. M.D. RANN: Mr Crothers by the way says he had no discussions with the Government, so someone is not telling the truth. Mr Crothers has actually said he did not have discussions with any Government member. You are now saying that you had discussions with him in February. I was referring to statements made in Parliament using the approach of Parliament in terms of telling the truth in the Upper House where Ron Roberts says that a Government member, acting on your behalf, made an approach and said, 'Tell us what you want in order to change the vote.' You are saying that that did not happen, but you are saying that Trevor Crothers is not telling the truth because you actually met with him in February.

The Hon. J.W. Olsen: I point out to the Committee that it is my understanding that Mr Crothers at a media and press conference indicated he had had a discussion with me.

The Hon. M.D. RANN: He keeps changing his story as well.

The Hon. J.W. Olsen: I see. The answer does not suit the Leader, so we cast an aspersion on the other individual.

The Hon. M.D. Rann interjecting:

The Hon. J.W. Olsen: Well, you can cast your aspersions on Mr Crothers if you wish. I simply say that I had a meeting with Mr Crothers in February. No other approaches, to my knowledge or at my behest, were made to anybody because there clearly was not a need.

The Hon. M.D. RANN: He says there was clearly not the need. That means that, given that Mr Crothers told the media, the Parliament and everyone who would listen that he had not made up his mind until the day that he crossed the floor—which I have to say I did not believe and I do not suppose anybody else did—you are saying there was no need to approach anyone else because it was stitched up in February?

The Hon. J.W. Olsen: I understood that he was giving serious consideration to his position. I remained hopeful that the end result would occur, and it did.

Members interjecting:

The Hon. M.D. RANN: Yes, you have just exposed Mr Crothers for not telling the truth.

Members interjecting:

The CHAIRMAN: Order!

The Hon. M.D. RANN: Since Mr Crothers, like Mr Cameron, as a result of his actions has now received extra resources from the Government in terms of extra staff and so on, do you think that is an appropriate course of action?

The Hon. J.W. Olsen: I am unaware of any resources being applied beyond that which are given to other Independents in this place. I am unaware of that and I will seek advice from the appropriate Minister.

Mr CONDOUS: I refer the Premier to Central Coordination and Policy Advice, Budget Paper 3, Estimates Statement page 34, and Budget Paper 4, Volume 1, Portfolio Statements page 1.45 with respect to boards and committees. What approach is the Government using to demonstrate its commitment to transparency and accountability in relation to appointments and remuneration on Government appointed part-time boards and committees?

The Hon. J.W. Olsen: The Government has agreed to release to Parliament the major items of information on boards and committees from the Boards and Committees Information System held in the Department of Premier and Cabinet, but there are some conditions on that, and let me canvass those. The release will be once annually within eight weeks of the end of the financial year, rather than repeatedly, due to the resources compiling it and the fact that it changes on a regular basis. Also, it is understood that the Boards and Committees Information System is 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 or directors receive fees.

Fee information will be provided within ranges, not specific fees. For example, it will show member numbers in \$10 000 bands, and that is in line with the private sector annual reporting requirements. Fees set on a sessional or hourly basis will of necessity be an approximation only and converted to an annual figure. This approach is in line with the Government's commitment to more open government, while still respecting and maintaining a level of confidentiality for its board members and directors. The release as at 30 June 1999 is currently being prepared for release hopefully within the eight week time line.

The Hon. G.A. INGERSON: With respect to biotechnology industry development, could the Premier advise the Committee what the South Australian Government is doing to encourage the development of biotechnology industries in this State?

The Hon. J.W. Olsen: Biotechnology is an important key industry sector for South Australia in the future. I notice the impetus being given to biotechnology, for example, in Queensland, where very substantial funds from a cashed-up Government are being given to biotechnology, and also Victoria's commitment to biotechnology. However, we have greatest constraints on biotechnology funding availability. We have put \$2 million towards the establishment of the South Australian Food Biotechnology Centre at the Waite Research precinct. That is an alliance between key research institutions and a number of major stakeholders and investors.

The Department of Premier and Cabinet has convened an interagency group to investigate and report on accessing the State's biological resources with a view to establishing a greater degree of certainty for investors within the framework of existing environmental protection and property rights. Several issues have to be addressed: namely, effective research in industry development frameworks, because it is a high risk industry sector particularly in its formative stages; a clear, effective and fair regime to access biological resources for research and commercialisation opportunities; a rigorous regulatory framework that has the confidence of the community as well as the industry; and an open and effective communication and community consultation strategy. As a Government we would want to put considerably more emphasis and impetus into biotechnology as an industry of the future. I think it is important for this State's future that we do so. Identifying the resources, however, is one of the key tests, given the financial constraints that we have.

The member for Fisher (Hon. Dr Bob Such) has, at my request following my preliminary discussions in the United States with biotechnology representatives, visited with Dr Tim Kaethner from the Business Centre and discussed some of the opportunities that might emerge. We are to work through their report, and will consider their recommendations particularly as they relate to the educational institutions, the intellectual property, how we marshal that for research and development and, following that, determine the framework as I have mentioned for such a project to be established and consider the funding required to underpin it. They are all key questions that have to be asked. I would hope that, given on the horizon greater financial flexibility for the Government, we can now position ourselves so we will not be left behind by the other States that have funds to put into it but, rather, in a fairly disciplined and careful way, underpin the growth of the biotech industry.

Mr CONDOUS: I refer again to Central Coordination and Policy Advice, Budget Paper 3, Estimates Statement page 34, and Budget Paper 4, Volume 1, Portfolio Statements page 1.45, in relation to the capital city development program.

The Hon. M.D. RANN: The tower of inspiration.

The CHAIRMAN: Order!

Mr CONDOUS: I believe that this is a fairly important question in the light of recent intense public interest in relation to changes happening within the city as a result of coordinated actions between the Government and the Adelaide City Council; and, more importantly, in the light of this morning's announcement of changes to the \$70 million

development at the Adelaide Convention Centre, which I believe is one of the greatest and most exciting project announcements in many a year in this city. What is the Premier and the State Government doing to contribute to the development of the City of Adelaide?

The Hon. J.W. Olsen: I thank the honourable member for his—

Mr Clarke interjecting:

The Hon. J.W. Olsen: In relation to the rejoinder from the member for Ross Smith, every time the honourable member said something publicly he delayed any announcement by a further three months.

Members interjecting:

The Hon. J.W. Olsen: No, we simply did further detailed research work and now what we have is the best option which will be an icon. I have no doubt that the member for Ross Smith will publicly laud the Government for the decision—

Mr Clarke interjecting:

The Hon. J.W. Olsen: Have you?

Members interjecting:

The Hon. J.W. Olsen: Oh! If the honourable member looks at today's plans and the way in which we open up the Riverbank precinct, he will see that it is outstanding. I am sure the honourable member will be delighted with that.

Members interjecting:

The CHAIRMAN: Order!

The Hon. J.W. Olsen: In relation to one other rejoinder from the Leader of the Opposition, that inspiration on North Terrace is actually being built and it is a \$70 million—

Members interjecting:

The CHAIRMAN: Order!

The Hon. J.W. Olsen: An outstanding \$70 million-plus development is being undertaken on North Terrace as an outcome of that inspiration—modified, I concede, but it is being put in place. I certainly welcome that development in a key area within the CBD, and I know that the member for Colton has a close interest in the city and its future. The State Government and the Adelaide City Council have released a joint program for the development of the city called the Capital City Development Program. That program was prepared in 1998 and summarises many of the plans that the State Government and the Adelaide City Council have for developing the city and builds on the valuable work undertaken by the Adelaide 21 project.

The program outlines the strategies for developing a city in areas such as retail, business, arts, tourism, education and health and, since the release of the program, progress has been made in a number of areas. The Capital City Committee has been established and is working very well. We had a meeting last week. We are working closely with the council on the redevelopment of North Terrace. We have contributed funds, which are managed by the Adelaide City Council, to attract new businesses to establish in the city via the City Vital Fund.

We have relocated some arts into the western precinct of Hindley Street in an endeavour to establish some activities in that area during the course of the day—activities which have a synergy, if you like, with the precinct and which will develop a new environment in Hindley Street. It has cost us several millions of dollars to achieve but we think that that is an important investment for the upgrading and revitalisation of the Hindley Street precinct. We are investing millions of dollars in a range of development interests in the city, including the Aboriginal Cultures Gallery at the SA Museum, the redevelopment of the State Library, the

development of the Royal Adelaide Hospital, the North Terrace redevelopment, the National Wine Centre, the Riverbank project (including the extension of the Convention Centre) and the development of the Adelaide Festival Centre.

These projects are of enormous significance to the city and to the State and demonstrate the Government's commitment to the city. The principles of the Riverbank redevelopment are to open the parklands into the Festival Centre by rolling back part of the concrete apron. We want to open up the fingers of the parklands to come from the Riverbank precinct into North Terrace (both on the western side of Parliament House and now between the Hyatt-Riverbank building precinct) and the extension of the Convention Centre, and to have the Riverbank parklands flow over the road that currently runs between the Convention Centre and North Terrace.

We will extend the parklands to the front of the new glassed area of the Convention Centre and, importantly, strip back the concrete slab in front of the Festival Theatre to enable the parklands to come closer to the entrance of the Festival Theatre. I believe that those initiatives will be about revitalising the Riverbank precinct and turning the city from facing away from what is an outstanding natural asset, the Torrens River, to embracing the Torrens River, much as we have seen with Southbank in Melbourne and the way in which that area has been opened up. The Riverbank extension of the Convention Centre will mean that the Glasserie Restaurant will be relocated to the front to enable people to purchase meals, so that will be opened up as a vibrant precinct.

[Sitting suspended from 1.2 to 2.5 p.m.]

Membership:

Mr Atkinson substituted for Ms Key.

Ms Ciccarello substituted for Mr Clarke.

The Hon. M.D. RANN: Since the announcement in February of last year that the Government would privatise ETSA, how much have these consultants been paid and which consultants continued to receive retainers after the Upper House first rejected the original privatisation proposal Bill?

The Hon. J.W. Olsen: The Treasurer is responsible for that detail, and I will arrange to obtain the answer.

The Hon. M.D. RANN: Will the Premier, either directly or from the Treasurer, seek the details of all additional costs related to the activities of consultants associated with the ETSA privatisation, such as entertainment and accommodation, as well as other costs incurred, and name all interstate and overseas consultants who have had to be accommodated at taxpayers' expense here in Adelaide? How many individuals are involved, where have they been accommodated, where are they accommodated and at what cost to the taxpayer?

The Hon. J.W. Olsen: The specific nature of the question I will take on notice and refer to the Treasurer.

The Hon. M.D. RANN: This is an important question in terms of the costs of this privatisation. We remember what happened in terms of the water contract, but there are stories about massive expenses on the top floors of Adelaide hotels and about law firms in Sydney being awarded contracts at high hourly rates but then subcontracting the work to Adelaide law firms at half the rate. All of us need to ensure that there is transparency and scrutiny in the consultant process. The other question I would like the Premier to follow up with the Treasurer is: how much does the Government expect the consultants advising on the privatisation by lease

of ETSA to be paid in total from the start to the completion of the privatisation process, and will there be any bonus payments? Given that this is a lease rather than a conventional sale, are the consultants still eligible for the same bonus payments that I understand were contracted in the event of a sale?

The Hon. J.W. Olsen: As to the latter part of the question, I understand that the arrangements entered into earlier will stand, in that initially it was always an option of a sale, lease or public float. My understanding is that the contracts were entered into with that in mind—a sale, lease or public float. However, as with the other questions, as they are the responsibility of the Treasurer I will refer them to him.

The Hon. M.D. RANN: The Premier has now quoted two different figures for the interest savings from the sale of ETSA, and his Treasurer has quoted a third entirely different figure. I understand that Cliff Walsh this morning has compounded the damage. On 28 May the Premier said:

The position is that would save something of the order of \$500 million worth of interest.

The Treasurer (Hon. Rob Lucas) then claimed that the interest saving would be only \$300 million and he said:

Because no-one can say what you're going to get for the sale value of your assets.

This was all on the same day, so it was \$500 million, \$300 million, and on 3 June the Premier told us yet another story. The Premier said that the sale would 'remove the \$2 million a day interest that we are paying.' The Premier would know that \$2 million a day in interest equates to the total interest payments on the whole State debt of \$7.5 billion, so is the figure \$300 million, \$500 million or \$735 million?

The Hon. J.W. Olsen: When we get the figures in, we will all be wise and we will know accurately what the saving is. In relation to the \$2 million a day—

Mr Clarke interjecting:

The Hon. J.W. Olsen: Let me assure the member for Ross Smith that it will not be a nonsense. I have usually used the term 'up to \$2 million a day' as interest saved by the lease of our assets. The only rejoinder I might make is that with the Labor Party's enthusiasm for a 97 year lease, if we had had that two years ago we might have saved another couple of million in interest.

The Hon. M.D. RANN: Two years ago the Premier was telling us all that he would never, ever sell ETSA and that the Labor Party was lying. In fact, it was almost exactly two years ago to the day. Does the Premier agree with his key economic adviser, who is also a columnist in the *Advertiser*—although when he comments on the Premier's role the paper never actually mentions that he also gets paid handsomely to advise the Premier—but does the Premier agree with his key economic adviser Cliff Walsh who, in this morning's *Advertiser*, said that he did not admit before the ETSA Bill passed the House that the net benefit to the budget from the ETSA sale is only about \$100 million, and that:

... the interest savings would be substantially offset by reduced dividend and other income streams. . .

He also said that any budgetary benefit from the sale has already been factored into the budget so that there is no nirvana. Does the Premier agree with Cliff Walsh on that and does he agree with him that the so-called benefits of the ETSA sale are already in the budget and that all the talk of an extra \$2 million a day benefit to the budget are, and I quote Cliff Walsh, 'a furphy'?

The Hon. J.W. Olsen: What I can absolutely guarantee the Leader is that the benefits to South Australia under our policy will be a lot more than under the ALP's policy but for the last couple of weeks.

Members interjecting:

The Hon. J.W. Olsen: The standard of the questions generates the answers. The newly arrived member for Spence should have been required to sit through the morning session as well as the afternoon session. Let me just point out one or two other errors in the Leader's preamble. Cliff Walsh to my knowledge is not employed by me—

The Hon. M.D. RANN: He is by the Government.

The Hon. J.W. Olsen: In the past, he has been.

The Hon. M.D. RANN: He has been paid handsomely. He was at the Constitutional Convention where he was referring to the Premier as 'boss'. Perhaps that is just a nickname.

The Hon. J.W. Olsen: Let me correct your present tense remark about Mr Walsh. To my knowledge he is not currently on the payroll of the Government.

The Hon. M.D. RANN: Is that right?

The Hon. J.W. Olsen: There is no contract between us and Cliff Walsh. If he has an arrangement between him and the Centre for Economic Studies and he is contracted by it to do some work—

The Hon. M.D. RANN: He is the head of the Centre for Economic Studies.

The Hon. J.W. Olsen: No, he is not now. I think that the Leader had better get up to speed with some local history with the Centre for Economic Studies. In relation to the benefits and savings and the nomination of what the savings might be in quantum, all of us will have to wait upon the first bids coming in, and the finalisation of the bids.

The Hon. G.A. INGERSON: My question relates to the Regional Development Task Force, and I note the establishment of the Office of Regional Development. What will be its roles and functions?

The CHAIRMAN: Order! There seems to be some confusion as to where we are on the program. The Chair has opened all lines to deal with Legislature and Governor, Premier and Cabinet, Multicultural Services and public services; so all the items under those agenda items can be dealt with at any time.

The Hon. J.W. Olsen: The Government has announced the establishment of the Office of Regional Development. It is an important step for receiving advice, improving coordination of Government, driving the reform process for regional development and ensuring that there is appropriate support and assistance for regional development.

There is some evidence that a renewed focus on the regions and their development could have a significant benefit for economic growth of the State through greater flexibility, mobilisation of skills, innovation, leadership and technological transfer. Implementation of the State's renewed commitment to regional development must reside operationally with specialised agencies across the public sector. However, the Minister will need a source of strategic policy advice and core function which can assist in overseeing, coordinating and integrating State Government approaches to regional development. It is proposed the office will provide an advisory function, and a facilitation and coordinating role in the Government sector.

The interim arrangements will also include the development of a detailed work plan based on the functions to which I have referred. This will assist in determining permanent

staff arrangements. The functions will be to provide appropriate resources to support the Minister for Regional Development, advise the Minister on strategic issues related to regional development, support the Regional Development Council, provide leadership and coordination within the public sector on regional issues, promote a whole of Government approach to regional development, to convene regular meetings of an officers' group drawn from State Government agencies and units, either operational or policy interests in regional development in the regional service delivery, and develop and advise on implementation of programs.

It is proposed to establish the office initially for three years, only to enable a review of its effectiveness after that period. The office will report directly to the Deputy Premier and, more importantly, in his role as Minister for Regional Development. It will act as a catalyst and a one-stop shop for country and regional councils and regional economic development boards so that there is a clearing house and a body of Government that can, across all agencies, take a whole of Government approach to regional development, and to assist and facilitate investment and growth of regional areas of the State.

Mr SCALZI: Will the Premier give us an update on the safe haven that has been set up for the Kosovar refugees?

The Hon. J.W. Olsen: Sunday week ago, 147 refugees arrived in South Australia. The Department of Human Services is coordinating services in the health/medical/welfare area, as well as with other State, Commonwealth and volunteer agencies, and I refer specifically to Red Cross in relation to which there are about 200 volunteer Red Cross people assisting with the Kosovars. There are two human service staff on-site coordinating the services and activities. The health and medical services are being provided by an on-site clinic at the Hampstead safe haven, and they are staffed with professionals from the Department of Human Services medical teams, Migrant Health and associated health and the counselling services. All residents have been offered a health assessment, and children's health checks are under way.

There have been several short-stay hospital admissions, but these have been well managed and the families have been given interpreter and Red Cross support for their brief stay in hospital. The Kosovar refugees have a management group and, after a couple of days of settling in and getting over jet lag, they are encouraged to establish their own management group. They are meeting regularly with the staff on site to discuss needs, identify issues and assist with the running of the safe haven. To date, residents are satisfied with the facilities, and I might say that they have demonstrated that they are grateful and thankful for the assistance they have received and for the warm welcome they have received in South Australia.

They are keen to do all they can to help make this a safe and enjoyable temporary home. Staff are interacting with the group; for example, children are happy to play with security and defence force staff who are in uniform. They are relaxed and feel comfortable in interacting with those staff. The Adelaide City's offer to play soccer with them on Saturday was tremendous. There are two very good soccer players at the Kosovar safe haven. Sergio Melta has the longest playing record of any member of any soccer club in Australia; he has had more games than any other soccer player in Australia. After having seen one of the Kosovar refugees play on Sunday, he indicated to me that he is of national standard. Events such as that are pretty important, and they say tremendous things about the South Australian community.

The Department of Human Services staff will stay on-site for several weeks more to continue the coordinated approach to providing the various services. Health services may be scaled down to an on-call availability, once the main assessments have been conducted and counselling sessions identified. All in all, it has gone particularly well to date. To all the public servants who have been involved in the refugees' integration into the safe haven, on behalf of all South Australians, I express our appreciation. They have done a very good job.

Mr CONDOUS: I refer to Budget Paper 3, Estimates Statement. What is the Government doing to improve access to justice in regional South Australia?

The Hon. J.W. Olsen: We are taking a program—the Multicultural Access to Justice Scheme, which previously operated in the metropolitan area—to country and regional areas. Under that scheme, Justices of the Peace and other suitable community contact persons with appropriate backgrounds and cultural understanding are appointed to provide a simple, low cost, effective information and referral service for those seeking access to justice in administrative and other matters. This scheme was developed by OMEA as an extension to the Access to Justice Scheme launched in regional South Australia some two years ago, and that was the establishment of the Aboriginal Access Contact Scheme. That scheme draws upon the cultural skills of members of the ethnic communities in regional areas. The contact persons are clearly people who are known and trusted members of the local community who can assist people who may not otherwise be aware that there is an appropriate complaints authority that can help them access justice in administrative and other matters.

The initiative is a national first. Once again, South Australia is doing something ahead of the other States of Australia. It has attracted strong interest from the other States, including the representatives of ombudsmen's offices in four other jurisdictions. All people who participate in or are appointed under the scheme are provided with appropriate training and support. It will be expanded to other regional areas of South Australia—that is, beyond Renmark. Plans are under way to establish the scheme in Ceduna and Port Lincoln, beginning in October and December this year.

Additional Departmental Adviser:

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

Mr ATKINSON: I am pleased that Dr Ozdowski has arrived, because my question is about him. Premier, last year we asked you questions about public allegations against Dr Sev Ozdowski regarding his role in Immigration SA, in particular, concerning inducements he may have offered to potential migrants in Eastern Europe to come to South Australia. Last year some Romanian migrants to South Australia alleged that Dr Ozdowski induced them to migrate with offers of employment in South Australia within three months and a \$5000 settlement loan. Dr Ozdowski vigorously denied these allegations. I understand that these allegations were tested in the Administrative Appeals Tribunal in the Social Security cases of Mircea and Raluca Baclagian-Raicu. What was the outcome of that testing of the allegations?

The Hon. J.W. Olsen: I am advised that the Administrative Appeals Tribunal supported the position of the Government and Dr Ozdowski.

Mr ATKINSON: Could the Premier be a bit more generous to Dr Ozdowski? I gather that he was completely vindicated.

The Hon. J.W. Olsen: I am advised that that is the case, yes.

Mr Scalzi interjecting:

Mr ATKINSON: In explanation to the Government backbencher who is interjecting, the question was asked in order to give Dr Ozdowski an opportunity to vindicate himself, given that he was the subject of public allegations last year and was completely vindicated by the outcome of the cases in the Administrative Appeals Tribunal. It is just the right thing to do.

In the 1997-98 budget a target was set of 30 business migrants to bring a total of \$21 million to the State. However, in this year's budget papers the highlights of 1998-99 on page 1.6 only make the statement 'Achieve the target of 30 new migrants under the Business Migration Attraction Program' and do not mention what, if any, business capital they brought with them. What outcomes were actually achieved under the business immigration scheme and, in particular, how much capital have business migrants assisted under State Government programs brought into South Australia in the current financial year?

The Hon. J.W. Olsen: For the 10 months through to 30 April 1999 a total of 30 business migrants were approved for South Australia, transferring funds of approximately \$21 million to become business migrants. The officers working with a number of State Government agencies—

Mr ATKINSON: Are you saying that actually happened?

The Hon. J.W. Olsen: I just said that. I have answered the question.

Mr ATKINSON: Where in the budget papers are the targets for business migration for this financial year, and what are they?

The Hon. J.W. Olsen: The function has been transferred to the Department of Industry and Trade, and I ask the honourable member to refer that question to the Minister who is to appear before the Committee tomorrow.

Mr SCALZI: I refer to Budget Paper 3, Estimates page 34 and Budget Paper 4, Vol. 1, portfolio statements, page 1.45 in reference to community relations and support and multicultural youth leadership. Premier, what opportunities are there for young South Australians of non-English speaking background to celebrate their cultural heritage?

The Hon. J.W. Olsen: In an initiative developed by the member for Colton, Steve Condous, there is a multicultural youth leadership summit, an initiative of the member. In October 1998 OMIA held the inaugural Multicultural Youth Leadership Summit with the theme 'Telling It How It Is: Our Story, Our Future'. The purpose of the summit was to provide an opportunity for participants to share information, network, raise issues of concern and suggest strategies for their successful resolution. The summit featured a panel of key speakers from diverse backgrounds and represented positive role models for all young Australians. The speakers included Ms Tan Lee, 1999 Young Australian of the Year. I will not read the full list because of time constraints. There were 250 young people from over 30 schools who attended. Feedback was exceptionally positive and the next summit is called 'Achieving through diversity'. Young people from regional areas will participate in the next summit. The initiative proposed by the member for Colton was outstanding and was proven to be such in application.

The Hon. G.A. INGERSON: My question relates to the interpreting and translating services, particularly the quality of those services. Can the Premier advise what happened at the Interpreting and Translating Centre in relation to the improvement and quality of these services?

The Hon. J.W. Olsen: The quality has improved, and that has been verified by independent bodies external to the Government. The ITC endeavours to remain the market leader, as it has been in Australia in quality assurance, and it has brought about significant recognition, and that has been in two areas. First, in July 1998 ITC achieved the quality assurance certificate IS9002 for the provision of interpreting and translating. ITC is the only translating and interpreting services provider in South Australia and one of only two in Australia to have done so. We should be proud of that fact.

Mr ATKINSON: They are good.

The Hon. J.W. Olsen: They are good. In April 1999 ITC was awarded an Australia Day Council Business Award and the criteria for that award involve excellence in operation, continuing high quality of service, innovation and operation and business contribution to the State. I commend it for what it is achieving: it is an invaluable service.

The Hon. G.A. INGERSON: Can the Premier advise the committee of the updating of the *Multicultural Life* magazine and its benefits in relation to the community?

Mr Atkinson interjecting:

The Hon. J.W. Olsen: I thank the member for Spence for his acknowledgment. In recent times I have had a number of letters from people commenting on the quality of *Multicultural Life* and the range of information about multicultural policies and initiatives and the reports that it contains of community initiatives. In mid 1997 both the format and content of the magazine were revitalised so that it would better communicate information and, following the revitalisation, as I have indicated, there were many letters of congratulations. That brought requests for further articles, publications, websites and newspapers. Circulation has steadily risen in response to increasing demand and, as a result of its improved quality, circulation is now up to 9 000. The paper manufacturing company supplying the stock on which *Multicultural Life* is printed has requested permission to use the magazine Australia-wide to showcase its product. That is a further indication of the depth, the range and quality of the articles. Supplements to *Multicultural Life* are produced on topics which are of ongoing community interest and they are well received. Demand for the supplements *First Australians 1998* and *Multicultural Australia and Immigration April 1999* has been particularly high amongst schools and other educational institutions. Requests for some 200 copies from rural South Australia and interstate have been received by OMIA. The content and quality of the publication is now being recognised in the broader community.

Mr ATKINSON: Last year the ethnic affairs portfolio was restructured following the OMIA review. The South Australian Multicultural and Ethnic Affairs Commission and OMIA were separated in a much more formal sense, and significant staffing resources were transferred from OMIA to the commission. The Opposition has been advised—indeed, it has become obvious to Opposition members who attend ethnic functions—that rather than the new structure producing better outcomes for the community, there is considerable tension, rivalry and duplication between the leadership of the two areas. It appears that the left and right hands barely speak to one another, and I am sure the Premier must be aware of these concerns. Is the Premier satisfied with

the new structure and will he take steps to ensure that the portfolio operates more effectively? What were the major recommendations of the review of OMIA and will the Premier release the review publicly? Which of the recommendations have been implemented?

The Hon. J.W. Olsen: The new structure was designed to establish a work plan for SAMEAC. That work plan has been the basis of discussion and sign off by me and the Chairman of SAMEAC and it lists the commitments and functions that the commission undertakes successfully, I might add. I will attend a Vietnamese function shortly, which I understand is booked out. Something like 400 to 500 people will attend that function. That is not the first function. Indeed, I think it is the second or third such function that has been put together, and that is a valuable role for SAMEAC. SAMEAC also has the opportunity to raise with me a range of policies and initiatives from the broader community, in other words, feedback. I meet with the Chairman of SAMEAC on an occasional basis to canvass those issues.

As the honourable member suggested, OMIA has been restructured with different functions, principally to stop the duplication. We have spoken about business migration, and three or four agencies of Government had some role in immigration. We had been concerned for some time that we were not getting our fair share of immigration and we wanted to concentrate on that area. By bringing the resources of the fragmented agencies into one, we were better able to achieve that objective.

I divert to say that I think that the Federal Government's policy on immigration is wrong. The times of great economic growth in this country have coincided with times of substantial immigration. For a State like South Australia, which has a range of skills based requirements, immigration would serve that need and it does not, as some have suggested, take jobs away from others. It complements, supplements and creates greater economic activity and it has been a strength in this State. I will continue to argue with the Federal Government that its numbers settings for immigration are wrong and ought to be increased substantially, particularly skill based migration.

Mr ATKINSON: As a supplementary question, I remind the Premier that I asked him to comment on how OMIA and the commission are getting along.

The Hon. J.W. Olsen: They have clear, complementary functions, but they are not duplicating functions. Under the new arrangement, we sought to get clear guidelines of operation for the two separate functions to complement what the Government wants to achieve in terms of an inclusive multicultural community.

Mr ATKINSON: The Opposition has been contacted by people concerned about what they believe is improper conduct in relation to the way an ethnic based organisation of which the Premier is the patron applied for and apparently received a State Government grant of \$50 000 for an overseas business mission. The written material that the Opposition has received provides detail of the application, together with a list of concerns regarding the process. They included substantial padding, members of the applicant organisation, particularly the chairperson, benefiting directly from the grant, and the committee of the organisation never seeing the grant submission or voting on it. What are the audit processes for Government funding of the country specific chambers of commerce grants scheme?

The Hon. J.W. Olsen: I invite the honourable member to provide me with more detailed background information with

regard to the comments that he has just made. CITCSA is the body that has responsibility for grant funds, looking at budgets and checking programs to ensure that any funds given to a country specific chamber of commerce to undertake a trade mission overseas has a plan and follows that to the extent that it is implemented and discharged in terms of support for the funding. I am more than happy to pursue the background, which I am unsure of, because nothing has been brought to my attention indicating anything untoward in that area. If the member would like to give me some details, I will pursue it for him.

Mr ATKINSON: Has an internal audit or an audit conducted by the Auditor-General discovered any breaches of procedure in terms of the allocation of State Government grants to country specific chambers of commerce and similar organisations?

The Hon. J.W. Olsen: Nothing has been drawn to my attention, probably because it was transferred to the Department of Industry and Trade some time ago, so I suggest that the honourable member refer his question to that Minister.

Mr SCALZI: Today John Singleton at a luncheon for SA Great stated that South Australia had a great opportunity to promote itself in multiculturalism. What is the Government doing in this regard?

The Hon. J.W. Olsen: Multiculturalism and an inclusive multicultural society have been the hallmark of this State for a long time and I acknowledge that it has received bipartisan support, and may that long continue in South Australia because that is critical and essential. We need to ensure that due encouragement and opportunity is given to those of multicultural background to advance the interests or initiatives that they might have from time to time to tap into the enormous resource which is the multicultural community in South Australia. As a State, we have been able to do that effectively.

The fact that people from 150 different homelands make South Australia their home is significant. We were the first State in Australia to establish the country specific chambers of commerce so that the multicultural community could establish from a trade perspective links with their homeland and, in that way, get better interaction and better trade opportunities between South Australia and the respective country of origin. The fact that recent ABS figures indicate that we export to more destinations throughout the world than any other State in Australia, despite our size of 1.5 million, competing with States threefold our size, speaks volumes for the attitude within South Australia in small to medium businesses in recognising that export markets are essential for creating economies of scale, volume of work, to get unit price down and therefore move away from relying on a domestic market in Australia which has a small population base.

To graphically demonstrate that, in Australia we have a population base of 18 million, whereas Indonesia, despite its troubles, has a population of some 200 million people and this number is expanding by the millions in a short time frame. Therefore, our domestic market is quite small and, by entering the international market we, in fact, take out an insurance policy and we hedge against fluctuations on the domestic market of Australia. The multicultural communities, through the country's specific Chambers of Commerce, have had a key part in doing that. Perhaps Mr Singleton might like to get up to speed with some of the things that we are doing here. I think it was good that he acknowledged that we are a multicultural, inclusive society in South Australia.

The Hon. M.D. RANN: That was probably a big step for Singo.

The Hon. J.W. Olsen: Yes. I was wondering whether he was making an observation for the Labor Party campaign at the next State election. But I understand that those days are long over.

Mr Scalzi interjecting:

The Hon. J.W. Olsen: Yes, it is a valid point. If one looks at some of the industry sectors that have grown, it has been the migrants who have come to this State who have established those new industry sectors.

Membership:

Ms Hurley substituted for Mr Atkinson.

Ms HURLEY: Section 12 of the Public Sector Management Act provides for the termination of a CEO. Section 12(1)(b) provides that it can simply be done by giving the CEO three months' notice in writing. Section 12(4) provides for a CEO terminated in that way to receive a payout equal to three months' pay for each uncompleted year under their contract *pro rata* up to 12 months' pay. However, the section states that this is subject to provisions in the CEO's contract. Have any CEOs been terminated under section 12(1)(b) of the Act—that is, simply given three months' notice in writing? If so, who were they; how much did they receive as a payout; were they paid out in line with the maximum 12 months formula and, if not, why not?

Additional Departmental Advisers:

Mr P. Case, Executive Director, Human Resource Management Division, Department of the Premier and Cabinet.

Ms J. Andrews, Deputy Commissioner for Public Employment, Office of the Commissioner for Public Employment, Department of the Premier and Cabinet.

The Hon. J.W. Olsen: In response to the honourable member's questions, I am advised by the Commissioner that two CEO's services concluded: one by resignation and the other by negotiation into another position.

Membership:

Ms White substituted for Ms Ciccarello.

Ms HURLEY: Have any CEOs been terminated under section 12(1)(a) of the Act? If so, who were they; under which subsection were they terminated; how much were they paid out; and how was the size of the payout determined?

The Hon. J.W. Olsen: I am advised that none were terminated under section 12(1)(a).

Ms HURLEY: How many CEOs have provisions in their contract that mean that, if they are terminated, they will receive more than the maximum of 12 months' pay; who are they; why do they have such provisions in their contract; and exactly how much would they receive in the event of such a termination?

The Hon. J.W. Olsen: I am advised that we do not think there are any in that category. However, the matter will be taken on notice. The number of contracts for CEOs that we inherited that had these provisions in them have, in the main, now been wound out.

The Hon. G.A. INGERSON: My question relates to youth employment and, in particular, graduate recruitment. Can the Premier advise the Committee what Government

undertaking there is in relation to the employment of young South Australian graduates?

The Hon. J.W. Olsen: We consider the employment of graduates to be important in the public sector rejuvenation program. I think that I raised this in my opening remarks, but it is worth re-emphasising the point that we will see the South Australian public sector take on up to a further 300 graduates and 200 trainees per annum from 1999 to 2000. The graduate program has an important and specific task. In May 1998, we announced that we would recruit 600 people over the next three years—and I have just referred to the 1999-2000 intake. Accordingly, the University Graduate Youth Recruitment Equal Opportunity Program was developed in 1998-99. That program will contribute to the skill levels in particular areas of the public sector, as follows: accounting, business management, economics, computer science, information technology and human resource management and, to a lesser extent, agricultural science, the allied health professions and social sciences. Additionally, the program will assist with lowering the general work force age profile and will assist with the high level of youth unemployment. We want to redress the imbalance in the age profile of the public sector and, importantly, in that restructuring process, bring young people in who are graduates of our universities, who will clearly be the managers of tomorrow, to start their career path in the public sector.

With the range of programs (and I referred to one earlier today, the Leadership 21 Program, I think the title is), with the rejuvenation program and the restructuring of the senior management council there is some quantum change which is designed to bring young people in for a future with the Public Service and to embark upon some very significant training programs for senior people within the Public Service to ensure that we have within the Public Service people with the educational background to tackle some of the tasks that are now confronting Governments and will continue to do so and, importantly, to start restructuring the Government's services for the future. The Government is on target to meet the 600 intake commitment. Some 95 young graduates have already been employed, while a further 60 positions are targeted, and another 200 young graduates have been referred to agencies for consideration during this year.

In addition to the 600 young graduates over three years, last May the Government announced that up to a further 300 graduate positions per annum will be available from the 1998-99 financial year. Therefore, the Government is planning a major graduate recruitment drive for young people aged under 24 in the coming year, with up to 550 positions available. Newspaper advertisements for those 550 positions within Government will begin to appear in July 1999. I think that is a very important program, not only to redress the age profile in the public sector but also to start planning effectively for the public sector's role in an ever increasing, diverse, complicated and challenging global marketplace.

The Hon. G.A. INGERSON: With respect to industrial disputes and the amount of time lost during disputes, what is the current level of industrial disputation, specifically relating to the South Australian Public Service?

The Hon. J.W. Olsen: It is quite an interesting graph. We have the most recent data for the 1998-99 financial year which shows time lost during industrial disputes in the South Australian Public Service. As of 31 May this year, 333 hours were lost per 1 000 employees. This covers employees in Government departments and the South Australian Health Commission. Whilst the figures for the 1998-99 financial

year are up on last year, they are still well down on the preceding two years, notwithstanding the requirement for Government to negotiate new enterprise agreements for a number of large employer groups including police, public servants, doctors and teachers. So, with that backdrop, I think the outcome is particularly good.

As to the comparative figures for the past four years, in 1995-96, some 1 711 hours per 1 000 employees were lost; in 1996-97, some 1 045 hours per 1 000 employees were lost; in 1997-98 it dropped down to 13 hours per 1 000 employees lost; and I have just mentioned the 1998-99 figure. In fact, 92 per cent of the lost time for 1998-99 can be attributed to one half-day strike by teachers in support of the AEU's claim for wage increases and other demands, well in excess of what the State can reasonably afford. That is the reason, as I said in this morning's session why the thrust of the South Australian Institute of Teachers is not in the best interests of the teachers because the offer that was on the table now will be a consideration of the Industrial Relations Commission.

These latest figures continue to support what I would argue are the Government's management credentials in dealing with its work force as they come at a time of continuing change in the public sector. So, there has been a quantum change and a period of renegotiation of enterprise agreements, yet the figure is well down on the 1995-96 disputation level. I think it also supports the Government's industrial relations legislation in providing employers and employees with processes to develop workplace agreements and ample scope to resolve issues without the need for heavy-handed industrial action.

The Hon. G.A. INGERSON: How does the Government Management Framework operate, and what is the role of DPC within this framework?

The Hon. J.W. Olsen: I ask the Commissioner for Public Employment and Chief Executive, DPC, to respond.

Mr Kowalick: The GMF was endorsed by Cabinet to set about a range of management reform issues in the public sector. The key objectives of the GMF were to improve the management and accountability of public sector operations, to ensure that the Government's strategic priorities and the needs of business in the community drive agency planning operations and budgeting, to improve the strategic management of Government agencies, and to ensure that the public sector plan allocates, monitors and accounts for the resources in terms of what it is intended to achieve for the community in terms of the outcomes and the services outputs it provides rather than just dealing with budgeting in dollar terms. This is a process that has been evolving since 1995 and during 1998-99 the primary focus of the agenda has been on budget reform. The goal has been to have budgeting driven by systematic and full consideration of the inputs, outputs and outcomes so that it can align with other agency and Government planning and accountability mechanisms.

The budget reform focus of the GMF was completed during April 1999 with the improvements to the budget process now incorporated into the general business of the Department of Treasury and Finance. The public sector is in the business of making those changes necessary to deliver more effective and responsive services with full accountability as a consequence of that changed budget process.

Over the next 12 months, we will concentrate on further refining the processes of management and accountability. DPC is also setting up structures and processes to ensure the support for change in developing the management and leadership skills of the public sector. We have a secretariat

function to the GMF board and various subcommittees that make inputs into the budget process which is now reflected in the changed budget papers that we have in the whole accrual accounting processes of Government.

Ms WHITE: I have been told that the former Chief Executive of the Department of Education, Mr Dennis Ralph, has a binding agreement with the Government that guarantees him employment and income maintenance at a level commensurate with his chief executive's salary until he reaches retirement age. First, is this correct, because our understanding is that Mr Ralph was on a contract? Secondly, given that the Government removed Mr Ralph from the Education Department's Chief Executive position only one year into a four year contract (and the Premier might confirm whether it was indeed a four year contract), what were the terms of the agreement that saw Mr Ralph leave the position, and what are Mr Ralph's current terms and conditions of employment with regard to a guarantee of salary package?

The Hon. J.W. Olsen: Some of the detail I will take on notice and attempt to get a further answer to the member's question. However, Mr Ralph was a permanent public servant. As with all contract positions, he had a fall-back option which is the norm, as I am advised, with contracts of that nature.

Mr Foley interjecting:

The CHAIRMAN: Order!

The Hon. J.W. Olsen: A number of chief executives have untenured contracts. There are those who have a tenured contract, but those who have a tenured contract have Public Service positions. I am sure the member would understand the difference between the two. Further, the establishment of the Centre for Lifelong Learning in terms of employability—

Mr Foley interjecting:

The CHAIRMAN: Order!

The Hon. J.W. Olsen: Perhaps the Opposition in their mirth might look at current trends where, if a work force in a particular State or region is unable to supply the skill base, you do not attract the company in the first instance. I can give an example of this. Tasmania has been attempting to follow our lead in establishing call centres. Late last year it won a couple of contracts, a fact about which I was annoyed. I understand that some companies are having difficulty now establishing in Tasmania because there is not an available skilled work force. That effectively means that their thrust as a State to expand that industry sector has now stalled because there is not an available skilled work force.

We have found that, in our negotiating with a number of companies, their first question is: what is the skill and resource base of your work force and is it available? As I have reported to the House previously, we have used our size and flexibility to our advantage in winning contracts. Motorola's coming to South Australia was, in part, as a result of a request I made to the three Vice Chancellors of the universities following my meeting with Motorola executives in Sydney before they returned to Chicago to make their final decision. They had expressed concern to me that there were insufficient software engineer graduates in Australia to meet their need.

In the United States the company has a university called the University of Motorola, which simply produces graduates for its need. As a result of discussions, the three Vice Chancellors agreed to put in place courses over a three to five year time line to attempt to redress the dearth of software engineers. That was the reason why, ultimately, we beat one other city in attracting Motorola to South Australia. That

situation has been clearly identified in a number of other areas, for example attracting e-mail to this State. We had to compete against Meadowbank in Sydney and, whilst I have some degree of sympathy for the couple of hundred lost jobs in Meadowbank, I do not have sympathy for the fact that, this time, South Australia won rather than, as happened in the 1980s, losing a number of these companies.

Of course, the first criteria for companies is: do you have an available work force and what is the skill level of the work force? This unit is really about creating a competitive advantage for the State. We talk about having a competitive economic environment and keeping down taxes and charges, average weekly overtime earnings and the cost of buildings so that there is a reason to come to South Australia away from the domestic markets and to absorb transport costs of goods and services to the market. We therefore must have a lower base of operating and one key is our work force.

Westpac and Bankers Trust have been the greatest advocates of third party corporate endorsements for South Australia. In terms of Westpac's Mortgage Loan Processing Centre (which employs now approximately 2 100 people, if not 2 200) and Bankers Trust, the turnover in the work force in South Australia is averaging 6 per cent to 8 per cent compared to 24 per cent to 30 per cent on the eastern seaboard. That means that South Australia's retraining and reskilling costs are well below that which applies on the eastern seaboard—so it also is with the available work force, the skilled work force.

That office has been established with a budget of \$1.3 million. The functions of the centre will include advancement of knowledge about dimensions of learning through seminars and research; coordination of a range of education and training initiatives; management of projects with business and industry partners; leadership of lifelong learning programs at State, national and international levels; identification of the skills and knowledge required by business and industry for the work force of the twenty-first century (what will be the needs in the next century; how do we ensure that we have a skilled work force to meet those needs?); and motivation of the community regarding the importance of it.

There was some mirth from the Opposition when we talked about the title but it seems to me that we might start with a motivation and education program of Opposition members and how important this is in the total economic thrust of South Australia. Provision—

Mr Foley interjecting:

The Hon. J.W. Olsen: I am pleased that the member for Hart is willing to participate.

The CHAIRMAN: The member for Hart will not participate unless he wants to get himself onto the Committee.

The Hon. J.W. Olsen: This centre will also give policy advice to Government. It is located at Flinders University and has a core staff of six to undertake the role as I have identified. In terms of the economic directions of South Australia and economic policy settings, I would argue with much passion before this Committee that this centre has an important role. All I can say is that, on each occasion I have travelled overseas, I come home with the reinforcement that that policy direction is a key component to how we position South Australia for the next century.

Ms WHITE: Supplementary to my question, I note that after all that the Premier has taken my question about Mr Denis Ralph on notice, full stop. The Premier just said that

the budget for this new Centre for Lifelong Learning is \$1.3 million, almost a quarter of which (\$250 000), I believe, is the former chief executive's salary package. What was the assessment process in determining what salary should be attached to that package—\$250 000 for that sort of job is extraordinarily high?

The Hon. J.W. Olsen: Despite the claims, the figure is not \$250 000; it is down on that. It would be of the order of \$230 000.

Ms White interjecting:

The Hon. J.W. Olsen: Perhaps the member for Taylor might like to get into the real world of salary base for chief executives because then she would understand that Governments around Australia, not the least of which is the Federal Government, have now put in place a performance-based measure for their chief executives which will mean that, unless—

Members interjecting:

The CHAIRMAN: Order!

The Hon. J.W. Olsen: Let it be recognised that the member for Taylor, who is the shadow spokesperson on education, is deriding this policy initiative and the thrust and direction that it takes. I think it is important to note that a so-called shadow spokesperson should be so narrow in focus, perception and understanding as to be behind the eight ball.

Mr Foley interjecting:

The CHAIRMAN: Order!

The Hon. J.W. Olsen: If the member for Hart had listened—

Members interjecting:

The Hon. J.W. Olsen: I can understand that the Opposition has been searching for a headline all day. Three endeavours have been made. Now the member for Taylor has been brought in, having not got there yet, to see what she can drum up for a headline tomorrow. Perhaps the member for Taylor might like to talk to the member for Hart who, I think, understands the Public Sector Management Act a little better than the member for Taylor in terms of the realities of salary base and performance, that is, the settings that must be put in place for someone who has reached a chief executive level and their position, station and salary or remuneration in life for the remainder of their career in the public sector.

Ms White interjecting:

The Hon. J.W. Olsen: The honourable member's questions are so inane that one has difficulty finding what she is looking for.

Mr Foley interjecting:

The Hon. J.W. Olsen: The member for Hart ought to be the last person. This Committee was going exceptionally well until the member for Hart arrived. Upon the member for Hart's arrival we seem to be getting off on a tangent when we had a very cooperative base previously. Perhaps the honourable member might like to facilitate that cooperative base being returned.

The CHAIRMAN: Does the member for Taylor have a third question?

Ms WHITE: I did not get an answer to my second question.

The CHAIRMAN: Does the member for Taylor have a question?

Ms WHITE: I throw my third question to the member for Napier.

Ms HURLEY: Will the Premier provide the name, title and agency of all persons who received a bonus payment in

1998-99 and of all persons eligible for a bonus performance payment in 1999-2000?

The Hon. J.W. Olsen: I am advised that there are no bonus payments for Public Sector Management Act employees in the Department of Premier and Cabinet.

Membership:

Mr Foley substituted for Mr Rann.

Mr CONDOUS: My question relates to public sector human resource management. What is the Department of the Premier and Cabinet undertaking in relation to management and leadership development for the Public Service?

The Hon. J.W. Olsen: The Chief Executive Reference Group on Leadership and Management, supported by the Office for the Commissioner for Public Employment, fosters a collaborative approach to oversee leadership and management development in Government agencies. Key aspects of this approach and the development opportunities are: the promotion of an executive development program (and I referred to that earlier in answering questions); a new focus on the executive feeder group to develop core capabilities for future executives; developing an on-line learning environment for greater accessibility for senior managers; chief executive workshops, as part of the executive development program; participation by senior executives in the Australian public sector leaders program; and continued coordination of the public sector management course for middle to senior managers.

The Senior Management Council is currently considering a proposal (to which I have referred on two occasions) entitled Leadership SA, from the Commissioner for Public Employment, to boost the leadership and management capabilities of Public Service staff through the conduct of a number of programs for different level managers. As part of the proposal, the Office for the Commissioner for Public Employment will provide programs to assist in the selection of staff, to provide scholarships towards participation and to conduct the evaluation of the initiative. To facilitate participation the OCPE is proposing to support this Leadership SA initiative with funding of \$2.4 million over the next two years.

The Leadership SA proposal includes the adoption of benchmark targets for 1999-2000 against the agencies that can measure and report on the leadership and management development of their staff. Let me repeat this, because I think it important: it is not only the age profile of the public sector that needs to change, it is also the upskilling to meet the diverse and increasing demands of the public sector in an international global marketplace. In the past decade or two we have seen a substantial downsizing of the public sector. As a result, in many instances substantial change has occurred in the composition and resource base and in the knowledge base of the public sector.

We are attempting not only to bring in new young graduates to address the age profile but also, through this Leadership SA program, to ensure that we have a Public Service that is attuned to the changed environment in which we live and the challenge that presents to Governments to have the resources within Government to address those challenges. That is a pretty important task for us to be undertaking, and I am advised that it might well position us as innovative leaders amongst sections of the Public Service in Australia.

Ms HURLEY: Will the Premier provide the Committee with a schedule of separations effected during 1998-99 by agency, employment classification, age of person separated and the cost to each agency of separation packages? Will the Premier say how many positions are targeted to go from each department of each portfolio over the coming year?

The Hon. J.W. Olsen: I am advised that that was part of the omnibus question asked by the Leader of the Opposition at the start of the meeting.

Ms HURLEY: No, I have the questions here and it is not part of that.

The Hon. J.W. Olsen: If it is separate from that already asked by the Leader (to which I have given a commitment to respond), I am happy to take the question on notice and attempt, as with the others, to get the reply within two weeks. The only caveat I put on it is that the vast range of information required might take us a bit more than two weeks to get back, but we will do our best.

Ms HURLEY: What is involved in the various management and executive leadership programs noted on page 1.9 of the budget papers?

The Hon. J.W. Olsen: Which budget papers are you talking about?

Ms HURLEY: I am sorry, I do not have them with me. There is a budget line that allows a certain amount for management and executive leadership programs within the Public Service.

The Hon. J.W. Olsen: I do not think I can add much to the answers that I have already given. I have just canvassed Leadership SA. What the Deputy Leader is talking about is principally that program, the \$2.4 million, and I think I canvassed that extensively.

Ms HURLEY: Are the former members (in the last Parliament) for Mitchell, Elder and/or Reynell receiving appointment to any Government employment or appointment as representatives of the Government to any Government or non-government boards?

The Hon. J.W. Olsen: We will check. I will look at the question in *Hansard* and see whether I can ascertain exactly what is required, and we will try to get the information.

Ms HURLEY: Is the Commissioner for Public Employment responsible to the Premier for his actions and, if not, to whom is he responsible?

The Hon. J.W. Olsen: The Commissioner for Public Employment reports through me, but he has statutory obligations under the Act.

Ms HURLEY: I refer to the final termination package for Laurie Hammond. Did the Premier take that package to Cabinet for approval and, if not, who did?

The Hon. J.W. Olsen: Dr Hammond was a public sector management employee person. Mr Kowalick undertook the task of negotiating a settlement and concluded that settlement. As the Deputy Leader knows, we do not (and her Government when in government did not) confirm or deny what is and is not on a Cabinet agenda. That is just not done.

The CHAIRMAN: The Committee will now move to the line relating to Year 2000 Compliance.

Witness:

The Hon. W.A. Matthew, Minister for Year 2000 Compliance.

Membership:

Ms Ciccarello substituted for Ms White.

Departmental Adviser:

Mr P. Bridge, Director, Office for Year 2000 Compliance.

The CHAIRMAN: Minister, do you wish to make a statement?

The Hon. W.A. Matthew: Yes. As members are aware, this is a unique portfolio established to tackle a specific task within an unchangeable time frame. Worldwide resolution of the year 2000 date problem is shaping up to be a more costly exercise than the Second World War. To this end, the State Government, in addressing the year 2000 date problem, has been working on it since 1997 and is expecting to spend approximately \$104 million.

Following my appointment as Minister for Year 2000 Compliance on 8 October 1998, I reviewed actions that had taken place to that date and determined that a defined strategic approach was required to ensure that the problem was approached methodically. A comprehensive and strategic operational plan was formulated within an accompanying action plan.

I created the Office for Year 2000 Compliance to help drive a focus on a series of core problems. The office was initially established from a base staff from the Year 2000 Division of the Department of Administrative and Information Services, and those staff were added to as further tasks were defined.

The role of driving the year 2000 compliance within Government and the community was initially focused into four areas: first, essential services comprising electricity, water, sewerage, gas, fuel, telephony, hospitals, transport and emergency services; secondly, public services not covered by essential services; thirdly, business, particularly small to medium-sized enterprises; and, fourthly, consumers and the general community. A considerable focus of our task is now in a fifth area, contingency planning, which is consistent with our approach of taking no unnecessary risks.

Extra staff were appointed to focus on year 2000 compliance in those areas that are critical to the Government and the community, specifically essential services, contingency planning and local government. Four staff are appointed to educate business, local government and the community about year 2000 issues in country regions, and these offices operate from Port Lincoln, Port Augusta and Berri, with one officer operating from Adelaide.

An industry action task force was established, comprising representatives from both business and key industry groups, as well as Government, to address awareness and information raising principally for small and medium sized business. As this is a somewhat unique portfolio and budget information is presented differently from the usual presentation for a ministerial portfolio, the Committee may benefit from some information that will explain the presentation of budget information for this portfolio and the portfolio outcome and strategies.

The portfolio is influenced by and dependent upon other ministerial portfolios as well as having a close working relationship with the Commonwealth Government. The year 2000 date problem is essentially a business continuity issue, and for this reason Cabinet determined that each portfolio Minister and their chief executives would be directly responsible for ensuring compliance within their own areas of responsibility. Indeed, in 1997, Cabinet determined a target for correction of critical items as 31 December 1998 and also a deadline for testing and implementation of critical items of 30 June 1999.

Through the creation of the year 2000 compliance portfolio, the actions of Government in ensuring year 2000 compliance have received a greater focus, ensuring that Government agencies have developed more refined and accurate procedures and costings. However, the responsibility for budgets, progress and ultimately compliance rests with all Ministers.

Areas of infrastructure such as health, national safety, social welfare, unemployment payments, national security and defence are administered by the Commonwealth but affect all Australians. All States are therefore working in close cooperation with the Commonwealth through a Commonwealth/State liaison group and, following discussions with the Commonwealth, I was able to convince the response Federal Minister, Senator the Hon. Richard Alston, of the need for the national ministerial conference to discuss the year 2000 problem. The first of those conferences was held on 17 December 1998 in Sydney, and the second was hosted in Adelaide on 9 April 1999.

South Australia was instrumental in discussions with the Commonwealth and States in requesting that the Year 2000 Information Disclosure Bill—known as the good samaritan legislation—was agreed to in principle and was advanced in the Commonwealth and in all States. Of course, on 25 March 1999 South Australia became the first State to have introduced and passed the Year 2000 Information Disclosure Act, which aims to encourage the voluntary disclosure and exchange of information about year 2000 problems and remediation efforts, and the legislation was proclaimed on 6 May 1999.

I and the staff from the Office for Year 2000 Compliance have met with numerous public and private sector representatives of essential infrastructure providers to facilitate information exchange about the year 2000 preparedness. They have included meetings with KPMG, which has the responsibility for overseeing the electricity sector's year 2000 project with Boral Energy, SA Water, Telstra, Optus and the Petroleum Institute. As a result of those meetings, I am becoming increasingly confident of South Australia's level of year 2000 preparedness.

To ensure that information which will assist business in becoming year 2000 compliant is readily available, the Office for Year 2000 Compliance and the South Australian Government's Business Centre have been running the year 2000 free call information hotline on 1800 112 000. There is also a new and informative web site on the year 2000 issue at www.y2k.sa.gov.au, and advice and information sheets are available from the web site and also by telephone request to that hotline.

As we move closer toward the year 2000, the office is now working more closely with local and national emergency management organisations to ensure that comprehensive contingency plans are in place to deal with any year 2000 related problems which arise during and after 1 January 2000. The general importance of contingency planning to South Australian businesses is being heavily promoted, particularly through targeted advertising and promotional campaigns, and they are being undertaken and will continue to be undertaken in conjunction with the Commonwealth Government.

A focus on community and consumer affairs will rise in the latter part of 1999 and, in conjunction with the Office of Consumer and Business Affairs, work will be done to ensure that the community is well informed of its rights and responsibilities under consumer law in relation to the year 2000 date problem.

General community concerns about the year 2000 problem will also gain a higher profile during the remainder of this year. In conjunction with the Commonwealth Government, a communication plan will be implemented to inform the community regarding Government actions which have been taken to date to advise on actions they themselves should take in preparation for the year 2000 and to combat misinformation.

In December 1998, the Australian Bureau of Statistics surveyed Australian businesses on their level of preparedness for the year 2000. While encouragingly those statistics showed that 91 per cent of South Australian business surveyed were aware of the problem, alarmingly only 63 per cent were intending to undertake remediation work. This remains a concern for me and my staff, and we see it as one of our fundamental tasks to ensure that we redress that lack of initiative by small and medium sized business.

The Australian Bureau of Statistics will release its second survey in August this year, and I await these figures with anticipation, as I believe that the actions we have undertaken ought to be reflected in the results of those figures and, following the release of these figures, I will ensure that they are reported in Parliament. In the interim, the Office for Year 2000 Compliance arranged for a telephone survey of 662 random respondents to ascertain their general awareness and concern about the year 2000 date problem. That survey was undertaken in March this year and showed that an 88 per cent awareness level of the problem existed, and 45 per cent of employees surveyed advised that they are undertaking year 2000 rectification in their workplace.

The Government is presently also underwriting a written survey of 2500 business in the coming weeks, with results available in July this year. In closing, I would say the efforts by the staff of the Office of the Year 2000 Compliance, the team in the Business Centre and in Consumer Affairs and those of my own ministerial staff have been intensive and have provided a momentum that resulted in a number of significant achievements. All staff involved are well aware that we have a deadline that simply cannot be moved. I wish to take this opportunity to express my appreciation for their professionalism, commitment and hard work and I look forward to being able to do so again past 31 December 1999.

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

Mr FOLEY: No, Sir. One statement a day is enough on this issue.

The CHAIRMAN: Does the Opposition have a question?

Mr FOLEY: I do. It is much more productive to ask questions than make statements, in my view. Can the Minister indicate to whom the individual Y2K coordinators in each portfolio are ultimately responsible and what control does the Minister have over those coordinators?

The Hon. W.A. Matthew: As I indicated in my opening address, each Minister is responsible for ensuring compliance within their own portfolio and hence the Year 2000 coordinators within their agencies ultimately report up the agency chain to the Chief Executive of that agency. In so far as their interaction with my office is concerned, as I indicated in my opening statement, one of the principal responsibilities of the Office of the Year 2000 Compliance is to drive Government initiatives so that those coordinators on a regular basis meet with the staff from the Office of the Year 2000 Compliance and they also prepare reports to their Chief Executive that are forwarded to my office and become part of a submission to Cabinet that is submitted on a monthly basis.

Mr FOLEY: Which South Australian businesses have contracts or have been contracted to supply the South Australian Government with Y2K remediation products?

The Hon. W.A. Matthew: I will need to take that question on notice. I point out that there is a variety of companies marketing a variety of products to remedy Year 2000 date problem issues, from companies providing products to remedy problems with personal computers through to larger computing power. There are a number of products that have come on the market in recent times that, unfortunately for those marketing those products, have come on the market too late to have gained the contractual benefit from the Government that they may have sought. If the member is seeking information on particular products, I make that statement in advance. I will take the question on notice and furnish the appropriate information.

Mr FOLEY: I appreciate that some of these questions may well be taken on notice. What support or incentives have been provided to local businesses producing and supplying Y2K fixes?

The Hon. W.A. Matthew: There is one business of which I am aware that has received support. I would need to take the balance of the question on notice because I do not have knowledge on a day to day basis of what support every part of Government may have provided. I am pleased to say that one South Australian company has had considerable exposure and success both locally (in the term 'locally' I encompass all of Australia) and more recently internationally. That company is Paradox Computing and its co-directors are Stephen and Deborah Koop, a very determined husband and wife team, who have manufactured some good products, including Databridge, for larger computer installations, and Viper Scan for PC-based installations. They have been successful in obtaining contracts with some sections of Government and, indeed, in 1998 I launched Paradox's Viper Scan product in my then role as Minister for Information Services.

The company has received some assistance from Government, principally at the South-East Asian Regional Computing Conference in 1998, in memory, when it was held in Darwin, to assist it in identifying opportunities in the Asia-Pacific Region. They were provided with \$2500 for that purpose. They were also provided with a contact list encompassing all the various agency coordinators so that they could market their product to each agency. That process is regularly followed for any supplier of a product who contacts our office. We also have reference to their product on our website, as we do for a number of other products, encouraging the private sector to contact companies to have their rectification work undertaken.

More recently I am aware from a media report that Paradox has been successful in gaining some work in Europe. It is particularly pleasing to see a small company being able to penetrate that sort of market. I look forward to it and other local companies marketing similar products gaining further success.

The Hon. G.A. INGERSON: I understand that Government agencies have spent significant funds and resources to discover and fix the millennium bug problems. Can the Minister advise how these expenditures are of value to the Government and how the Year 2000 problem will be able to be worked through with this significant expenditure?

The Hon. W.A. Matthew: As I indicated in my opening statement, one of the dilemmas for Government has been that there has been a \$104 million price tag or thereabouts for

Government in rectifying this problem. It would be all too easy for people, as some do, to dismiss that expenditure as being expenditure that has achieved no particular benefit for Government. However, in determining how they will rectify the Year 2000 problem within an agency or part of an agency they assess whether or not they need to repair the system they are using or, indeed, replace it totally. The benefit of total replacement enables greater technology to be introduced into a work place. In some cases that is exactly what Government agencies have done.

They have chosen the replacement option as being in the long term more cost effective and one that will deliver benefits to their agency rather than simply spending money on repairing a system to have it continue to operate as normal. This concept of 'industry refreshment', as it is known in the private sector, is a recognised outcome worldwide of some of the Year 2000 remediation work undertaken. I can share a number of examples where that has occurred, for example, within the Health Commission \$700 000 is being spent on a new Ahythmia monitoring system capable of managing up to 20 patients at once. This new equipment replaces non-compliant equipment that has a record of failure and is beyond repair due to the unavailability of spare parts.

The Health Commission has also undertaken expenditure on a new pharmacy prescription scheme, known as a SCRIBE, for hospitals. That was an expenditure that was to occur in the future anyway and they have brought forward that expenditure and now have the new system earlier than they otherwise would have had it. It ensures Year 2000 compliance. In education four IT systems have been upgraded to new database software to make them compliant and, in doing so, staff have indicated that they have a far more user-friendly interface which has increased the ease of use. They believe it will decrease the cost of training staff in learning to use that system in the future. While remediating the census system, extra funds were included to upgrade the system to add further functionality, and that has resulted in a system for that department that will considerably reduce manual effort in capturing data on the State's student population.

Within Justice, the Legal Services Commission has standardised on a Commonwealth approved system that aims to eliminate much of the paperwork associated with dealing with private legal firms. In future, firms will be able to lodge their applications over the Internet and many of the current physical files in existence will disappear. They are just a few examples of many of the benefits that have been gained from this expenditure.

Mr SCALZI: What has this Government done to inform South Australians about the millennium bug?

The Hon. W.A. Matthew: Some of the things that we have done to ensure a level of community awareness were covered in my opening statement, but to focus more specifically on some of the major things, I can advise that we are focusing our efforts on three principal groups—the general community, business, and householders and consumers. A major advertising campaign, which will specifically target the business group, will commence in mid July. It will run for six weeks in the major metropolitan newspapers and for three weeks in regional newspapers. The advertisements will appear in the *Advertiser* and the *Sunday Mail* from Friday through to Monday and our research has told us that that will get greatest reach benefit. Many regional newspapers are published weekly rather than daily and are typically read from cover to cover, so we anticipate that the advertising in those papers should be fairly effective.

The campaign will inform readers who own, run or participate in a business that it is not too late to begin work to ensure that their business is ready for the year 2000. It will provide the Government hotline number to contact and also details of the Web site that I mentioned in my opening statement. The advertisements will be supplemented by additional information through informative text about the issue, and a key focus of this campaign will be the release of a free year 2000 workbook, which businesses can work through systematically, following seven main steps to ensure that they become year 2000 compliant.

In so far as the general community and householders are concerned, a campaign to inform the general public about year 2000 readiness of both State and Federal utilities, Government departments and other essential infrastructure areas such as fuel, transport and banking sectors will be run in the lead-up to the change of century. The campaign will be run Australia-wide and it will focus on reinforcing stabilising messages to the community while at the same time ensuring that specific information about State infrastructure is provided. The campaign has been deliberately scheduled for the latter part of the year to ensure that the community is given timely information which takes into consideration at that time the advanced stage of preparedness by both Government and private sectors. An important part of that campaign will focus on effectively stopping any misinformation that could arise and which in itself can present a greater problem than the millennium bug.

In so far as consumers are concerned, the Commissioner for Consumer Affairs has gained publicity to inform consumers about their rights and responsibilities through a series of regular things including radio spots, information fliers and fact sheets on subjects such as buying a computer, getting on to the Internet and computer warranties. There is also a special fact sheet on the millennium bug in general, and the office regularly provides speakers for a variety of functions. The Government's view is that goods and services should be compliant in order to meet the requirement under the Fair Trading Act that they be of fit and merchantable quality for the purpose purchased.

Mr CONDOUS: Has the separation of the electricity sector into seven separate entities affected or delayed year 2000 preparations and planning across the sector?

The Hon. W.A. Matthew: I feel that this is a particularly important question, given the sensible decision of the Parliament to proceed with the lease of our electricity assets. It is important that there can be absolutely no mischief in any way, shape or form associated with that step, and I want to make sure that cannot occur in relation to year 2000 compliance. The simple answer to the honourable member's question is 'No, that sensible decision by the Parliament will not have any effect.' That is because it was obviously something that was well known as a possibility in the work that was being undertaken by my staff, myself and the Treasurer responsible for ETSA and also by the team that he has set up for the process of the lease.

To ensure that an aggregated centralised approach was taken to achieve remediation of the year 2000 problem, KPMG was engaged by the Electricity Reform and Sales Unit in Treasury and Finance to chair not only the industry focus group but also to have responsibility for overseeing the rate of compliance. I meet with representatives of the sales group and KPMG on at least a monthly basis and have been very satisfied with the voracity with which they have approached the task and with the achievement that has occurred. Through

a sensible approach, a satisfactory rate of progress is being achieved. In being very public about the achievements that have occurred, a year 2000 Web site has also been established in conjunction with the existing Electricity Reform and Sales Unit site, which is located at www.treasury.sa.gov.au/power/. A year 2000 compliance menu item can be selected from that page to provide members of the public with any information they seek to relation to that.

Mr FOLEY: The Minister has indicated that the Government will spend \$104 million on Y2K remediation programs. Can the Minister provide the cost to each portfolio and individual agency, the level of agency readiness, and what percentage of agency readiness are level 1, 2 and/or 3 compliant respectively, in accordance with SAAHB121-1998? Did the remediation programs go to tender? Will the reports into each agency's readiness be made public? I appreciate that may need to be taken on notice.

The Hon. W.A. Matthew: I can answer that question now. In relation to the standard quoted by the honourable member, it needs to be remembered that the year 2000 date problem is a business issue, it is not simply a computer problem. The standard to which he referred principally provides a level 1, 2 or 3 standard for personal computers. PCs are a very small part of the Government's total remediation exercise and the great bulk of the expenditure that has been incurred by agencies is on things other than personal computers, particularly expensive equipment with embedded chips.

The standards that are being followed by us in endeavouring to rectify this problem are drawn across a variety of areas. Various definitions of compliance have been put forward in Australia and the rest of the world. The British definition, which is contained in the British standards instruction document DISCPD2000-1, is titled 'A definition of year 2000 conformity requirements'. That is widely recognised as an acceptable definition for most organisations in the world. Standards Australia adopted the British definition and published it as a miscellaneous publication, and that is the one to which the member refers. The publication is SAA\SNZMP7798, and that was the first formal publication of the year 2000 compliance definition in Australia and it has gained widespread acceptance. As I indicated to the honourable member, the three category mention that he made was in relation to PC hardware compliance within that standard.

In relation to the expenditure by Government agencies, I have broken down that \$104 million previously in the House of Assembly in response to questions. I am happy to repeat that now, but perhaps if I take it on notice I can give the honourable member the most accurate figure, and he can then see how close that has stayed to the answer that I gave to the House previously.

In terms of the percentage compliance, the honourable member indicated that he has a number of other questions to ask. I can provide those answers now, but I will take them on notice and give him a breakdown of compliance, not against the 10 Government agencies but in more detail. We have broken government into some 40 reporting units, so I will give the honourable member a compliance rate against those 40 reporting units. He can check the progress at any point in time—and I know how keen he is to use his computer and the Internet at www.y2k.sa.gov.au. That information is there for the whole world to see.

Mr FOLEY: After I finish with the ETSA web site I will also do that one. The other element of that question is (and perhaps it can be addressed more specifically) whether the

Minister will make available public reports into the state of compliance readiness of each of our Government agencies not dissimilar to what we recently passed in the House in respect of private corporations? Will the Minister be prepared to make a more detailed reporting mechanism available for Government agencies—certainly the larger and critical ones?

The Hon. W.A. Matthew: There are two aspects to that question which answer it themselves. The first is that the web site I indicated has an abbreviated report of agency progress. Further, the honourable member may recall that, when the Year 2000 Information Disclosure Bill was passed by the Parliament, a clause was inserted by the Opposition into that Bill, and agreed to by the Government, that requires me to report to the Parliament on the progress of Government in rectifying the problem. So, the answer to the honourable member's question is that that information will be available through those mechanisms.

Mr FOLEY: Can the Minister provide a definition of essential systems and mission critical systems? Have all such systems been repaired, did they go to tender and can the Minister provide details on the testing of critical systems in whole-of-government? Are any desk top systems considered mission critical and, if so, which ones?

The Hon. W.A. Matthew: As one would expect, the use of jargon in the computer industry often creeps into the year 2000 date problem, and I can appreciate that everyone, including myself and those in the industry, have problems with separating out the jargon. If I have the gist of the honourable member's questions correct, I assume that he wants to know about those systems which Government has focused upon as being critical to our operation and which have, therefore, received primary focus. As those systems are diverse and across multi agencies (and I am sure the honourable member would like an accurate list), I am happy to offer to bring him back such a list as an answer on notice.

Mr FOLEY: As I indicated, I will ask a number of questions now that I am happy for the Minister to take on notice. They are as follows:

1. Can the Minister list his areas of authority and duties over the South Australian Government Y2K program? I accept that he made some comments about that in his opening statement but he may wish to expand on that.
2. What powers does the Minister have in relation to Government Y2K related purchases?
3. Will the Minister provide details of all Government assistance programs available to small business and industry to meet year 2000 compliance, and detail the cost of these programs?
4. Can the Minister name which software applications are used in Y2K testing programs, and do these applications test the hardware as well as the software and data?
5. How many staff are employed or contracted to the Office of Year 2000 Compliance?
6. Can the Minister detail the names of any consultants and the cost to the agency of such consultants?
7. Has the Cabinet deadline of December 1998 for software and hardware changes to essential systems been met by all Government agencies and, if not, will the Minister indicate which essential systems have not been repaired and what action is proposed?
8. Can the Minister detail the number of inquiries that have been handled by each Y2K regional liaison officer?
9. What is the role of the Office of Year 2000 Compliance and the Minister beyond 1 January 2000—and what will the Minister be doing on 2 January next year?

Members interjecting:

The CHAIRMAN: Order!

Mr FOLEY: Would it be better to put that question to the Premier, Sir?

The CHAIRMAN: Has the member for Hart concluded his questions?

Mr FOLEY: Can the Minister detail what promotional material and advertising have been conducted, and the cost involved?

The CHAIRMAN: I will ask the Minister if he wants to respond to any of those questions. Those to which he does not wish to respond may be put on notice.

The Hon. W.A. Matthew: As the member for Hart indicated, I might prefer to take most of the questions on notice because of the nature of detail that is required, and I certainly seek to do so. In relation to my duties, I feel that they are adequately covered in the opening statement, but I will recheck that and, if the member for Hart would benefit from being informed of anything else, I will ensure that that occurs. In relation to what I will be doing on 2 January 2000, one thing that I hope to be doing is celebrating a very successful transition for the South Australian Government and businesses beyond 1 January 2000.

The CHAIRMAN: The Committee will now consider the lines relating to State Development.

Witness:

The Hon. J.W. Olsen, Minister for State Development.

Departmental Advisers:

Mr J. Frogley, Executive Director, International SA, State Development SA.

Mr I. Kowalick, Chief Executive.

Ms S. MacIntosh, Executive Director, Strategic and Executive Services.

Mr S. Archer, Manager, Financial Services.

Membership:

The Hon. M.D. Rann substituted for Ms Ciccarello.

The Hon. M.D. RANN: I have a number of questions on this topic. First, the Premier would probably be aware of speculation in today's *Financial Review* about a major announcement by BHP later this week. Is the Premier aware of the nature and extent of that announcement, and does he believe it would have any impact on the steel division?

The Hon. J.W. Olsen: I have had discussions with Mr Paul Anderson from BHP several weeks ago. Those discussions pertained to the investment at and future of Whyalla, as one would expect. BHP is going through a very substantial reconsideration of its various business interests. As to speculation of an announcement this week and the import of that on South Australia, if that is the case, it has not been discussed with me.

The Hon. M.D. RANN: Given BHP's announcement of restructuring at its BHP steel division a year or so ago, and its very positive announcement about its long-term future at Whyalla, and considering the recent major upgrading of \$80 million in expenditure on the line, plus major environmental improvements relating to emissions, is the Premier confident of BHP's long-term commitment to its Whyalla operations, given the undertakings to us all two years ago?

The Hon. J.W. Olsen: My discussions centred on the capacity to extend the life of the blast furnace without the

need for, as I understand it, about \$90 million for relining of the blast furnace. Through a range of practices put in place at Whyalla, they have been able to extend the life of the blast furnace, and they anticipated that life to run out for several years yet. I canvassed with Mr Anderson the importance of BHP's investment at Whyalla.

We also canvassed the hopeful successful outcome of an Adelaide Darwin rail link and what would be the import of additional business activity created for Whyalla in the instance of a successful conclusion of the contract process for the rail link and what that would mean to further investment and security at Whyalla, etc. It was indicated to me that that would be a good and important fillip. It would have a life line—and I am going on memory now—of the order of an additional 18 months overtime or doubling up to produce the required amount of rail. It would depend whether steel or concrete sleepers were used for the line. As I have been advised, the preferred tenderer has submitted in its bid that 70 per cent of the goods and services will be purchased in South Australia and Northern Territory.

South Australia, like any State, faces opportunities and threats covering a range of industries. What we are attempting to do across a number of industry sectors is to anticipate competitive global pressures in the next three to five years, and what policy settings of Government can advance the opportunity rather than the threat, recognising that State Governments do have a limited role—that is the reality of the circumstance—but where we can assist, we would. So, during the last six months, I have sought to try to quantify those opportunities and threats in a number of companies in a number of industry sectors, and to work through them to develop some sort of strategy.

The Hon. M.D. RANN: I was recently in Whyalla too, and I appreciate the bipartisan commitment to the future of BHP at Whyalla, and long may it always be the case, but I am just responding to speculation in the interstate media. So, you have had no suggestion put to you of any major adverse announcement in the near future about the future of BHP's Whyalla operations, or no suggestion of selling part or all of the steel division?

The Hon. J.W. Olsen: No, I have had no indication of any such announcement this week. I feel sure that, based on my discussions with Mr Anderson, there would have been the courtesy of previous discussions and advice with the Government should that be the case.

The Hon. M.D. RANN: Certainly when I was in Whyalla a week or so ago there was absolutely no hint at a much more junior level.

The Hon. J.W. Olsen: I met Mr Anderson on the Thursday and saw him on the weekend after his Friday visit to Whyalla, and his report to me was that he was impressed with the people and the attitude at Whyalla, and that seemed to indicate to me some further confidence.

The Hon. M.D. RANN: Does the successful bidder for the Darwin to Alice Springs railway comply with bid specifications, either financially or in other respects?

The Hon. J.W. Olsen: We are waiting on advice from the Australasia Rail Corporation as to the compliance nature of the bids. As the Leader is most probably aware, we set up the AARC on behalf of the South Australian and Northern Territory Governments to undertake the expressions of interest, tender call and preferred bidder, and it is negotiating on our behalf. The detail of the bids on the table have not been submitted to me or to the Government. That is vested under legislation and MOUs with the Australasian Rail

Corporation. It is suggested that none of the bids was in effect a complying bid, but I do not have before me the detail of the bids themselves.

The Hon. M.D. RANN: Is the Premier confident that the successful tendering company for the Darwin to Alice Springs railway line will be able to build the railway with the current funding level of \$300 million from the three donor governments: that is, \$100 million from the Northern Territory, South Australian and Federal Governments respectively? Can it be achieved? Before the 1997 election we were told that it could and would be achieved with a \$300 million public infrastructure commitment.

The Hon. J.W. Olsen: The preferred tenderer was selected on the basis of a set of specific criteria and conditions. The fact that, upon being selected as the preferred tenderer, the consortium took less than a day to concur with the conditions, I hope, indicates its enthusiasm for the project. As to the financial components, I think that it is simply too early for me to say for the reason that AARC is now entering into, on behalf of the two Governments, some pretty intensive negotiations with the consortium. There has been rigorous testing of the proposals it has put forward.

My understanding is that there is a view that some reduction in costs can be achieved through consultants' advice upon which AARC will negotiate with the consortium. If there is goodwill on the part of all parties, I am confident to the extent that any gap that might be there at the moment is narrow enough for it to be closed as a result of extensive negotiations. I am sorry, but it is simply too early for me to be definitive about it. However, I believe it is within the parameters and we will get there if every one is hardnosed enough and there is enough goodwill.

The Hon. M.D. RANN: Can I ask one supplementary question so that I can finish? I have approximately 10 questions on the rail issue but I think that I can finish with a supplementary. I do not think there will be any problems in terms of answering. Premier, you have been to Canberra. Have you asked for an extra \$200 million from the Prime Minister, or has there been any suggestion from the bidder or a number of bidders that the Northern Territory and the South Australian Government should kick in an extra \$100 million each if the Federal Government does not come to the party?

The Hon. J.W. Olsen: I put my answer to the Committee in this context: if I were to confirm publicly what might or might not have been the basis of discussions with the Prime Minister or what might or might not be the request of the consortium I will undermine to an extent the strength of the negotiating team, which I would not want to do. It is fair to say, I think, that the proposal did seek additional funds, but that we now have clear parameters from the Commonwealth and the State which have been communicated to the chair of AARC, and negotiations will be conducted within those parameters. Suffice to say that I believe the gap is narrow enough that we should be able to close it and reach a successful conclusion.

I am confident that we can get there but, having been involved in a number of negotiations over time, those deals you think will be easy are not, those you think are tough are easy, and there is a combination in between, that is, one simply cannot predict when a consortium and a body representing two Governments will reach a conclusion.

The Hon. M.D. RANN: Perhaps Meg Lees can use her bargaining position to help do with the railway what—

The CHAIRMAN: Order!

The Hon. M.D. RANN:—Harradine, Colston and others have done—

The CHAIRMAN: Order!

The Hon. J.W. Olsen: I have expressed my views in relation to the Harradine deal.

Mr CONDOUS: What tangible benefits has business migration contributed to the State as a direct result of the State's promotional activity here and overseas in the past 12 months?

The Hon. J.W. Olsen: Last year we set about doing something in terms of business migration to really put some emphasis in this area. Business migrants came mainly from South Africa, Malaysia and Singapore. For the period 1 July 1998 to 31 May 1999 there were 31 permanent and temporary business migrants approved and businesses established in South Australia as a direct result of State Development's marketing efforts. As I mentioned previously, \$21 million of investment funds have flowed into the State from diverse areas, including property development, student accommodation, hospitality, aquaculture, horticultural and wine and food exports.

The foregoing funds transfer into the State (that is the reference to \$21 million) represents only the initial transfer. It is anticipated that, as businesses expand, further funds transfer and further capital injections (which simply are not quantifiable) will be made to those businesses. Having come from last year's position, which was, I think, three (I cannot guarantee that figure) business migrants to 31 this year clearly indicates a bit of sustained effort and energy. Indications are that we will do better than 30 next year, based on the range and number of companies overseas that are having discussions with us.

Mr SCALZI: Premier, what is the Government doing to attract migrants to South Australia?

The Hon. J.W. Olsen: As I mentioned, we have within Government agencies consolidated the efforts of attracting skilled migration. I have taken up with the Federal Minister of Immigration publicly and privately my view that Canberra's immigration policy is wrong and that we ought to increase the number of skilled migration, in particular, to this country. However, my suggestion has not been acted upon but for a—

Mr Clarke interjecting:

The Hon. J.W. Olsen: Something like that—marginal increase in the number of skilled migration. At least there has been an increase, though—I think of the order of 6 000 to 8 000 for next financial year. That is an improvement but nowhere near enough, in my view. The task of overseas offices is to identify skilled migration for us to increase our share of migrants coming to Australia. To date over 816 families have been provided with information and services from Immigration SA. These services are meet and greet on arrival, accommodation, migrant loan referral, overseas qualifications assessment service, SA settlement orientation, State Government concessions and home ownership promotion.

In addition, a survey of new arrivals to South Australia conducted by State Development demonstrates that the majority (60 per cent) of respondents had found work within the first month of arrival in a diverse range of trades, for example, forklift mechanic, registered general nurse, IT professionals, plumber, tool and die maker, diesel mechanic, electronic engineer and electricians. Therefore, our overseas trade offices, trade missions and promotions on migration to South Australia are all having some effect and, hopefully, we

will get our percentage share of skilled migration coming to South Australia.

I return briefly to the matter of South Australia's population growth. A few years ago we had a net migration drain of 7 900 to about 8 000 people a year. That situation has now been turned around and net migration outflow from South Australia is approximately 2 700. We have an increase by 35 per cent of net migration inflow to the State, that is from interstate and overseas, to 4 700. Effectively, that is a turnaround on population base of seven or eight years ago of almost 10 000 people. Certainly, from my view, that is encouraging and in part due to—

Mr Clarke interjecting:

The Hon. J.W. Olsen: Hopefully, at the next State election, instead of standing at the tollgate waving them goodbye they will all be staying. I welcome the admission from the member for Ross Smith that they are all staying in South Australia as a result of the increasing number of employment opportunities in the State that did not apply previously.

Mr Clarke interjecting:

The Hon. J.W. Olsen: I heard what you said. What they would be doing is looking at the employment trend line and the unemployment trend line, and looking more optimistically at the future. I do not want to digress too much, but with the Convention Centre, the Wine Centre, David Jones, the Performing Arts Centre, the airport terminal and the Federal Court building, we will see a lot of construction industry people who left the State in the late 1980s and early 1990s return to South Australia, because there will be a demand for them, given the impetus in the construction industry.

The Hon. G.A. INGERSON: How is the Government promoting South Australia overseas to prospective migrants as a settlement destination?

The Hon. J.W. Olsen: We are doing so in a number of ways. Promotion activities include: the Immigration SA web site; a presentation to visaed skilled migrants in Department of Immigration and Multicultural Affairs' offices within Australian missions; attendance at immigration exhibitions; and production of extensive information materials, including over 30 fact sheets. Immigration SA has had an operational web site since March 1997, which is receiving approximately 3 500 hits a week. It has hot links to 25 other relevant services agencies, including SA Central.

Other promotion is targeted in key countries where SA has already achieved the largest proportion of independent skilled migrants, including the United Kingdom, South Africa, India and Asia. Information sessions are undertaken with groups of visaed independent skilled category migrants in the target countries for Immigration SA. These presentations also provide the opportunity to brief the department and other officials of Immigration SA.

The analysis of the two on-arrival surveys undertaken by State Development of migrants using Immigration SA indicates that almost 45 per cent of the respondents first learnt of Immigration SA through either the Australian mission in the country where they applied for migration or an immigration fair exhibition. Written information is made available to potential migrants on a number of levels to respond to their inquiries.

The Hon. M.D. RANN: Turning now to Output 1.3, the description of which is in part to 'improve South Australia's competitiveness and economic performance', page 1.19, I am unable to find the Office of Asian Business in this portfolio

statement. Is the office still operating, and what is Mr Cambridge's current employment status?

The Hon. J.W. Olsen: I think I said earlier that the Office of Asian Business will be, in a restructuring, part of the Department of Industry and Trade, and after 1 July I will be putting in place an Invest SA component of the Department of Industry and Trade.

The Hon. M.D. RANN: I want to follow up John Cambridge's current status. It seemed that at the start of the Government he was in the most senior position, but then he was sent in this new role and then came back again. Are reports that Mr Cambridge is on leave from active service correct, and what are the circumstances surrounding his current leave of absence from the Public Service?

The Hon. J.W. Olsen: I am advised that Mr Cambridge had extensive long service leave owing to him. He has taken three months long service leave and is currently overseas. I know that he has purchased another property in West Lakes, or his wife did while he is away, I was told, so he is returning.

The Hon. M.D. RANN: Given what the Premier has said about the Office of Asian Business and its new location, what are Mr Cambridge's current responsibilities, apart from the fact that he is overseas?

The Hon. J.W. Olsen: Mr Cambridge is a contracted head of a division. That contract is held with the Chief Executive of the Department of Premier and Cabinet, because the Office of Asian Business was previously part of that department. Mr Cambridge has a contract with DP&C. As I have noted, he is on three months' long service leave, at his request.

The Hon. M.D. RANN: When he returns from long service leave, will he be taking up his former position? Will he be the head of the department or will there be a change in his status or duties?

The Hon. J.W. Olsen: He will be continuing in a not dissimilar role to that which applies at the moment. The description will be different from that which applies at the moment but he will have not dissimilar responsibilities in the future.

The Hon. M.D. RANN: That is very good. I am very pleased about that. Given that it was revealed on page 1.71 of the Portfolio Statement that the Department of Premier and Cabinet will receive \$1.2 million from the Department of Industry and Trade for investment attraction, to what extent will such investment attraction be performance based and on what criteria will performance be assessed? Will it be jobs, volume of production, exports or research and development? What are the criteria and what penalties, if any, will apply if the recipient companies fail to achieve them?

Secondly, by way of individual example, when will the Teletech company establish operations in Adelaide, as announced two days before the last State election, given that the company now employs a considerable number of people in Sydney, Melbourne and Perth?

The Hon. J.W. Olsen: I will take the question on notice and supply the Leader with a detailed answer. It is a transfer between the agencies, and I will need to clarify that.

The Hon. M.D. RANN: By way of supplementary, we are particularly interested in the status of the Premier's October 1997 Teletech announcement.

The Hon. J.W. Olsen: The Teletech announcement has changed from the position that was announced in October. We had an agreed position in October. I am advised that, since then, there have been changes at an overseas level related to some of the companies. Whilst that has not to date proved to be successful (and I acknowledge that), the fact is

that we have just over 6 000 jobs now in the call centre operations, and what we have achieved in other areas would equal that which Teletech had proposed.

The Hon. M.D. RANN: Are they taking anything over?

The Hon. J.W. Olsen: I cannot specifically answer your question, but I suggest that Minister Evans might more accurately respond to that.

The Hon. M.D. RANN: It was the Premier's responsibility when it was a massive announcement during the election campaign, but now it is Minister Evans' responsibility to downsize that announcement, I gather.

The Hon. J.W. Olsen: At the time of the election I had responsibility, in effect, for the area and today, as we move into the new financial year, I do not.

Members interjecting:

The Hon. J.W. Olsen: No, it is not at all. The simple fact is that there have been changes since that agreement was reached with Teletech. Some of those changes are international, over which we have absolutely no control. As to whether it is going to be realised, that is unlikely. In what form or what number: I do not know. Are negotiations still continuing? Yes, they are.

The Hon. M.D. RANN: I want to go back to the ETSA sale in terms of industry and State development support. According to Trevor Crothers one of the conditions upon which the Government gained his support for the privatisation was the \$150 million of sale proceeds that should not be devoted to debt reduction but, instead, to support industry and employment development. Trevor Crothers claimed that the potential users of the fund included support to secure continued manufacturing and jobs at Mitsubishi, and this drew the response from Mitsubishi that continued speculation—presumably by Mr Crothers—was harming the company and that Mr Crothers' comments had been unhelpful.

Did the Premier or any representative of the Government discuss with Mr Crothers prior to his crossing of the floor on ETSA privatisation Mitsubishi's position or the possible use of funds from ETSA privatisation to assist Mitsubishi, either by way of restructuring or in some other form? This is very important because a great play was made by Mr Crothers—for some reason singling out Mitsubishi—of the need for a special fund. A deal was apparently done with the Hon. Trevor Crothers in February, despite his giving assurances that he had not spoken to the Premier. Did the Premier discuss Mitsubishi with the Hon. Mr Crothers in the Upper House and raise the prospects of this fund being used to assist in the restructuring of Mitsubishi, should that be necessary?

The Hon. J.W. Olsen: I know it will disappoint the Leader, but he would love me to detail my discussions with Mr Crothers with regard to how many of them I had and when they occurred, and I do not intend to do that at this stage. Mr Acting Chairman, I understand that, following the caucus meeting on the Tuesday, one of your front bench colleagues went back to his room, closed the door, went down on his knees and said, 'Thank God Trevor's done this for us.' Whilst much odium is descending upon the shoulders of one Trevor Crothers, who has done this great service for South Australia, secretly and privately some people might agree that he has created an opportunity all around for South Australia. I discussed a number of things with Mr Crothers, but I do not intend to canvass those.

The Hon. M.D. RANN: Premier, you are now ruling out the need for this \$150 million fund. In the middle of the night

a Thursday or so ago, when people were somewhat tired and emotional around Parliament House, the Treasurer mentioned that, now that the fund had been knocked out and now that the ETSA tax would no longer be applied, there might be the need for some other kind of revenue device to generate revenue for a similar kind of fund to assist industries—without mentioning Mitsubishi or the Alice Springs Darwin railway. Do you believe there is a need for such a fund, and is the Treasurer right in saying that there needs to be new revenue raising to achieve that?

The Hon. J.W. Olsen: Previously, I referred to the need for a biotechnology industry in South Australia. My understanding is that the Beattie Government has thrown—

An honourable member interjecting:

The Hon. J.W. Olsen: I thought it was \$58 million or \$60 million. Are you suggesting \$200 million?

An honourable member interjecting:

The Hon. J.W. Olsen: That just underscores even more the difficulties that we face in trying to build what most people are considering, that is, the biotechnology industries, which will be the massive growth industries of the next century. The fact that Queensland is in a position to invest to that extent and we are investing in this year's budget \$2 million to a biotechnology industry underscores the need for a further industry sector. I do not want to talk about any existing brand companies in South Australia because, as it has been put to me, a need sometimes becomes a self-fulfilling prophecy. In the area of, for example, biotechnology, there is a real need in this State to look at what are the emerging industries in the next century. How do we think laterally? Playford did it in the 1950s, and he changed South Australia substantially as a result of bringing in a manufacturing base.

We are about to merge into the new century. As I have conceded in the past, we have opportunities and threats in a number of industry sectors. It is a matter of how we build new economic activity for South Australia, how we create the jobs in the next 30 years. The decisions we make today will be a precursor to that. If you were to ask me what we would do if \$150 million was available to us, we would not, as some would suggest, go on a spending binge, I think the description was, from the slush fund prior to the next election. It would have been used for is industry restructuring for the future.

Mr SCALZI: Labor objected to it.

The Hon. J.W. Olsen: Yes, it was defeated. That is unfortunate because, if you look at what other Governments in this country are doing—

Mr FOLEY: Do it through the budget process!

The Hon. J.W. Olsen: The member for Hart would well understand that the budget process is stretched; for example, how could we meet the needs of his colleagues in upgrading the Queen Elizabeth Hospital at the same time as investing in new biotechnology industry? How can we meet the member for Elder's requirements for additional police numbers and invest in biotechnology industry?

Mr Foley interjecting:

The Hon. J.W. Olsen: The member for Hart is applying the same basis of commercial nous and arithmetic as got us into the billions of dollars of debt as a result of performance of the last Administration.

Mr Foley interjecting:

The Hon. J.W. Olsen: You are proposing the same formula as got us into trouble last time around. We shall not be doing that—and by that I mean spending without the offset for revenue. When you were a chief adviser to the former Premier, in recurrent terms the last year of your Administra-

tion spent \$300 million more than you earned. If that is what you mean in terms of 'get it out of the budget', we will not do it.

Mr FOLEY: I said 'budget process'.

The Hon. J.W. Olsen: Yes, and your way of doing it in the budget process, on your clearly demonstrated track record in the Labor Party is, 'Just simply run a deficit.' Those days are over, and I would have hoped that, given the toughness of where we have been over the past six years, any future Labor Government—whenever that might be—might approach things differently in policy direction than it did in the past. Suffice to say, that fund would have been valuable, it would have been in the State's interest and it could have secured some new industry sectors in which we simply do not have the capacity otherwise to invest.

Mr SCALZI: How many migrants are using Immigration SA services, and what impact have these services made upon the decisions of migrants to choose to settle in South Australia?

The Hon. J.W. Olsen: I point out that 1 203 skilled migrants arrived in SA under the program from 1 July 1997 to 30 April 1999. The 'Meet and Greet' service involved 305 families; on arrival accommodation service involved 328 families; migrant loan approvals were for 33 families; overseas qualifications assessment service was for 666; SA settlement orientation service for 44; State Government concession card referrals 180; home ownership information packages 328; assistance with the regional sponsored migration scheme—321 were certified; and assistance with the State/Territory nominated independence scheme involved 54 being certified. In addition, State Development responds to inquiries from all over the world seeking information from Immigration SA on migration in general, job opportunities, life in South Australia and what to expect.

Since Immigration SA began in July 1997 until the end of April 1999, 5 981 written inquiries sought information about South Australia. Of that 6 000 inquiry rate, initially, and 1 200 take-up rate, it is a pretty good strike rate of about 20 per cent or thereabouts. The Immigration SA program is unique within Australia and is influencing migrants to choose South Australia rather than places like Sydney and Melbourne. The analysis of two surveys undertaken by State Development of new arrivals using Immigration SA services demonstrated that respondents rated Immigration SA as the factor that most strongly influenced their settlement decision. Being pro-active works. A contributing element to the importance of Immigration SA in this decision is the fact that the majority of respondents had no friends in South Australia before they arrived. Those surveys have also indicated that the range of services such as Meet and Greet have worked well.

The Hon. G.A. INGERSON: Can the Premier advise what impact the Asian financial crisis has had on the operations of the South Australian Government's commercial representatives' offices, and what action is the Government taking in relation to this issue?

The Hon. J.W. Olsen: There is no doubt that the Asian crisis had an impact, but a varying impact depending on the country and the speed with which those companies are re-establishing themselves. Generally, the quantity of trade and investment inquiries which are handled by the offices has decreased. The number of business missions seeking to visit SA is also less than it was over the past two or three years. However, countries like Taiwan, Hong Kong and regions of China continue to perform relatively strongly. Business

dealings throughout Asia are based on real relationships. If South Australia is seen as simply a fair weather friend, in the long term it disadvantages this State and the important relationships that have been built up over a lot of hard work and effort would be destroyed.

We have offices in Hong Kong, Shanghai, Beijing, Jinan, in the People's Republic of China, Jakarta, Bandung in Indonesia, Singapore, Manila and Tokyo. These commercial representatives continue to maintain and grow these relationships to ensure that South Australian organisations are in a strong position to capitalise on the opportunities. The investment in maintaining the offices, the structure, will be something from which we will reap the reward when the economies get back on their feet. Some of those economies are moving to get back on their feet sooner rather than later. We did commit to establishing an office in Korea. That was specifically an election promise. We have had that temporarily on hold, given the circumstances in Asia, but it may well be something that we will consider again shortly.

Mr CONDOUS: What are the benefits of South Australian companies and organisations participating in business missions organised by State Development South Australia led by key Government officials such as yourself or the Governor to explore market opportunities in the international market place compared with entering the market as an individual entity?

The Hon. J.W. Olsen: It is hard to quantify in dollar terms, export trade or contracts won. However, there is no doubt that our presence in a number of regions has started to give a focus and showcase to South Australia that simply would not be there without the trade missions. We, over a period, have not had a profile. When you go overseas to major functions and they ask, 'Where is Adelaide?', and the rejoinder is, 'It is halfway between Sydney and Perth', they then have some idea of the location of Adelaide. This means that the marketing has to be picked up and picked up substantially. The best way to do that is to identify the industry sectors that are important or that value-add on our businesses and to target our investment attraction to that.

While Austrade does a good job, the range of inquiries and the relationship with the eastern seaboard means that, if we are really going to push our barrow, influence and interests, we have to do it ourselves. As to trade missions, the Governor has led several for me when, in planning terms, it has not been possible for me to go. That has proved worthwhile, particularly in Asia and I am grateful to the Governor for giving his time to undertake some of those missions. Elsewhere, in association with the various overseas missions, embassies, high commissions and the like and with Austrade we have showcased a range of South Australian wares. In Hong Kong we have taken a group of producers to the Hotel and Food Expo in Asia. We have taken them to the wet markets early in the morning and talked to wholesalers so that producers here have a better appreciation of the process in a country overseas, the way to go about it and the contacts.

In other words, we take the fear component out of exporting and get knowledge and understanding and a comfort zone in exporting to encourage more companies to do so. Therefore, I put to you that the trade missions have been successful. I refer to the number of times I have been overseas when I have received comments that South Australia has been doing this better than any other State in Australia. That is something I take some degree of comfort from because the work that has been done now will reap a reward in five and eight years from now. When we get off the plane

some journalists ask, 'How many contracts did you do? What deals are in place? What are the immediate benefits?' This is building up relationships, working towards contracts and ensuring that suppliers back here have the capacity to actually supply the quantity of product. One of the big questions with many companies that we take overseas is simply their lack of understanding of the quantities on order in Asia and our ability to meet those orders. We must ensure that we do not create a false climate, that we never extend ourselves beyond our limit; never take in a contract or never present yourself as being able to do something and then subsequently fail to deliver. That is not the way to build long term productive relationships with Asia.

These are education programs for our people wanting to go into the market. The trade missions give them the land bridge to the wholesalers and an understanding and education of the market. The overseas offices' task, now that all of them have a business plan, requires them to report in bi-monthly on their business plan, their contacts, who they have looked after, how many people they have seen and what sort of work they are doing. This is in stark contrast with the position a few years ago when the overseas officers received their annual funding and we would be lucky to get a Christmas card rather than just a business plan and a performance output compared to the business plan. That has changed and rightly it has changed.

The numbers that we are getting in immigration, the fact that we export to more destinations than any other State in Australia, the fact that our export markets are increasing at a greater rate than the national average and that we are looking towards another historic year in terms of volumes and dollars in exports are underpinned by this work that we are doing. It is my view, and I have held it for a long time, that this is one of the most important policy areas of government: export focus, export facilitation and an export oriented State.

Mr SCALZI: Can the Premier provide an example of a recent overseas mission which included participation by the South Australian private sector and what benefits have been derived from this type of event?

The Hon. J.W. Olsen: I have made reference to the Hotel and Food Expo (HOFEX), and I think that I have been to three such expos. It alternates between Singapore and Hong Kong and it is the largest exhibition of its kind for hospitality, tourism, chefs, and the purchase of food and beverages. The eighth Asian International Exhibition of Hotel, Restaurant, Retail and Catering Equipment held a biennial conference in Hong Kong. There were 1 400 participants from over 40 countries there, and by 'participants' I mean stall holders. We offered two different programs to South Australian companies, depending on their level of export readiness. Do they understand the market, are they experienced or are they new to the area?

The exhibitors program was then designed for companies that are ready to export their product or service. Twenty organisations participated in the exhibition, representing seafood, fruit, vegetables, wine and hospitality training. The quality and the range of food and the badging of South Australia within the Australian precinct once again sets us apart, and that is important.

We also provided assistance to the exhibitors in terms of the exhibition stand, attracting potential buyers, on-ground support and coordination of travel and accommodation whilst they were there. For example, Joyce Mak and her officers arranged a series of appointments for every one of the trade delegation. They exhibit their product but, while they are

there, they have a series of appointments with potential buyers or wholesalers of goods and services out of South Australia.

We also undertook a market awareness program enabling new and intending exporters to investigate, for example, what was available. In this instance it went from Hong Kong, Taiwan and mainland China. They were able to identify opportunities from a range of potential international clients from Asia, Europe and the United States, which also participate in this exhibition. Whilst it is simply too early to be definite, the indications are that the estimated value of exports over the next 12 months from our participation in HOFEX would be in excess of \$2 million.

The Hon. G.A. INGERSON: My question relates to the food plan because it is one of the most exciting plans that the Government has put forward over the last three to four years. Can the Premier tell the Committee where it is at, what sort of exciting developments are occurring in the export area and what industries are showing the most promise?

The Hon. J.W. Olsen: The Food for the Future plan aims to grow our export in food and beverage from \$5 billion to \$15 million over the next 10 years to 2010. To date, good examples have been achieved, and one has only to look at the wine industry, for example. Recently Cabinet endorsed, signed off and invested some funds in the Food Exporters Association. That is modelled on the Wine Exporters Association which was put in place about 12 to 15 years ago and which set a target of \$1 billion worth of exports by the year 2000. Whilst some said that that target of \$1 billion which was set by the new, young people in the industry was pie in the sky, we have only to look at the reality of where we are at the moment and what a bit of optimistic thinking can do when you set your mind to it.

The Food Exporters Association has been established, and Glen Cooper from Coopers Brewery has relinquished his role with Fringe to devote his time to this association. A range of exporters have invested their own funds, and the Government invested on the basis that they invested, too. It had to be a partnership: they had to put their money on the line, the same as the Government did. That is working well.

I chair the Food for the Future council meetings every second month. It includes the Supermarket for Asia representative from Canberra and it includes a representative of the Victorian Government's equivalent body, but it is not quite the same because we are more advanced than Victoria in this area. We took the view that, if we were to meet market demand, we had to work cooperatively here and that South Australia should effectively be the export point.

With Food and Beverage for the Future, we are attempting to increase the value adding on our primary product, which is a natural asset of the State, and have further processing and upstream manufacturing undertaken here rather than overseas. If we can increase the quantities, we can go to the private sector and market the additional private sector investment here to value add in the food chain before it goes overseas. That means better return for producers and, in the meantime, we can attract further investment in manufacturing and processing. That is indicated and underscored by the investments in the beverage industry of Orlando Wyndham and Mildara Blass in the Barossa Valley in recent times. Now that Gomersal Road is to be sealed, Mildara Blass will proceed with a major facility, which I think is of the order of \$100 million, in the Barossa Valley. That is the importance of the flow-on of Food for the Future.

This activity occurs across Government agencies, and I acknowledge that a number of Government agencies are working together so enthusiastically. Dr Susan Nelle is now heading this unit, and I am told that Roger Hartley from Primary Industries has done a superb job. With a new strategy such as this, it is an absolute delight to see the enthusiasm, dedication and commitment of public servants who really want to make it happen and who are working across Government agencies—forget the silo effect—to get an outcome, and that means that this program will be successful. It is exciting.

In addition, the fabric industry is working on a strategy for the development of the fibre and fabric industries, once again trying to draw together a range of industry sectors and suppliers who, on their own, are small and therefore cannot bulk up to get a quantum and, as a result, get further investment. One example of networking is where, through the Centre for Manufacturing, we used to import steering wheels from Mexico. Seven or eight South Australian based companies now produce steering wheels and, because we have seven or eight working together, they can contract to the main companies to meet the number of steering wheels that are required, which otherwise would not be the case. That is one example of how, if you work together and collaborate, you can break some important barriers.

The Hon. M.D. RANN: I think one of the things that we need to talk about in terms of State development—and, of course, to assist the efficient implementation of Government policy, which also relates to Premier and Cabinet—is the impact of taxes, fees and fines on ordinary South Australians by about \$500 million in the Government's past three budgets. The Premier will recall that, prior to the last election, his former Treasurer talked about no increase in the quantum of taxation. Since that time, of course, we have seen quite a marked policy change. We have also seen some changes in the way in which the budget papers seek to hide the truth. The traditional category of taxes, fees and fines has been re-defined in this budget to become taxes: fees and fines are gone and there is no disclosure of the aggregate of fees and fines.

The budget papers do say that the 1999-2000 tax take is expected to be \$2 640 million, and in last year's budget the revenue from fees and fines for 1999-2000 was expected to be \$172 million, while Budget Paper 3 states that regulatory fees and fines for 1999-2000 will be in the vicinity of \$167 million. Also, as I mentioned before, while the ETSA tax has gone, the Premier's own Treasurer is still talking about replacement taxes. Given the fact that, since he has become Premier, taxes, fees and fines have risen by about \$500 million, and given that the emergency services tax is on its way, is the Premier concerned about the impact on business confidence and economic growth of his taxation policies?

The Hon. J.W. Olsen: I would have been concerned if we had had to implement the power Bill levy. Now that we do not have to do that, my level of concern has dissipated substantially, because that is \$100 million now being left in the pay packets of South Australians. I want to correct the Leader on one point. I did not say—at some cost, I might add—before the last election that we would not increase taxes and charges.

The Hon. M.D. RANN: Stephen Baker said it.

The Hon. J.W. Olsen: The former Treasurer was not a candidate in the last election; he was retiring.

The Hon. M.D. RANN: He was your Treasurer—

The Hon. J.W. Olsen: The former Treasurer was not

standing at the last election: I was. During the election campaign, I well remember the Leader signing his pledge that he would resign—he had a formula for mission impossible, I might add, given the commitments that were made before the election. I welcomed the fact that the Australian Democrats said that my position was responsible, because I said, 'I cannot give a commitment and I will not give a commitment about taxes and charges.' I did not give that commitment: therefore, one cannot cast aspersions.

In relation to business taxation, I remind the Leader that we have deliberately ensured that there is a conducive business climate, and we have maintained that position. We would have preferred to reduce payroll tax, in line with what New South Wales and Victoria have been able to do in the last budget or two. The fact that Victoria, in particular, has now taken two movements downward in payroll tax in successive years gives me some cause for concern. We have to build sufficient headroom and flexibility into our forward estimates to enable us to do so, to ensure that our competitive advantage is not eroded. While the difference between payroll tax (as advised to me) is not substantial between Victoria and South Australia at this stage—that is, it is not substantial enough that a company would say that the costs are so far apart it would trigger a reason to consider location in South Australia—I would not want that position to deteriorate and, therefore, we have to move to a position in the budget to give some degree of flexibility in the future.

The Hon. M.D. RANN: I think it is important to clear up a few matters. The previous Treasurer, Stephen Baker, might not have been a candidate (and that might have been convenient for the Premier), but he was the Treasurer up until election day. He was used daily as a commentator on the Opposition's costings, and so on. During his budget he said that he had broken the back of State debt. He talked about a new dawn, and said that debt reduction was proceeding apace and on schedule. He said that there was no need to sell ETSA—and, given the Premier's reference to his election commitments, the Premier repeated throughout the campaign, right up to election day, that he would never sell ETSA. We had the member for Bragg saying that it was all Labor lies, 'Full stop, full stop, full stop.' Then Stephen Baker said emphatically that, while he could not talk about it, because of the changes in the taxation structure that may occur federally between the Federal Government and the States, there would not be an increase in the quantum of State taxation. Even though he was not a candidate, I did not see the Premier barrelling into the media saying, 'Not true.' He killed off taxation speculation by saying that there would be no increase in the quantum, and the Premier went along for the ride. So, I think that that needs to be put into perspective.

Essentially, the message out of today's estimates is that the 1997 budget and those statements by Stephen Baker were just simply untrue, and deliberately untrue. But is the Premier concerned that the latest State accounts show South Australia as having the second worst growth rate in the country for the year to March 1999?

An honourable member interjecting:

The Hon. M.D. RANN: I am pleased that you have discovered the Evatt Foundation. The State accounts show South Australia as having the second worst growth rate in the country for the year to March 1999. What economic assessments has the Government undertaken on the impact of existing and planned new taxes on jobs and economic development? Those statements of account, by the way, show South Australia with a growth rate one-tenth of that of New

South Wales, and an even smaller fraction in terms of growth of Victoria and Queensland.

The Hon. J.W. Olsen: First, I re-emphasise the point that, during the course of the election campaign (I just want to correct the record) the Leader constantly demonstrated his billboard, or whatever it was, 'No new taxes,' signed 'Mike Rann'. At every opportunity during the election campaign, when the media put it to me, I declined to give that specific commitment. The Leader would well understand, in terms of costings, the embarrassment of his then shadow Treasurer in that last week of the campaign, and David Cox's great configuration for the budget papers, where the former Treasurer actually caught him out. He would have been delighted that it was only Jeremy Boylen or David Bevan, I think, who got him at the press conference, and he breathed a great sigh of relief on the basis of never take David Cox's advice. He will not have to: he is in Canberra now.

Mr Foley interjecting:

The Hon. J.W. Olsen: The member for Hart knows exactly the press conference that I am talking about. We were just disappointed that it did not get a higher profile than it did. The position is that a range of economic indicators are looking particularly good. I have recounted those during Question Time, and I simply refer the Leader to them.

The Hon. M.D. RANN: Given that our current low level of growth has come largely from household consumption expenditure, with private new capital investment crashing in the 12 months to March by more than 30 per cent (which is the worst and biggest fall of anywhere in the nation) is the Premier concerned that the taxes that will apply, such as the emergency services tax, plus the quarter of a billion dollars that was announced last year in the budget, are likely to have an even further detrimental impact on growth in the South Australian economy, particularly on small business?

The Hon. J.W. Olsen: The Leader talked about household expenditure and how that was up. Consumption is up.

The Hon. M.D. RANN: The growth that is there, albeit small, is based—

The Hon. J.W. Olsen: You cannot change the emphasis of your thrust now. The fact is that household consumption is up. That demonstrates a level of confidence in household budgets to spend. In relation to the private sector new capital investment, if it had not escaped the Leader's attention, we had \$2 billion or thereabouts extraordinary expenditure in one year from Western Mining Corporation and also a \$1.5 billion investment in General Motors as a one off. Of course you will have a blip, a significant rise and then a settling following those two quite extraordinary and welcome investments in the State.

The Hon. M.D. RANN: To follow up on that point, the Premier's trusted adviser (at least until today, it would seem) Cliff Walsh, has made a point of saying that virtually all the Liberal budgets have added to the debt. Of course, we have the current Treasurer's statement that the present budget will increase borrowings. What guarantees do you give to South Australians, about to sell off their most valuable income earning asset, without the permission of the people of this State, either through an election or a referendum? You talk about election commitments. You would have to have a fairly thick hide to sit here and talk about your election commitments when you consider the most fundamental one. Having sold off their most valuable income earning asset, you simply will not continue, as Cliff Walsh says, in all of your budgets to actually add to the debt again.

The Hon. J.W. Olsen: For some time we have been canvassing matters that would be more appropriately dealt with by the Treasurer, but which, in the quest for tolerance and understanding, we have been pursuing for some time. I must say that some of these questions would be better and more appropriately directed to the Treasurer than in this forum.

The Hon. M.D. RANN: Let us look at economic targets, again under State Development. Given that the latest budget's key economic assumptions show that South Australia will lag the nation in terms of economic growth and labour force expansion, and that the latest ABS figures show South Australia's unemployment rate is 1.4 percentage points above the national rate, does the Premier now accept that he will not achieve his stated goal of reducing our unemployment rate to the national average by next year? That was a very big announcement that he made, that he would bring the unemployment rate in South Australia down to the national average by the year 2000. Can he still do it?

The Hon. J.W. Olsen: Let us just look at the record: it is down 2 percentage points in the last year, if my memory serves me correctly. That is the lowest unemployment rate since the 1990s, and better than when the Leader left as the Minister for Employment. So, let the two track records speak for themselves.

The Hon. M.D. RANN: We had an announcement by your friend and predecessor, Dean Brown, that 20 000 jobs per year would be grown, and you said that you did not support that but you would bring the unemployment rate down to the national level. Are you or are you not going to achieve that? Is it still the target for the year 2000 to bring the unemployment rate down to the national level?

The Hon. J.W. Olsen: Having created 25 000 jobs in South Australia today greater than were there 12 months ago, that is a significant achievement. Some 25 000 new jobs in the course of a year is a good outcome. We will continue to fight to push down unemployment and fight to create employment. I think it was Access Economics that have predicted employment growth in South Australia for the next three financial years through to, I think, 689 000 by 2002-2003. We will just continue to attempt to achieve those figures.

The Hon. M.D. RANN: I guess the cynicism one gets is when one looks at, for instance, these huge announcements made before the election. Today you have announced effectively we will not achieve what you promised in Teletek. I have just been handed this document dated Thursday 9 October 1997 headed, 'Teletek coup for South Australia'. It states:

In a major coup for South Australia, Premier John Olsen has announced that Teletek International will establish its Asian Pacific core centre in Adelaide. The centre will deliver 1 000 jobs over the next four years and South Australia was selected ahead of New South Wales, Victoria and the ACT. . . We have an impressive profile in this niche sector. This brings to more than 4 000 the number of jobs we have managed to secure in this sector in under three years. All figures indicate it will be 10 000 jobs in this sector by 2000, and 20 000 jobs by 2010—

and then it goes on and on, and now today we will not achieve it. It has on it: 'media contact: Vicki Thompson'.

Can you understand the cynicism about this? When we raised this in Parliament last year after the election, we were told, 'It is still on track; it is still on its way', and here it says that we were selected ahead of New South Wales, Victoria and the ACT, yet we hear that the jobs are actually going there. We were selected but we are not getting the jobs. I

guess what I am trying to say, whether it is tax, job announcements or Teletek coups, all of which I am sure are guaranteed like the water contract to get fantastic publicity in the *Advertiser* about what a fantastic coup it is for South Australia, the delivery does not kind of match up. But let us move on.

The Premier would be aware of some of the problems of the privatised power industry across the border in Victoria and the fact that its owners have had to reschedule debts in light of its poor trading position. The Loy Yang power station went into the market expecting prices much higher than those prevailing. Of course, there have now been pleas for New South Wales not to supply cheap power to Victoria to restructure its situation in terms of its impact on Victoria.

In the light of the recent publicity in the *Financial Review* about Loy Yang and the fact that its investors are concerned, is the Premier confident of achieving a good price from private investors in our electricity industry, given that the New South Wales publicly owned power utilities are currently beating the Victorian private industry in competition? Essentially, based on your \$2 million a day, that would be \$7.5 billion. Is that what you are expecting to achieve? Given the speculation about investments in the Victorian industry, how confident are you of achieving that \$7.5 billion mark?

The Hon. J.W. Olsen: First, I just ask the Leader if he has ever heard of Redcliff and Chowilla. As a student of history, he would understand that successive Labor Governments went to election campaigns with a Redcliff, a Redcliff and a Chowilla, and we did not actually see them materialise. There are occasions when governments, with goodwill—and in this instance with Teletek, private consortiums—sign off on an arrangement. If international considerations which are unforeseen at the time come to impact on that, so be it. At least we tried, and we will keep on trying. That does not decry from getting the ABC or Boral to consolidate here.

As I said, about 150 companies have brought call centres to South Australia and 6 000 jobs have been created in the call centres from a standing start—6 000 jobs. That is equivalent to a Mitsubishi being created in the past four years in South Australia. So, let us have none of this nonsense about the lack of thrust from the policy. It is delivering for South Australia and there will be a few more announcements soon that will demonstrate that. In relation to questions about electricity, once again more appropriately directed to the Minister responsible, the Treasurer—

The Hon. M.D. Rann interjecting:

The Hon. J.W. Olsen: Do you want to knock off now?

An honourable member interjecting:

The Hon. J.W. Olsen: I was just hoping! In terms of electricity, one cannot draw a comparison between South Australia, New South Wales or Victoria, and the reason is that, in South Australia, supply and demand match. That has not been the case in Victoria or, clearly, in New South Wales, which has mothballed generating capacity. Am I hopeful of a good outcome? Yes, I am. Why? Because there is a level of interest. Because supply and demand are matched relatively in South Australia and given that the Asian marketplace is not yet right for infrastructure investment of this type, the timing in this last year has been good for us and pre any New South Wales movement in the area.

What outcome will there be? I simply do not know and no-one does. Suffice to say that if it is as the *Financial Review* anticipates, that is, between \$4 billion and \$6 billion, then I would consider that an exceptionally good outcome for

South Australia given that we are going to a lease now and not a sale, although the discount on a lease versus a sale has been narrowed. The backflip from the Labor Party to support the 97-year lease has—

Members interjecting:

The CHAIRMAN: Order!

The Hon. J.W. Olsen: Simply, we will be working hard to maximise the return for South Australians.

The Hon. M.D. RANN: I wondered whether we could—

Members interjecting:

The CHAIRMAN: Order!

The Hon. M.D. RANN: In relation to the question of ministerial overseas travel and also Public Service travel, particularly as it relates to the senior executive end of overseas travel in the Public Service, does the Government have a policy in relation to first-class travel either domestically or internationally for public servants? Certainly, the Commonwealth and some other States have a policy, for instance, in some areas of not allowing the expenditure of first-class travel, either internationally or domestically, for public servants. Can the Premier clarify how that relates here in South Australia?

The Hon. J.W. Olsen: A policy is in place. It is normally, as I understand it, economy-class travel, and the Commissioner of Public Employment has the right to vary that upon application and reason. CEOs normally travel business class.

The Hon. M.D. RANN: CEOs travel business class within Australia. Is that the normal case?

The Hon. J.W. Olsen: Yes.

The Hon. M.D. RANN: Not first class?

The Hon. J.W. Olsen: There is no longer a first class classification on airlines.

The Hon. M.D. RANN: What about internationally?

The Hon. J.W. Olsen: Ordinarily it would be business class unless some circumstances have been agreed to.

The Hon. M.D. RANN: The Premier is confident that that is not being breached at either the senior level or, in fact, down from CEO level?

The Hon. J.W. Olsen: Down from CEO level?

The Hon. M.D. RANN: Let me get it right. CEOs can travel business class in Australia and internationally they may, under certain circumstances, travel business class.

The Hon. J.W. Olsen: Yes.

The Hon. M.D. RANN: But how does it apply at executive level under CEO level?

The Hon. J.W. Olsen: I am advised that within Australia domestically people would travel economy and likewise internationally but for agreement to a different class of travel depending upon the circumstances, for example, health reasons or medical certificates that are given for extended travel and therefore changes are made.

The Hon. M.D. RANN: I should have thought that it would be somewhat strange if people are opting to travel first class rather than business for health reasons. I should have thought that business class was more than sufficient. In terms of your Portfolio Statement, volume 1 (page 1.17), what are the five major projects planned for next year?

The Hon. J.W. Olsen: Specific projects are announced from time to time as and when Cabinet signs off on the projects. Ordinarily the position is that these projects are worked up by the respective ministry. If it is across agency the responsibility is to negotiate cross agencies' support for the project. It is then a Cabinet consideration. When Cabinet considers and signs off on the project, it is then ordinarily publicly announced that it is a project with which the Cabinet

will proceed. For example, we have been referring to Food for the Future. In the past we would have considered that to be a whole of Government project. Now that it is in place we have all agencies working cooperatively together with it and there has now been some success and outcome from that.

The Hon. M.D. RANN: I just want to ask the Premier a further question previously asked by me by way of bunching it up with a number of other questions but I do not think it was answered. Many people in South Australia, particularly within existing industries, have been concerned about some of the open slather investment attraction deals of the Government. Given that you are taking up investment attraction activities within your portfolio, to what extent are such investment attractions? Will they be performance based in terms of industry assistance from the taxpayer and on what criteria of performance will they be assessed?

For instance, would they be based on jobs, would they be based on added value, would they be based on volume of production or would they be based on exports, research and development? What are the criteria and what penalties, if any, will apply if the recipient companies fail to achieve them? By way of elaboration, the National Governors Association, a bipartisan body which is based in Washington and which represents all 50 US State Governments, said that in the 1980s footloose companies were going to various States and engaging in bidding wars. Essentially they would go to Arkansas and say, 'Give us \$30 million and we will set up a galaxy.'

They would set it up and, in the process, 1 000 jobs would be created. Of course, they would then go to Mississippi across the border and say, 'We have been offered this deal by Arkansas for 1 000 jobs. Can you offer us \$33 million and we will give you that 1 000 jobs.' Mississippi might win the bidding war. It is a great announcement for the State Governor. What happens is that a lot of ribbon cutting takes place and there is a lot of jolly up from both sides, usually in an election year (just like Teletek, but not usually two days before an election). However, what then happens is that the 1 000 jobs are not created at all. The company still gets the \$30 million but perhaps only 500 jobs will be created. It is in everyone's interest to shut up about it, as it was with Teletek.

What they say at the National Governors Association—and they said this to me this year—is that they have reached a concordat between various State Governors to say that this bidding war was getting silly; that, whilst people wanted to vigorously attract companies to their home States to create jobs (which we all want to do), people were being played for a break that if they do not create the thousand jobs they do not get the \$30 million. It is sort of weight for age: if you create half the number of jobs, you get half the amount of money. Other more sophisticated State Governments in the United States also look at value adding and look at the type of jobs. Rather than saying that some back office jobs are high-tech jobs when they are in fact sales jobs, there are actually more State funds available for jobs that value add to the State economy.

Given the criticisms not just in South Australia but elsewhere, does the Premier see any value in a more rigorously based, performance based industry assistance, or does he believe that the current system works adequately with sufficient safeguards not only for taxpayers' dollars but for actually achieving the outcomes, and also in delivering the jobs that are promised?

The Hon. J.W. Olsen: I am glad that the Leader has asked the question, because I can correct a false perception

in the broader community. First, any contract we enter into has performance-based measures and claw-back options in it, or payment is not made until performance targets are met. There has been a lot of public discussion in recent times, and claims made that payments are made without claw-back. That simply is not the case. I do not know of a contract of recent times that has been written that does not either have claw-back or a performance base, or the fact that the payments are not made until such time as targets are met. That certainly would ensure that no 'footloose' companies can come in and just move around Australia, picking up \$20 million or \$30 million at a pop. That cannot occur.

Secondly, we do not accept or invest in every company that knocks on the door. Thirdly, and importantly as it relates to South Australian based businesses, my memory is that, of the 738 companies recently assisted, all but 10 were South Australian based companies. These were figures given to me last week and I am pretty sure they are accurate. Something like 10 out of the 738 were interstate or overseas financed or supported, but the others were all South Australian based companies. I suggest that the Minister for Industry and Trade would be best able to answer further detail on that as the Minister responsible.

The CHAIRMAN: I remind the Committee that, according to the program, we are to conclude the lines that were opened at the start of this committee prior to the dinner break, so we need to have a vote on the lines that have been opened.

The Hon. M.D. RANN: I have only a few questions, which I can put on notice.

The CHAIRMAN: That would be fine.

The Hon. M.D. RANN: I totally understand that it is necessary for the Premier to travel overseas in order to promote South Australia, win investment and so on. During the year the Premier took a Concorde flight from London to New York during an overseas trip taken to promote the Premier's sale of ETSA. My questions on notice are:

Who accompanied the Premier on his transatlantic Concorde flight in the past year? What was their specific expertise in the power industry? What was the total cost of the Concorde flight? How does this compare with a conventional flight on the same route? Who did the Premier see on his visit to New York and were all the persons who travelled at taxpayers' expense present at each and every one of those meetings?

How does the Premier justify the extra expense to the taxpayer from the use of Concorde, given the restrictions on CEO travel and public sector travel? For how long were the Premier and his entourage in New York and did this stopover in New York include any free days? I have completed my line of questioning.

The Hon. J.W. Olsen: I will be happy to take the questions on notice. One point I make is that using Concorde saved an additional day and accommodation. It was a package deal: I understand that the increase for Concorde was marginal in the total package that was put together. That point ought to be made. The rate that you ordinarily see in the paper for a ticket on Concorde was not the basis on which we were charged.

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

[Sitting suspended from 5.57 to 7.30 p.m.]

Auditor-General's Department,
\$9 258 000.

Departmental Advisers:

Mr K. MacPherson, Auditor-General.

Mr I. McGlen, Director, Auditor-General's Department.

Mr T. Knight, Manager, Administrative Services, Auditor-General's Department.

The CHAIRMAN: I refer members to page 56 in the Estimates Statement and to Volume 1, Part 1 of the Portfolio Statements. Premier, do you wish to make an opening statement?

The Hon. J.W. Olsen: No, Mr Chairman.

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

Mr FOLEY: No, thank you, Mr Chairman.

The CHAIRMAN: Then I call on the member for Hart to ask the first question.

Mr FOLEY: As we have experienced previously, Premier, it is somewhat difficult to ask a lot of questions of the Auditor-General; I can ask them but it is a question of whether I will get any answers.

An honourable member interjecting:

Mr FOLEY: No, I am not in that sort of mood tonight, to be honest. This is now my sixth Estimates Committee; the novelty of such events is wearing off.

The CHAIRMAN: Order! Let's get on with it.

Mr FOLEY: First, is the Auditor-General satisfied, Premier, with the level of resources provided to him by Government, given the more onerous tasks that are expected of the State's Auditor-General now that we have such a complexity of arrangements with contracts? Does the Auditor-General feel that he is under resourced in any way?

The Hon. J.W. Olsen: The Auditor would like to respond to that and I am happy to direct the question.

Mr MacPherson: At this stage of the financial year, we certainly have the resources to commence. However, with the changes with respect to the ETSA legislation, we may need some supplementation during the year if we are to undertake the probity review of the processes for the leasing of the ETSA businesses.

Mr FOLEY: Perhaps that is a leading answer. On the issue concerning the new role that the Parliament has asked the Auditor-General to perform, is the Auditor-General able to comment at all on how he sees that panning out? That is obviously putting some resource strains on the Auditor-General, but is it a function that he will be able to fulfil?

The Hon. J.W. Olsen: The process has passed the Parliament only in the past week or two and I would have thought that it is premature to be posing a series of questions like that; but I am more than happy for the Auditor to respond further if he wishes.

Mr MacPherson: The short answer is: yes, we can discharge the obligations.

Mr FOLEY: Clearly, we are seeing a changing role of government, and that is not meant in a political sense. Clearly, we are operating government much differently from what has been the case in years gone by, through the large number of Government services that are either outsourced or, with respect to ETSA, leased. In a philosophical sense, does the Premier see the role of the Auditor-General changing, and should we as a Parliament consider updating or perhaps reviewing the roles and powers of the State's Auditor-General, given the changing nature of relationships between

Governments, service providers and the Parliament, and given that the traditional form of government has changed quite significantly?

The Hon. J.W. Olsen: That is a vexed question, and I say that in the following context. As we try to adjust to major changes in the international global marketplace that simply roll into us and on top of us, as the Commonwealth Government and other State Governments attempt to respond to the range of new pressures there, it might well be that legislation of the past is not timely in terms of the changed circumstances in which we find ourselves. I would have thought that any consideration of that ought to hasten slowly. There has been no consideration of the Government in terms of variation or changes in relation to legislation relative to the Auditor-General. Certainly, the type that we have seen interstate is not envisaged nor been discussed by this Government.

Mr FOLEY: I do not say that in any provocative or political way. It is something on which we may all have to reflect in the next few years—whether the role or the powers of Auditor-General need to take account of the way parliaments are operating. It would be fair to say that members of the Opposition now find it harder to read and understand the Government's budget papers—as the member for Bragg would no doubt know; I am sure he is struggling from time to time.

The Hon. G.A. Ingerson interjecting:

Mr FOLEY: It is not a question of not understanding accrual accounting. I do not have a problem with that. It is a question of finding information through accrual accounting, the way it is presented. Is the Auditor-General confident in the way that the budget is currently being presented in the accrual format?

The Hon. J.W. Olsen: In my opening statement today I reflected upon criticism of the Leader of the Opposition in terms of the budget layout, and indicated that there had been changes made in the presentation of the budget this year to line up previous budgets' expenditure and forward estimates. Where that information was not available last year it is available this year in the budget papers that have been presented. In part, the criticism of the Leader of the Opposition in last year's Estimates Committees has been addressed and responded to in the presentation of this year's budget papers and statements.

Mr MacPherson: I made the observation last year that I felt that members of the Parliament may well be helped if the Treasury was able to provide some 'training sessions' for members of Parliament to understand the implications of the budget reform processes and the presentation of financial statements on an accrual basis. It certainly enhances the accountability of government, and it overcomes some of these criticisms of the cash pay system which involved the expenditure of remaining funds in the last few weeks of a financial year.

Mr FOLEY: I thank the Premier for his answer; I had not heard his opening presentation. Again, it was not meant as a political statement. Whilst we can understand the principles of accrual accounting, it is not necessarily easy to locate the information one was able to obtain previously.

The Hon. J.W. Olsen: I would just indicate to the member for Hart that, whilst my background has involved some additional training in accountancy, every principle I learned in accountancy was the reverse, when I saw government accounting versus commercial and private sector accounting and everything I had learnt as an accounting

principle. However, be that as it may, the move to accrual accounting gives you a true indication of costs and ensures that, when they make decisions, governments bring to account the true cost. There is a discipline in accrual accounting that applies to Governments, and we are seeing the move to accrual accounting both nationally and in the other States. Whilst there will be some settling in period for it in terms of outputs and being able to assess it more accurately, the discipline it applies to policy decisions in the first place will bring about better government.

Mr FOLEY: The management of the Government's capital works program appears to be causing some problems. Outlays this year are up considerably, largely attributed, I understand, to the capital works program. The Treasurer himself was on radio a couple of weeks ago making the point that the Government was having some difficulty with the way in which it was managing its capital works program, in particular, the estimates for projects and the actual outcome of those projects. We all know, particularly when it comes to construction, and it is difficult to be absolute, that the Treasurer himself was expressing frustration about the capital works program, and the member for Bragg would know what I am talking about in terms of the Hindmarsh Soccer Stadium. Can the Auditor-General offer any comments about the Government's handling of the capital works program? Is this an issue which concerns Audit and which may require some further work?

The Hon. J.W. Olsen: A concern to me has been the allocation of Government funds for capital works programs, especially when in any given year and for a variety of reasons those funds are not expended. I find it annoying and frustrating that, having gone through a very difficult budget process, as we have for six years, and having allocated funds in a priority sense, the agencies have not delivered the projects within the time frame; this is of concern. It is a matter that I have asked Cabinet to address and it is a matter that we are also reviewing because it is unsatisfactory to be rolling over on an annual basis unspent works for a project in subsequent years. There will be projects through a sequence of events that are unavoidable, but the consistency and volume of it is something that I think is unacceptable.

Secondly and importantly, as to the import of the question that we see an escalation in the costs of the capital works program and demonstrating a lack of diligence perhaps (in the import of the question) by the Government, I have checked with a number of private sector companies about programs that they enter into from time to time for capital works and escalations in the cost of capital works in the private sector and the Government. The anecdotal evidence I have had from those companies is that the dilemma on occasion that we see in an escalation in costs is something that the commercial sector also experiences: it is not confined to Government.

We can put checks and balances in the system to ensure that estimates are outcomes. I have been concerned that, when seeking funds, an agency might leave part of the project out so that it comes within the allocation to the agency. Upon commencement of the works someone finds that the sprinkler system was not included in the first place. That adds \$1 million or the like to the project and takes it over the funds that were originally committed. When I see a project like that it would appear that someone has sought to get approval for the project under a limit with an expectation that they could take it over the limit afterwards when there was full commitment to the project.

I also believe that that set of circumstances is also unsatisfactory. How a modern building can be designed today with our current laws on safety, occupational health and safety and fire requirements and not have a sprinkler system installed seems to be more than an accident in oversight.

Mr Foley interjecting:

The Hon. J.W. Olsen: It does not matter what the project was. It seems to me that, with the sprinkler system in, there were not sufficient funds. You start the project and then you identify that the sprinklers are not in, and you then have to find the money from somewhere else and go over the original estimate to be able to put them in. I think I have made the point. Our best endeavour is to check and monitor to ensure that that does not happen. There have been several incidences in this last year, and that also has been unsatisfactory. I have expressed that to the Ministers and the departments concerned.

Mr MacPherson: I cannot add a lot to what the Premier said. The audit interest is in ensuring that an adequate control environment is in place, and that really boils down to making sure that the due diligence associated with the origin of the project is adequate, and that the project management itself is focused and ensures that, if there are going to be overruns, they are identified early so that they can be contained if that is possible. Without really having a specific project as a focus of analysis, all I can say is yes, we are interested in those things. It is really adequacy of the control-type process, and Audit has a responsibility to provide an opinion to the Parliament where it believes that the controls are inadequate.

Mr FOLEY: The capital works budget is obviously an area concerning you, Premier. Notwithstanding your obvious discussions with your colleagues, is Government giving some thought to an overhaul of the way in which the capital works project process is handled? Are you looking at increasing expertise in Government? It seems that what you have described are fairly fundamental errors, and one would hope that they are very rare. However, are we perhaps lacking the necessary skills at present?

The Hon. J.W. Olsen: The examples I give are rare and are not the norm. They are the exception to the rule. The import of the question is whether we have a dearth of talent. There is no doubt that in downsizing government over the decade we have seen a range of skills move from the sector. I do not believe we have been diligent enough as Governments in terms of retraining and upskilling people to take on the tasks as they emerge. That is why earlier today I talked about Leadership 21, which has some \$2.4 million this year being allocated through DPC and OCPE to provide a range of external courses for public servants and also for middle management public servants to upskill and develop qualifications required in specific areas.

To my knowledge, we are the only State in Australia that is now set on a course of rejuvenation with graduates and trainees in the public sector. There are 550 graduates to be employed in the next year to come into the public sector to correct the age profile of the service. In addition, Leadership 21 will set about education training and upskilling of our Public Service so that we have the resources in-house to undertake the task.

I also mentioned earlier today that we are seeing a significant and quantum change in the management of projects and issues—again the global market place. The rapid and constant change, it seems to me, in the way in which Government does business, is expected to do business and has pressures in timelines to do business will apply ever

increasing pressure in terms of the performance of the public sector. Therefore, skills training within the public sector will be particularly important.

Mr FOLEY: I do not disagree with any of that. It is fair comment and it comes back to my original theme that, regardless of one's view, the reality is that the nature of government has changed fundamentally and the way we deal with it now is something that we need to review not just in terms of the Auditor-General's role but in terms of a whole series of functions in government. Governments of both persuasions were quick to wind back the old Public Buildings Department, the Department of Housing and Construction and SACON, and perhaps both Governments are paying a price now for having cut back in some of those critical areas with regard to capital works.

The Hon. J.W. Olsen: The key is management skills, skills to oversee, skills to control and direct, and also skills to act in a timely way. If there is a mounting criticism of Government, it is the pace with which it is able to respond. The constant concerns that are expressed to me is that, by the time we go through 'due process', we are slowing the process down and that is putting impediments and costs in partner arrangements between the Government and the private sector, to the point where the private sector is dissuaded from it. Therefore, Government has to respond to those challenges. I do not have a simple answer for that other than to say that I recognise where the difficulty and problem is. It is a real task for Government to balance accountability, probity and process and yet respond to the pressures of timeliness in delivery.

Mr FOLEY: A number of major functions of Government are now outsourced—computers, transport, water. I noticed in the *Financial Review* today, my research body that gives me such good questions, that the National Office of Audit is looking at reviewing the operation of some of the IT outsourcing contracts that the Federal Government has entered into. It is reviewing a particular contract, the Cluster 3 contract of Government agencies, to determine whether or not that contract is delivering as per the contract requirements. I am not necessarily asking Mr MacPherson whether we are doing that, but do we need to have the office of Auditor-General look periodically at these contracts with respect to adherence in a more formal way than the normal audit process? It is another level up from the normal audit process, so is there a role for a more detailed process?

The Hon. J.W. Olsen: Where there is a partnership arrangement between Government and the private sector, and where in the endeavour of the public sector to ensure that probity is followed checkers are brought in to check on the checkers, the private sector legitimately says, 'This is checking gone mad,' when perhaps two sets of consultants are brought in to check basic data. We have created an environment in which some Government agencies have become so sensitive to public criticism and scrutiny through the committee system of the Parliament that they have gone to the extreme of checking, and legitimate criticism is now coming from the private sector that this is an untenable set of circumstances, that this is applying costs well beyond that ever envisaged in the first instance when the contracts were put in place.

It creates a benchmark that drives away the private sector wanting to be involved in O&M contracts. That is a real concern. I am not saying that there should not be appropriate monitoring of those contracts, and the Auditor-General indicates to me, and I have understood this to be the case, that

any time he wishes to check a contract he is entitled to do so and report to the Parliament his findings of that. Separate and distinct from that, I would put to the Estimates Committee that we have seen in a number of committees of the Parliament the system used to the extent that the bureaucrats, wanting to protect their position, have gone to the extreme in doing so, which is creating costs previously not expected and putting in place a position where the private sector is saying, 'Why would you ever get involved in a process like this?' If that sort of partnership arrangement is precluded, the people who will be the losers are the taxpayers of South Australia. You rule out an option that might otherwise be available to Governments of the day.

Mr FOLEY: We could have a very good philosophical debate about that. I agree in part with what you are saying, but one of the realities that comes with a private sector organisation taking over a major function of Government is that it knows that it will have a level of scrutiny that it would not normally have in its own sphere, and it gets a premium for it. Let us be serious about it. Some companies achieve significant benefit from major contracts with Government and with that comes a high level of scrutiny. The water contract is an example. That company has the benefit of an exclusive contract to run an entire water system. With that comes a higher level of scrutiny than would otherwise be the case. EDS is another example.

While I have some sympathy for the Premier's point, one has to be very careful, because many of these companies are getting a major function of Government that is quite often a monopoly position, and that is the premium that I talk of, and it is a trade-off. I accept the argument that that trade-off has to be carefully managed and that at times an Opposition would cross over the line. But we would argue that sometimes Governments fall short of the line, and I suspect that if the roles were reversed nothing would change, and indeed nothing has changed. This is not the appropriate forum for a debate on it, but it would be a useful debate to have at some point.

The Hon. J.W. Olsen: The way in which the committee system of the Parliament has been used in recent times is well beyond that which was envisaged in the establishment of that system. It is all well and good, and I acknowledge that political Parties in Opposition will attempt to use the system to make a political point. However, in South Australia we have gone well beyond that which was ever the accepted practice in the past of the committee system, to the point where the Department of Industry and Trade—and I made reference to this in Parliament recently—has been told by three companies on the eastern seaboard that they will not pursue investment in South Australia, that they do not intend to put their corporate people through the wringer like EDS and SA Water executives were, and that they can invest in other States of Australia without subjecting themselves and their companies to innuendo in the national media.

Within the last six months, a major international company said this to me as Premier of this State, 'If our name is besmirched any more in the national media, it is simply better for us to walk away from South Australia, because the price of staying in South Australia is not what our good name is at risk for.' I am sure that the member for Hart, if he is ever in Government one day, will understand the arguments from the other side of the ledger from that which he is putting at the moment.

Mr FOLEY: We could have a lively debate about that. I recall it from the other side of the fence; admittedly that was

some years ago and I was not a Minister at the time. There were many examples when the Premier was Leader of the Opposition, where similar accusations were made of the Government of the day. A former Leader of the Opposition made a number of strong accusations about the Grand Prix board and developers such as marina developers, who were coming into Adelaide. There are other examples, but things are a lot different. However, I would argue that, as firm as the Premier might be, equally in each of those examples that he put forward I could put forward a case where the Government fell down on its process that required a degree of scrutiny of this Parliament that the Premier says was too much. Had process been right, had there not been mistakes along the way, much of the spotlight that the Premier talks of would not have been focused on those projects. The Premier cannot blame the Opposition for its role in putting these projects to test without looking at his own role.

The CHAIRMAN: Order! With respect, I agree with the member for Hart. I do not believe that this is an appropriate forum in which to carry on this debate. I ask the member for Hart to revert back to questions of the Premier.

Mr FOLEY: There is not much more that I can ask the Auditor-General. My previous practice of wanting to raise many issues of audit would only have been ruled out of order, so I am happy to close the line and move onto tourism. I will have that debate with the Premier in another forum—perhaps over a cup of coffee.

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

South Australian Tourism Commission, \$41 005 000
Minister for Tourism—Other Items, \$37 290 000

Witness:

The Hon. J. Hall, Minister for Tourism.

Departmental Advisers:

Mr B. Spurr, Chief Executive Officer, South Australian Tourism Commission.

Mr C. D'Ortenzio, Commercial Manager.

Ms C. Dunthorne, Financial Controller.

Mr A. McEvoy, Marketing Manager.

The CHAIRMAN: Minister, do you wish to make an opening statement?

The Hon. J. Hall: Yes, Mr Chairman. Thank you for the invitation to make some opening remarks in relation to the tourism portfolio. As we well know, at the moment tourism is currently basking in an all-time high in our State, with more international visitors than ever, generating more economic activity than ever and employing more South Australians than ever.

Some 12 months ago, I appeared before an Estimates Committee of this Parliament as the Employment Minister. I described issues surrounding employment growth as amongst the most challenging facing South Australia and outlined programs contained in the Government's innovative Employment Statement, a statement now administered by my colleague the Hon. Mark Brindal, that has begun to deliver real employment gains for South Australians. The Employment Statement is a key part of our Government's strategy to assist unemployed people, while also focusing on attracting

and encouraging growth in key industries that will generate long-term sustainable employment for the future. I am delighted to say that tourism is unquestionably one of these industry sectors.

I have a personal commitment to attach a strong employment and economic focus to the tourism portfolio. No other industry, in my view, has the potential to create such a diverse range of employment opportunities as tourism. No other industry has such optimistic, yet achievable, long-term growth figures and, in my view, no other industry can deliver these benefits right across our State, from the Eyre Peninsula to the South-East and from the Outback to Kangaroo Island.

The recently completed Tourism Forecasting and Economic Impact Report, conducted by the South Australian Centre for Economic Studies and the Griffith University, indicates that tourism is worth considerably more to South Australia than ever previously estimated. In 1998, tourism generated \$2.7 billion of local expenditure and directly supported over 32 000 full-time equivalent jobs. Tourism is on par with the automotive industry in terms of wealth and job creation, and still has enormous potential to grow. The Government is committed to making this happen and has an innovative and dynamic program of tourism initiatives planned for 1999-2000.

Globally, tourism, travel and hospitality is the world's fastest growing industry sector and this Government is determined to ensure that our State is well positioned to take every advantage of the tourist opportunity within our reach. I believe we can already claim some impressive results. During 1998, South Australia recorded 5.7 million tourist visits, resulting in over 24 million visitor nights. This included 3.6 million intrastate visits (generating 10.6 million visitor nights), 1.8 million interstate visits (generating 9.5 million visitor nights) and 304 700 international visits, which is an increase of 10 per cent over the previous 12 months, which pushed us through the 300 000 mark for the first time and generated more than 4.5 million visitor nights.

Overall, the industry is striving ahead with exceptional confidence. Room nights spent in hotels, motels and service departments have increased by 4.3 per cent, well above the national average increase of 3.2 per cent. Both Qantas and Ansett have increased flights into South Australia, while Singapore and Malaysia will now supply an additional 30 000 international seats into Adelaide over the next 12 months.

As these figures show, the past year has been a particularly successful one for our State's tourism industry. Having developed a strong marketing program in both domestic and international markets, the industry is confidently aiming to burst into the new millennium. Among the successes of the past year was the Best Kept Secrets domestic marketing campaign, which was launched in September last year. The campaign aimed to increase awareness of South Australia in our key interstate markets of Sydney, Melbourne and regional Victoria. I look forward to elaborating on some of the results of this campaign during questions.

The success of the tourism industry can also be attributed to the most successful range of festivals and events ever held in South Australia. In 1998-99, South Australia hosted a variety of high profile events, including Classic Adelaide, the *Ring* cycle, the Holden Australian Open, the Tour Down Under and the Sensational Adelaide 500. These events have enjoyed a staggering amount of public support. They have secured extensive worldwide media coverage and provided an immeasurable boost to the pride and optimism of South

Australians. Furthermore, high profile events such as these inject considerable funds into our economy. It is estimated, for example, that Wagner's *Ring* cycle alone injected an estimated \$10 million into the State and attracted many high yield visitors.

The 1998-99 year was also an excellent one for the conventions and conference sector, with the number of visitors coming to South Australia for this purpose up by an overwhelming 108 per cent. South Australia currently holds approximately 17 per cent of the international convention market to Australia, and this is largely due to the good work of the teams at the Adelaide Convention Centre and the Adelaide Convention and Tourism Authority, known as ACTA.

In the first half of this year we have also seen the emergence of an exciting, new-look yet stable South Australian Tourism Commission, headed by the highly respected and experienced Bill Spurr. Other key management appointments include Belinda Dewhirst as General Manager of AME, Andrew McEvoy as General Manager of Marketing, and Carlo D'Ortenzio as Commercial Manager. This new team has brought a new level of optimism and energy to the commission and to the industry, and I am absolutely confident that we have the right team at the helm.

Our new team will be striving to achieve the Government's objective of a sustained period of substantial growth and success in tourism. In this year's State budget, the Government has committed \$37.5 million to tourism—a \$2.2 million increase on last year's funding, demonstrating the Government's strong commitment to our tourism industry. We will begin stage 2 of the *Best Kept Secrets* campaign, continue investment in expanding the highly popular *SA Shorts* holiday program, and will vigorously target the international market.

The Government has committed \$5.6 million towards international marketing activities for 1999-2000 which will enable South Australia to increase tactical and cooperative advertising and marketing support, and to focus on tour packaging with travel agents in our key overseas markets. A glossy international motivational brochure is currently being produced in English, French, German and Italian, and South Australia's first travel planner for use by international travel agents will be developed shortly.

The Olympics also present many exciting opportunities for the tourism industry, and the commission is working closely with the ATC to boost the number of journalists and travel agents visiting our State.

Our Australian Major Events unit will continue to host, attract, sponsor and manage high profile events for the State. With \$9.3 million in funding, major events will be an integral component of our tourism marketing strategy, and will be expected to leverage as many visitors to South Australia as possible. Events are great economic generators as well as good fun, but we must use all our hallmark events more to attract more visitors and to generate more visitor nights in South Australia. This is a top priority for the next 12 months.

The importance of regional South Australia to our tourism industry and tourism appeal is immeasurable. Regions offer the genuine Australian experiences of outback, surf 'n sand, parks and walking trails, and food and wine. In fact, more than half of all visitors to South Australia spend time in our regional areas, injecting much-needed funds and creating new and sustainable jobs in rural economies. In recognition of this, the Government has made a number of significant commitments to regional tourism initiatives, including

\$1.8 million in funding to the State's nine Regional Tourism Marketing Boards, \$200 000 in new funding for cooperative advertising activities with the regions, and \$600 000 in grants for local and regional events.

One of the most important issues facing many regional areas is the provision of quality and appropriate tourism infrastructure, a point that has been recognised by the Government in this year's budget. In fact, the Government has committed \$4.1 million to several key infrastructure projects, including \$3 million for Kangaroo Island. This is in addition to the \$37.5 million of core SATC funding. A further \$524 000 has also been allocated for the Tourist Road Grants program.

However, the feature infrastructure project, one with which our State will mark the Centenary of Federation, is the \$85 million expansion of the Adelaide Convention Centre announced by the Premier this morning. This exciting new facility will ensure that the Adelaide Convention Centre maintains its position as one of the world's top 10, and will mark the first step in the creation of a Riverbank Precinct that will bring our riverfront and parklands to the city's doorstep. The Convention Centre expansion will join a long and impressive list of recent or upcoming investments in our tourism industry, such as the Adelaide Airport upgrade, the National Wine Centre, Hawker and Balcanoonna air strips, and the Barossa All Seasons Resort.

Due to construction activities, we do expect a small drop in operating profits for the Convention Centre over the next couple of years. However, I look forward to the new business and continuation of strong bookings that the new Convention Centre facilities will bring and the many flow-on effects this will have for the tourism industry throughout Adelaide and regional South Australia.

Both the Convention Centre and the Adelaide Entertainment Centre continue to demonstrate their value as important assets for the people of South Australia. They add value to our economy and to our lifestyle, and they have both continued to generate strong operating profits.

In planning these initiatives across the tourism portfolio, the Government has set a series of ambitious targets. We aim to attract an additional 55 000 visitors to our State over the next 12 months, through an 8 per cent increase in international visitation and a 3 per cent rise in interstate visitation. They are ambitious targets, but they meet this Government's ambitious objective of using tourism to provide a strong and optimistic economic and employment future for South Australia, particularly our regions. I welcome questions from the Committee.

Membership:

Mr Wright substituted for Hon. M.D. Rann.

Ms Ciccarello substituted for Ms Hurley.

Mr Clarke substituted for Mr Foley.

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

Mr WRIGHT: Yes, only a very brief one. I noted that the Leader of the Opposition asked the Premier a number of omnibus questions today, and the Premier was good enough to make a commitment that the junior Minister would also provide the details with respect to those questions that were asked.

On a previous occasion I have taken the opportunity to acknowledge the additional expenditure that is going into the tourism budget, particularly the infrastructure area. I further

acknowledge that now and also agree with the Minister's comments about the announcement today by the Premier concerning the Adelaide Convention Centre. The Opposition would certainly like to acknowledge some of those announcements that were made at budget time and also today about the Convention Centre.

The appointment of the previous CEO of the Tourism Commission, Ms Carole Hancock, was heralded by the Government, despite the fact that she appeared to have little experience in the field, with her main background being in furniture retailing interstate. I also believe that, at the time, the current CEO—who has a tremendous record in tourism-related management here in South Australia—was an unsuccessful applicant for the job. Carole Hancock was then sacked not long after the commencement of the Government's favoured *Best Kept Secrets* campaign, to which the Minister has referred in her opening address this evening. Can the Minister detail to the Committee why the previous CEO of the Tourism Commission was sacked and, in particular, which section of the Public Sector Management Act was used for that dismissal or termination?

The Hon. J. Hall: The member for Lee knows that, in previous questions in the Parliament, I have gone into significant detail about the termination of Ms Hancock's employment with the Tourism Commission. Briefly, I raise four points: the South Australian Tourism Commission board recommended on 17 December that Ms Hancock's appointment as Chief Executive be terminated and that she be compensated in accordance with the terms of her appointment. That termination payment and payment in lieu of notice was—and this is on the record in Parliament—\$151 133.86, and that payment was subsequently made, I think, in late December.

On 9 June this year, proceedings were issued in the Supreme Court against the South Australian Tourism Commission by solicitors acting for Ms Hancock seeking payment for a wrongful termination of the agreement, aggravated damages for out-placement and trauma counselling and relocation costs. Details of this matter should now be considered *sub judice*; however, the allegations and demands of Ms Hancock will be strongly defended and the Crown Solicitor is acting accordingly. I understand that it is inappropriate for me to make any further statement on this matter.

Mr WRIGHT: As a supplementary question, does that figure of \$151 133.86 exceed the formula set down in the Public Sector Management Act and, if so, why and by how much?

The Hon. J. Hall: I do not want to go into a lot of detail given my previous answer. I am sure the member for Lee understands that but the—

Mr Wright interjecting:

The Hon. J. Hall: I understand that. The payout was, as I understand, recommended on the basis of an individual contract.

Mr WRIGHT: It is my understanding that—and correct me if I am wrong (and I believe a question was asked of the Premier today)—section 12 of the Public Sector Management Act 1995 covers the termination of the appointment of chief executives. Reference is made to how this type of arrangement would be commuted where the appointment of a chief executive officer is terminated. Section 12(4) states:

Subject to this section and any provision in the contract relating to the Chief Executive's appointment, if a Chief Executive's

appointment is terminated by the Governor by notice under subsection (1)(b),—

which states—

by not less than three months notice in writing to the Chief Executive—

and that is a key point—

the Chief Executive is entitled to a termination payment of an amount equal to three months remuneration (as determined for the purposes of this subsection under the contract) for each uncompleted year of the term of appointment (with a *pro rata* adjustment in relation to part of a year) up to a maximum of 12 months' remuneration (as so determined).

I may be slightly out in the figures I now put before you, Minister, but I think Ms Hancock was about halfway into a two year contract. My interpretation, from the information I just supplied from the Act, is that Ms Hancock would have been entitled to three months remuneration, as stipulated under section 12 (1)(b), in regard to notice, plus another three months remuneration for the three months in respect of being terminated one year out from the end of her contract. I therefore believe that, according to this Act, Ms Hancock was entitled to six months' payment.

The Hon. J. Hall: The South Australian Tourism Commission appointments are covered by the South Australian Tourism Commission Act, not by the PSM Act. Ms Hancock was paid out in accordance with her appointment under the South Australian Tourism Commission Act.

The Hon. G.A. INGERSON: Much has been made of the large investments made in the Secrets campaign. Has the campaign been successful, how has its impact been measured and what is the strategy for the future direction of that campaign?

The Hon. J. Hall: Before I answer the question, on behalf of the tourism industry in South Australia I would like to pay particular tribute to the work carried out by the previous Minister (the member for Bragg) in this area over many years.

Mr Foley interjecting:

The Hon. J. Hall: Before and after.

The CHAIRMAN: Order!

The Hon. J. Hall: It is appropriate to place on the record the work of the previous Minister in relation to this particular campaign. As we know, the book of *Best Kept Secrets* is truly the most substantial marketing campaign that has ever been undertaken by the Tourism Commission in our State. Stage 1, as we know, was designed to increase awareness of South Australia as an actual tourist destination. The campaign involved the distribution of a high quality brochure style communication package, which all members of the House have received and about which many have been particularly complimentary.

The book was direct mailed to 1.46 million households in South Australia, Victoria, New South Wales and the ACT. The direct mail campaign was supported by a mass media campaign, which included advertising in 250 cinemas, including Imax screens in Sydney, Melbourne and Adelaide. It also was assisted by magazine advertising in publications such as *Gourmet Traveller*, the *Wine Magazine*, *Women's Weekly*, *Good Weekend* and the *Motoring Association* magazines along with some press advertising. Killey Withy Punshon, commonly known as KWP, was employed by the Tourism Commission in March 1998 on a three year contract and, as we know, KWP is an Adelaide agency.

The agency was heavily involved in the concept behind the Secrets campaign and developed a five year strategy

which would see the Tourism Commission achieve its objectives in placing South Australia on the holiday shopping list whilst also increasing visitation and awareness levels. I am absolutely delighted to report that the awareness levels area of the campaign has been enormously successful because research conducted on a regular basis since shows that the awareness of South Australia as a destination has increased in Melbourne from 4 per cent to 19 per cent and in Sydney from 6 per cent to 23 per cent.

This campaign, as we know, was supported by cinema in the postcodes in which the book was dropped, which added further to the awareness levels. It has been enormously successful in that particular area. The research is supported by many tourism operators who have reported recent increases in business. I know the member for Bragg will be proud of a couple and I know that he believes that one is particularly special. Research indicates that the Naracoorte caves have reported a 40 per cent increase in visitor numbers since being featured in the book.

Likewise, Ansett Holidays has recorded a 25 per cent increase in bookings for South Australian holidays following the distribution of the book and, although these results show that the Secrets campaign has raised awareness with what South Australia has to offer, the next phase of the campaign clearly must ensure that the awareness provides and leads on to reasons to come to South Australia. That means, in terms that I can understand, anyway, that we must convert this interest and awareness into actual bookings and dollars in our State.

During the next financial year, \$3.3 million will be spent on phase 2, which will see three more books of the *Best Kept Secrets*. They are approximately a quarter of the size of the original, and about 500 000 will be distributed in specifically targeted households in the key domestic tourism markets of Melbourne, Sydney and Western Victoria. In addition to the three books, one of which comes out pretty soon, there will be supportive advertising in cinema, national press, magazines, and some television will again support the distribution. This is a tactical approach and will focus on event packages and retail package offers with transport providers.

The metropolitan press in Sydney and Melbourne will also play a key role during the distribution phase of each book. The first book of the second phase of the campaign, *More South Australian Secrets*, will be direct-mailed in July of this year, with the Government aiming to increase interstate visitor nights by 3 per cent annually, representing more than 30 000 additional visitors and capitalising on the substantial investment that the Government has already made in the original *Best Kept Secrets* campaign. At this stage the Secrets campaign is intended to be continued for five years, with branding and retail elements. However, the mix obviously will change during the lifetime of the campaign.

The Tourism Commission will maintain and increase awareness levels with our target markets to a point where the knowledge of South Australia is very high. Leading up to this point, obviously, the retail mix will gradually increase to ensure that the interest created in our State is converted into bed nights—and lots of them.

Mr CONDOUS: Given the importance of the provision of timely, accurate and helpful information to holiday makers, what plans does the Government have to improve customer service, productivity and the environment of the South Australian Travel Centre?

The Hon. J. Hall: The Travel Centre, as I hope everyone knows, is actually open for 364 days of the year and closed

only on Christmas Day. Between Monday and Friday it is open from 8.45 to 5 o'clock, and on Saturdays, Sundays and public holidays it is open between 9 a.m. and 2 p.m. At the moment, the Tourism Commission is monitoring the ongoing operations of the Travel Centre to ensure that the resources being utilised are used effectively to ensure that bookings and information needs of our customers are well catered for. We have recently appointed a new Travel Centre manager, Ms Pat Gobell, who commenced work at the end of May. Ms Gobell has a very strong retail and commercial background and will play a key role in ensuring that the Travel Centre operates in a more customer friendly and commercially viable manner.

Progress will be monitored very carefully, because we believe that the focus in future has to be on customer relations and commercially viable activities. There is to be specific monitoring of call waiting times, of delivery of service, consultant productivity, setting and monitoring of individual and group sales targets, and sales conversion rates will be a top priority, as will be the friendliness, helpfulness, presentation and cooperation of the staff. The staff who were previously accommodated on the eighth floor of 1 King William Street have now been relocated to the ground floor, which has given us some flexibility with a much larger pool of staff to handle the requirements of the walk-in clients and to meet the peak demand periods as well as the removal of some of the duplication of equipment and processes that previously existed.

Staff training has also been a priority, and has recently emphasised that selling a wider range of product in line with consumer and agent needs is extremely important. Relevant training, I am told, has included domestic air fares and ticketing and Amadeus. For those of us who do not know what that means, it is the airline reservation system. Future training includes an emphasis on customer service, staff motivation, product knowledge and utilisation of the South Australian Commission's people plan, which concentrates on staff development. The number of visitors to the centre averages 19 000 per month. The centre averages 9 500 phone calls per month and the e-mail inquiries are averaging around 250 per month at this stage, which shows that some flexibility in the staffing arrangements and customer service is very important.

Currently, there are plans to provide for a refit of the Travel Centre to ensure that the general ambience and environment is visually attractive and makes people feel good when they go into the centre. I hope that it will provide a welcoming approach, along with consistent branding and the use of some new information technology, which we all know is so important. Over recent months there has been the development of the sale of South Australian Shorts gift vouchers, and that will continue with the targeting of relevant commercial industries and companies, particularly in the gift giving times that we all enjoy so much, like Mother's Day and Valentine's Day.

The Travel Centre will also be involved in the development of the Shorts program in the intrastate and national markets. We will increase Shorts sales through the Travel Centre by direct sales and via the retail distribution network. All in all, the activities of the Travel Centre are a most important component of the objectives and priorities of the Tourism Commission, and I look forward to the coming months as we see a great revitalisation of the activities of 1 King William Street.

Mr SCALZI: I refer to Budget Paper 4, Volume 1, page 139. International marketing has been identified as a key objective of the South Australian Tourism Commission for 1999-2000. Will the Minister comment on recent and upcoming initiatives in our international markets, and particularly whether backpackers will be targeted as part of this program?

The Hon. J. Hall: The number of international visitors to our State has increased by 10 per cent to 304 700 this year. These visitors spent almost 4.5 million visitor nights in South Australia, which is up 14 per cent and which is now at an all time high for the State. I know that the member for Lee, as well as my colleagues, believes that this is a great thing for our State, because not only do we appear to have weathered the Asian crisis pretty well but we have also consolidated and improved our position in our traditional markets of the United Kingdom, Europe and North America. Our target for 1999-2000 is increasing international visitor nights by 8 per cent. We think that is an ambitious target, but we are determined to meet it.

In order to build on the recent growth in international tourism, we will continue to create demand for travel to South Australia in order to deliver the economic, social and cultural benefits by performing the core functions that we talked about earlier. They include maintaining the contracted representation of our key target markets with Robert Hardless in the United Kingdom, Keith Mangan in Germany, Lyn Tuit in France, Mike Smith in North America, Robert Gumly in Japan and Grace Seah in Singapore. New Zealand is managed through a full-time regional manager based in Adelaide, and it has been a delight working closely with the very highly respected Agent-General in London, Maurice de Rohan.

Some of the other objectives that we have been involved in are educating and familiarising the international trade industry with the product that South Australia has to offer, raising consumer awareness, motivation and conversion to purchase through consumer marketing with trade partners and aggressive visiting media public relations programs, and working with the South Australian Tourism Commission Industry Development infrastructure planning groups to match consumer needs. We are also going to remain involved in the processes of evaluating consumer attitudes, understanding the international market trends and formulating and maintaining a marketing strategy for each of the various markets. As we know, it is very important to target the most realistic and productive target markets, as we noted earlier, working with other partners. To complement our strategy is also an important component of what we are doing. Developing product to suit the needs of the international visitors again is absolutely critical to our success.

Our priority international markets for the next year will be the United Kingdom, Europe—particularly Germany where we have seen a great increase in visitor numbers—France, Italy, North America and New Zealand. In addition to these, the markets of Japan and the Asian countries of Singapore, Malaysia, and Hong Kong will also remain important targets for us, because these are the target markets that return a high yield for us with special interest groups. They include but are not limited to the convention and incentive market, and we are seeing key growth for our tourism industry, given the increased number of backpackers visiting South Australia. They will be targeted in specific areas over the next 12 months. Contrary to public belief, backpackers stay longer than their high yield counterparts and, although they spend less money on accommodation *per se*, they spend more on

tours, gifts, local goods and services. Throughout 1998, the number of backpackers visiting our State increased by 6 per cent, and the number of nights they stayed grew by 21 per cent, and that is great news.

In response to the growth that has so far occurred, the Tourism Commission and Backpacker Industry Project Team has been established, and this is comprised of members of the tourism industry, the South Australian Backpackers Industry Association, and other related tourism activities.

One of the key initiatives for the next 12 months will be a program of road shows through hostels in the Eastern States to promote South Australia as an important backpacker destination. Overall, the Government has allocated \$5.6 million in attracting international visitors to South Australia in this year's budget, and these funds in particular will be used for a variety of initiatives, many of which I have outlined. However, in particular, the one we hope will benefit us enormously is the brochure that will be produced in four languages.

The production of the travel planner will be an important tool for the targeted overseas travel agents, and we will also make significant use of extending our visiting international journalists and travel trade agents' program to enable us to take full advantage of the opportunities expected from the staging of the Olympics next year.

In addition to all these initiatives, we will continue our focus on securing and developing major events which have proven to be so successful in attracting so many high yield visitors to South Australia, and existing events such as Tour Down Under and Tasting Australia will continue to be an important part of our marketing. New events that will be equally important are the Vermeer Opera, which will allow us to capitalise on the phenomenal success of Wagner's *Ring* cycle, and we will continue to attract international visitors as our reputation grows as the place to see opera and quality major events.

Mr WRIGHT: I was not surprised at the Minister's answer before that Ms Carole Hancock had a contract under the South Australian Tourism Commission Act. However, I am astounded that her payment is far in excess of what she would have received if she had been employed under the Public Sector Management Act 1995. Let us not forget that that Act was brought in to set some sort of benchmark. Quite clearly, with Ms Hancock being paid \$151 133.86, that blows out of the water what she would have been paid had she been employed under the Public Sector Management Act. Quite clearly, she is entitled to be employed under the South Australian Tourism Commission Act, but she was not entitled to be put into a contract that far exceeded the benchmark set in the Public Sector Management Act, because that Act was brought in by Dean Brown, the former Premier, and, when he introduced that Act, he said that we would never again have a repeat of what we had under previous Labor Governments, with some of the payouts that went to certain individuals in previous Labor Administrations. This has completely blown out of proportion the benchmark that was set by Dean Brown when he was Premier with the Public Sector Management Act. How many other CEOs are employed at a salary far in excess of the benchmark set by the Public Sector Management Act?

An honourable member interjecting:

Mr WRIGHT: Well, the Premier isn't here, in case you didn't notice.

The CHAIRMAN: Order!

Mr WRIGHT: The Tourism Minister is a very smart Minister; don't underestimate your own Minister.

The CHAIRMAN: Order! The member for Lee will ask his question.

Mr WRIGHT: Well, the Premier is present in the Chamber now. Perhaps he might be happy to answer the question. I have asked my first question, and I was rudely interrupted by the other side.

An honourable member interjecting:

Mr WRIGHT: Not at all.

The CHAIRMAN: Order!

Mr WRIGHT: Dopey sacked former Deputy Premier. That's where he got you.

The CHAIRMAN: Order!

Mr WRIGHT: This time last year—remember? Dopey former Deputy Premier—remember, this time last year?

The CHAIRMAN: Order! Does the member for Lee have a question?

Mr WRIGHT: I have asked my question.

The CHAIRMAN: Is the Premier aware of the question?

The Hon. J.W. Olsen: I have the tenor of the question. Had the member for Lee been in the Chamber for the Estimates Committee earlier today, he would have heard the answer to the question. He should look up the *Hansard*, get the answer and not repeat questions at this Estimates Committee at this hour of the night.

Mr WRIGHT: How many chief executive officers are employed at a salary that exceeds the benchmark set by the Public Sector Management Act?

The Hon. J.W. Olsen: I refer the member for Lee to questions asked by, I think, the Deputy Leader of the Opposition mid-afternoon. He is simply repeating questions that have already been asked and answered earlier this afternoon. I suggest that we have better things to do with our time.

Mr WRIGHT: The Premier is being so smart about his answer earlier today. I will read it out. It quite clearly does not answer my question. When Ms Hurley asked her long question, the Premier said:

In response to the honourable member's questions, I am advised by the Commissioner that two CEOs' services concluded—one by resignation and the other by negotiation in another place.

That does not answer my question. I am asking how many CEOs are employed with salaries that exceed the benchmark of the Public Sector Management Act? It is a different question completely from that to which the Premier is referring.

The Hon. J.W. Olsen: If the member for Lee read the record of the previous discussion, he would see that the answer is there. If the member for Lee wanted to ask a series of questions of this nature, he should have asked it when the line was open for investigation. The line related to human resource management principles. Questions on the Public Sector Management Act closed at 6 p.m. If he wanted to ask a question, he should have turned up at the appropriate time to do so. We are now dealing with the line related to tourism. If the honourable member has overlooked the fact that we run these proceedings within certain time lines that were agreed with the Opposition in advance, that is his fault. I simply say to him, if he has missed his time line, he can put the questions on notice.

Mr CONDOUS: South Australia has hosted a number of high profile major events over the past 12 months. Will the Minister advise what these events generated in economic value to the State?

The Hon. J. Hall: As we know, staging events and festivals in South Australia is absolutely a proven way of attracting visitors to our State and it provides us with very significant economic, social and cultural benefits. In the 1998-99 financial year major events supported and managed by the Government stimulated nearly \$46 million in economic activity and attracted 18 800 additional visitors to our State. In fact, during the 1998 December quarter many city hotels reported record occupancy levels as a direct result of major conferences and events such as the Tour Down Under and Wagner's *Ring* Cycle opera. We know that these events also provide a significant boost to the hospitality industry across the board. It is important to put on the record a number of events that were either managed or sponsored by Australian Major Events during 1998-99, which is a great tribute to Government activity.

There was the RAA Bay to Birdwood Run and Motor Fest, the Barossa Music Festival, the Ford Open Championships, the Golden Oldies Netball Festival, the Adelaide International Horse Trials, the Credit Union Christmas Pageant, Wagner's *Ring* Cycle, the Holden Australian Open, the AAPT Tennis Championships, the Tour Down Under (which, as we know, was the inaugural event and such a success), Womadelaide, the Barossa Vintage Festival and the Sensational Adelaide 500. The publicity and broader media coverage that is generated by these events, particularly Wagner's *Ring* Cycle, the Holden Australian Open and the Tour Down Under, as well as the inaugural Sensational Adelaide 500, did promote South Australia as an exciting and lively event and tourist destination.

Free to air and cable television audiences are estimated to be in excess of 400 million annually. It is coverage such as this which has assisted to reinforce our growing reputation for successfully staging major international events. There is absolutely no doubt that the Government's events strategy is working because it is helping to create business and job opportunities for South Australians. Following what I consider to be a brilliant year of major events, the Premier received a letter from a well known managing director of a big event hire company, and I understand he is happy for part of this letter to be quoted. The letter states:

Rennicks Hire have directly benefited from such high profile events which have resulted in our turnover doubling and our staff numbers growing from 15 to over 40 in the last two years.

That is great, because that sort of activity is being repeated across many sectors of the tourism industry. In recognition of the importance of events and festivals to the tourism industry the Government has now committed \$9.3 million to the Australian Major Events Unit in this year's budget and we know that is going to assist in managing and sponsoring exciting events and attracting new high profile events.

In 1999-2000 we will see just two major events alone generate in excess of \$35 million. I refer interestingly to the Government sponsorship of the Seventh Australian Masters Games to be held in late September and October and the Golden Oldies Rugby Festival to be held from 17 to 24 October. There are other major events for the remainder of this year that are going to be superb for economic activity in our State, which of course includes Tasting Australia, which is a sensational wine and food festival. It will mean many national and international media as well as food writers and chefs visiting our State and providing enormous trade opportunities.

We also have the Adelaide International Horse Trials, Classic Adelaide, Tour Down Under, the Telstra Adelaide

Festival of Arts and the Clipsal 500 next year. We all know of the excitement and enthusiasm that these events are bringing to us as a State. I recommend members of the committee seeking further details of these events if they are interested because we know it is important to our State and in addition, from my perspective, one of the most important aspects is the employment opportunities and growth in employment created across the travel, tourism and hospitality industry generally.

The Hon. G.A. INGERSON: Given the strong and now surprising support shown by South Australians to the inaugural Tour Down Under, can the Minister provide details of what progress has been made in securing the Tour Down Under as a long term South Australian major event?

The Hon. J. Hall: I thank the member for Bragg for the question on the Tour Down Under (TDU) because, as some members may know, he was deeply involved in the securing and support of the event by the Government. As we know, Tour Down Under held its inaugural activities here in January this year and it was an overwhelming success. In particular, the attraction of the large crowds that we saw is usually reserved for the activities of the Tour de France. The Government has been working hard to ensure that the Tour Down Under is a South Australian event long term. As a result of a recent meeting held between the Premier and the President of the International Cycling Federation (UCI), the inclusion of the Tour Down Under on the international cycling calendar in late January has been assured for the next five years.

The dates for 2000 have been confirmed as 18 to 23 January. However, the actual dates for future tours will be confirmed at the end of each international cycling season by the UCI board. Work on the 2000 Tour Down Under commenced virtually the day after the extremely successful inaugural event concluded and reviewing the stages used in the 1999 race has resulted in some fine tuning and route alterations as we use the experience gained from staging the 1999 event. The 2000 race route will be announced by the Premier in August but, what may not be known, is that UCI as a body expects, as it does with the Tour de France, the Tour of Spain and the Tour of Italy, that the cycling route is revised and altered each year. The routes of the six stages are yet to be finalised, although we know the first and last will be held in the city.

The four others will include stages of the Fleurieu Peninsula, the Adelaide Hills and the Barossa region. Given this year's success of TDU, the event has already attracted strong corporate support and, most importantly, we will be announcing naming right sponsors later in the year. Changes to the route will also provide an important opportunity to showcase different parts of our State to our key national and international markets and, on that basis, we are working on securing international television coverage for next year's event which will be more extensive than this year.

I can also confirm that the number of teams contesting the 2000 Tour Down Under will be revealed later in the year, but it is going to have a much greater international participation next year. The expected direct economic activity generated by TDU will be in excess of \$5 million and this will be complemented by the extensive television coverage I mentioned earlier, particularly through Europe, and the importance of that is that the United Kingdom and Europe in particular are two of our huge markets with strong growth being recorded in both of those markets. Coverage such as that generated by TDU is going to be extremely important in

the coming years. So, the success of TDU is very important to the State economically and I know we look forward to future successes.

Mr SCALZI: I refer to Budget Paper 4, Volume 1, page 1.39, Marketing South Australia, Event Development. I have heard that the Adelaide International Horse Trials is to become a four star equestrian event. Can the Minister elaborate on any developments in this direction?

The Hon. J. Hall: After staging just two three day events at Adelaide's eastern parklands, South Australia has again proved its credentials as an international event destination. The International Equestrian Federation has granted the Adelaide International Horse Trials four star status, putting the event on a par in terms of competition points with some very elite company. I understand that there are only three other permanent events on the international equestrian calendar that share this prestigious position, and they are Badminton and Burleigh in the United Kingdom, and Lexington in the United States.

We are reliably informed that the upgraded competition points will attract more international horses and riders and that will result in greater attendances and certainly increased international media coverage. With the four star status, the 1999 International Horse Trials will also be the Australian Olympic selection trial for the 2000 Games, and it will be the inaugural year for Adelaide's hosting the National Equestrian Championships on a rotating biennial basis. The four star rating necessitates specific facility and infrastructure developments, and that means that the upgrading of stabling for 100 horses will proceed in the SAJC precinct at Victoria Park in a most cooperative project with the South Australian Tourism Commission, RIDA and the Adelaide City Council.

Commensurate with the upgraded status of the horse trials, a new advisory committee has been established to administer and manage this event. Mr David Lindh will chair the committee, with Steven Young, Bob Hennik, Brian Slack, Councillor Bert Taylor, Gillian Rolton and Belinda Dewhurst as members of this group. A full-time event manager has just been appointed to oversee day-to-day operations and promotions. 1999 is the year that the International Horse Trials really comes of age and will join Tasting Australia, Tour Down Under and Clipsal 500 as one of our key hallmark events.

Mr WRIGHT: Quite clearly the Government is very embarrassed by the Carole Hancock situation. The former Deputy Premier is very sensitive and the Premier refuses to answer my question. The South Australian Tourism Commission Act 1993 (Division 3, Chief Executive Officer, Part 3) states that the CEO is to be appointed by the Governor on the recommendation of the Minister and the board on terms and conditions determined by the Government. This has clearly been a Cabinet decision. It really gets down to this: did Ms Hancock's contract contain termination provisions in excess of the benchmark in the Public Sector Management Act? If so, why, and exactly what were they?

The Hon. J. Hall: In light of the answer that I originally carefully worded for the member for Lee, I will repeat just one component of the response. I am sure that he understands that, in consultation with Crown Law, this is fairly important. On 9 June this year, proceedings were issued in the Supreme Court against the South Australian Tourism Commission by solicitors acting for Ms Hancock seeking payment for wrongful termination of the agreement, aggravated damages for outplacement and trauma counselling, and relocation costs. Details of this matter or any related matters to the

termination of Ms Hancock's agreement should now be considered *sub judice* and the allegations and demands made by Ms Hancock will be strongly defended by the Government, and the Crown Solicitor is acting accordingly. Therefore, I am advised that it is utterly inappropriate for me to make comment on any aspect of the termination.

Mr WRIGHT: It may be inappropriate and I will not ask any more questions, but I will just make the comment that my question was in regard to the \$151 000 or whatever it was, which was clearly—

The Hon. J. Hall: The member for Ross Smith was making some fairly inappropriate remarks and I missed the preliminary part of the member for Lee's question.

Mr WRIGHT: This is not really a question. It is just going to be a quick comment before I ask my next question. This figure of \$151 133.86 is clearly well in excess of the benchmark of the Public Sector Management Act. Obviously the Minister is not able or prepared to answer why that is the case and exactly what were the circumstances, but there is no doubt, based upon the formula and information that I gave earlier, that that figure is well in excess—blows out of the water—the benchmark figure that she would have received if it was in line with the Public Sector Management Act, which it should have been. My second question to the Minister concerns Olympic soccer. What is the total cost of South Australia's bid to host Olympic soccer?

The Hon. J. Hall: I am sure that the member for Lee knows that the appropriate Minister to ask that question of is the Minister for Recreation, Sport and Racing.

Mr WRIGHT: Last year in the Estimates Committee, the Hon. Iain Evans said:

The honourable member is aware that major events come under Tourism. Soccer is one of the major announcements of the Olympics and a number of games have already been scheduled. As it is one of the major events, we have decided that it is properly handled by Major Events.

Do I believe the Minister from last year's Estimates or do I believe the Minister from this year's Estimates? Is Olympic soccer handled by Major Events or is it not?

The CHAIRMAN: The member for Lee has asked a question and the Minister has provided an answer, but I ask the Minister whether she wishes to make any further statement.

The Hon. J. Hall: I am very happy to report to the member for Lee that last year, as he well knows, there was a different configuration in the ministry. The then Minister for Tourism was also responsible for major infrastructure activities, which included the component of Olympic soccer. At the moment, there is no question that the responsibility for the tournament and for the Olympic soccer activities in South Australia next year are under the responsibility of the Minister for Recreation, Sport and Racing.

Mr WRIGHT: I will be very interested when I ask questions of the Minister for Recreation, Sport and Racing to see whether he is in line with what the Minister for Tourism is saying. I suspect that he will not be.

The Hon. G.A. Ingerson: He will be.

Mr WRIGHT: He hasn't been before. They have been completely at odds with each other. Is the South Australian Government paying any of the costs associated with Mr Sam Ciccarello's or his company's work as SOCOG's Adelaide representative for the Olympic soccer tournament and why was not Major Events involved in the bid process to try to win Olympic soccer as a major event for South Australia?

The Hon. J. Hall: There are two aspects of the member for Lee's question. He asked why AME was not involved in the original bid for the Olympic soccer. In fact, AME was involved in the original bid to win the Olympic soccer tournament for South Australia but, some months later, under a previous Minister, it was taken away from Major Events and given to Recreation and Sport. Since then, Olympic soccer and the Olympic soccer tournament has been the direct responsibility of Recreation and Sport. Mr Simon Forrest, the Chief Executive of Recreation and Sport, chairs that committee. The Chairman of the South Australian Tourism Commission, Mr Bill Spurr, chairs the Marketing Committee of the Olympic soccer event.

Mr WRIGHT: Did the Minister travel from Paris to Le Mans in a private jet?

The Hon. J. Hall: I am not surprised that the member for Lee has asked me that question, and I think it is important to put on the record that some members of the Opposition would be well aware that I initially intended to leave to travel overseas on Wednesday 9 June. According to these plans, I would have flown to Paris and concluded meetings there during the Friday morning, and then I intended to catch a train to Le Mans on Friday afternoon. As the members of this Committee and members of the Parliament would, in fact, be well aware, when the ETSA debate was carried over into that last week, the Opposition refused to grant me a pair to leave, as I had originally planned—and I am not making that criticism of the member for Lee but he may not know that, when a pair was sought, that request was refused. Accordingly, I was unable to leave Adelaide until the morning of Friday 11 June and could not, by commercial transport of air and/or rail, or a combination, fulfil the commitments I had made to meet individuals at Le Mans and to flag off the start of the race. It was then that I informed the officials of this change of plan and timetable, and Mr Don Panoz then kindly offered to fly me and my adviser from Amsterdam (which was the European port at which we could arrive the earliest) to Le Mans. It was done as a gesture of goodwill by Mr Panoz and at no cost to the State Government. I have to put on record that I greatly appreciate Mr Panoz's hospitality and his assistance and generosity in this matter because, without it, we may well have missed one of the crucial discussions that we had at Le Mans, and it also would probably have meant that we had to cancel the trip and the opportunity that was provided to a Minister in the South Australian Government to flag off the race at Le Mans.

Mr Clarke interjecting:

The Hon. J. Hall: The member for Ross Smith can be extraordinarily flippant, as he usually is in these matters, but I do not believe that the significance—

Mr Clarke interjecting:

The Hon. J. Hall: I think it is fairly significant to make the point that I do not think it was a personal invitation that I received. I believe that it was in recognition of South Australia, and of Adelaide in particular, and its capacity and reputation as a place that hosts international sporting events. I thought it was a great compliment to this State and to this city for me to be given such an invitation. So, the member for Ross Smith can pout and do all those things that he loves doing, but I think it is important that the Committee is notified of the sequence of events and why, in fact, I was in a position to take up Mr Panoz's invitation to fly—and it was because originally the Opposition failed to grant a pair.

Mr WRIGHT: I have a supplementary question.

The CHAIRMAN: A very brief supplementary question.

Mr WRIGHT: I am informed that the Opposition did not refuse the Minister a pair. But that is a discussion for another time and another place. I agree with most of what the Minister has said. I do not have any problems with the Minister's going and her responsibilities. I think the Minister has cleared up and confirmed the fact that she flew in a private jet, or whatever, and that no taxpayers' money was involved. Good luck to her: I do not have a problem with it.

Mr SCALZI: I understand that the South Australian Tourism Commission re-established a tourism development and infrastructure planning group in June 1998, with the intention of preparing a State tourism infrastructure plan. Can the Minister outline the progress in the preparation of this plan and also explain other forms of assistance that the infrastructure planning group provides?

The Hon. J. Hall: The infrastructure planning group to which the member for Hartley has referred was re-established by the Tourism Commission in mid 1998, and it was to provide a more strategic approach within Government to the tourism industry development and assistance more generally. As the member for Hartley knows, I am sure, there are nine tourism regions, each with a different tourism marketing board, and within each of these there are different visitor experiences, different natural attributes and different tourism products, meaning that they all have very diverse infrastructure demands. I think it is the latter point that makes the work of the planning group so important, because each of these regions has been individually examined to determine their particular infrastructure requirements or gaps. It also has taken into account the views of local councils, the tourism marketing boards themselves, the local economic development board and some of the main tourism operators.

The work that has been undertaken in house by the Tourism Commission staff is important, because it was done in house rather than by use of, in this case, external consultants. It has saved a considerable amount of money, which has been retained within the commission, and it has also enabled the enormous corporate knowledge and experience from within the commission to be extended across the industry.

The program for the completion of these regional investigations is on schedule and with the plan that was approved earlier this year, and now nearly all the regional reports are complete in draft form. A draft final plan should be available by the end of July, with the consolidated straight infrastructure plan to be completed in August of this year. Once this is in place we will have a strategic framework to refer to in relation to all tourism infrastructure development that will guide funding allocation and decision-making.

It is interesting to note that, while there are nine regions that are all different, there are some common themes emerging from investigations to date. I know that the member for Hartley, in particular, will be very interested because, not surprisingly, some of these share a commonality with the infrastructure issues identified in the Regional Development Task Force Report, and they are the similarity of roads, power supply and telecommunications, and they are generally of concern across most regional areas. However, in addition, the lack of appropriate quality tourism accommodation facilities and visitor interpretation centres in some of the regions is also constantly being identified.

Apart from the preparation and the administration of the State tourism infrastructure plan, the group provides a wide range of assistance to the tourism industry, and that includes providing advice to prospective developers and investors,

often in conjunction with referrals to the business centre. It also provides advice in assessing funding requests—and, as we all know, there are always many more than one has the funds to assist. It also provides advice in assisting tourism developments more generally but, in particular, assisting them through any obstacles or impediments, and in many cases this is, of course, the planning approval system.

In addition, they are also being very proactive about the provision of tourism infrastructure. I must say that they played a very important part in the projects of upgrading the airstrips in the Flinders Ranges at Hawker and Balcanoonna, both of which are operational now. Again, I pay a tribute to the member for Bragg and all that he did to get them going.

The other aspect of the work of this planning group is the administration of the various tourism infrastructure funding mechanisms including the State infrastructure allocations, the Tourist Road Grants program and the Kangaroo Island tourism infrastructure fund. The work of this group is very important, particularly at the moment where it is fair to say there is a great interest in tourism investment in our State, and they are being kept very busy at the moment trying to get some of the many projects that we are looking at into the system. I congratulate them on their work.

The Hon. G.A. INGERSON: The Government has included \$4.1 million in the budget on tourism infrastructure for which \$3 million is for Kangaroo Island facilities. Can the Minister outline the infrastructure development assistance which is to be provided for the island?

The Hon. J. Hall: The funding that was announced in this year's budget is part of our continued commitment to the tourism infrastructure assistance across the State, but in particular with emphasis on key tourism destinations. As we know, Kangaroo Island is one of those areas and its infrastructure is recognised very widely as requiring upgrading. The growing importance of tourism to regional areas is best highlighted on Kangaroo Island where recent reports have indicated that an economic value of tourism is now exceeding the traditional agriculture, aquaculture and fishing industries value to the community. It is very important, as we are watching many of the developments proceed on Kangaroo Island, that this factor is being recognised by more and more people and organisations from the island itself.

The current funding added to last year's commitment of \$2 million has provided a significant opportunity to improve the major roads on Kangaroo Island which, as we well know, was desperately needed. Over many years they have been the subject of not only visitors' complaints but, I imagine, complaints from a number of people from the mainland as well as the locals. The funds will go towards two particular key projects, including the sealing of the main loop road of the island, enabling visitors to travel more safely to the various points of interest. This is being done in conjunction with other funding from Transport SA which is proceeding with the sealing of the south coast road to Rocky River.

The funds this year will assist in the upgrading work of the West End Highway and the key western connector for the road loop. In addition, it is the upgrading and sealing of the road within the Flinders Chase National Park that leads to the popular attractions that many of us have enjoyed, and I refer to Remarkable Rocks, Admiral's Arch and Cape du Couedic Lighthouse. An additional benefit will be in the reduction of dust from these roads which, I am reliably informed, settles on the adjacent vegetation and therefore detracts from the natural experiences. I am sure you know about the problems of dust on Kangaroo Island, Mr Chairman.

In addition to the sealing of the roads on the island, the infrastructure funding has also assisted in the development of the TAFE learning centre at Kingscote, and I had the privilege of joining my colleague the Minister for Education and Children's Services in opening that just a few weeks ago. This will be a great facility where industry training programs can be undertaken without island residents having to travel to the mainland. We know of the importance of having great learning and training facilities.

The other infrastructure areas to receive assistance on the island which are very important are road signs and public toilets. I am told (and have seen for myself) that the condition of the public toilets on Kangaroo Island is sometimes less than salubrious. If we all work on the principle of providing public toilets that we would be happy to use ourselves, we ought to encourage the island council and all associated groups to ensure that the public facilities are those that any of us would feel comfortable to use. I am certainly pleased to say that the Tourism Commission is assisting in raising some of the standards that were less than desirable.

Another key area of tourism infrastructure that is being looked at on the island is the issue of accommodation. There is no question that more quality facilities are desperately needed, and are particularly needed in the areas close to some of the natural attractions. It is anticipated that once the amendments to the island's development plan are authorised, a number of tourist accommodation developments could emerge. There are some avenues that are also available within our tourism infrastructure fund that may be able to assist with some of these developments, but certainly we have all heard over the last couple of years of the urgent need for quality accommodation on the island, and I look forward to the opportunity of reporting to this House the start dates of one, two or maybe 10 quality accommodation projects in the future.

Mr SCALZI: I feel comfortable with asking this question concerning the *South Australian Shorts* holiday program. I thought it was appropriate that I ask this one. The *South Australian Shorts* holiday program continues to be popular and successful with consumers in South Australia. What is the South Australian Tourism Commission doing to ensure that the program continues to expand locally and interstate?

The Hon. J. Hall: I know that the member for Hartley will be delighted to know that \$350 000 has been allocated in this year's State budget to allow for further expansion of the most popular holiday program, *Shorts*. I know that we all recognise that familiar tune that we hear on television so often. The Tourism Commission recently released its 1999-2000 edition of the *Shorts* booklet which contains over 380 holiday ideas, ranging from one to four night packages that are valid from 1 April this year to March 2000.

The *Shorts* program provides many operators with national exposure and distribution that they would not otherwise achieve, as well as emphasising South Australia's unique tourism product. There are three versions of the 1999-2000 *Shorts* program. The intrastate version, where there was a distribution of over 70 000, contains direct operator contact details as well as contact details for the SA Travel Centre to enable bookings both direct to the operator and through the travel centre. There are two national versions, both without operator and tourism commission contact details, and that is to encourage consumers to book through the agency which originally provided the brochure.

There are more than 130 000 copies of the national *Shorts*, 100 000 generic agent versions, and 30 000 are branded for

Harvey World Travel. The 1999-2000 *Shorts* program will be supported by local press and radio advertising and promotional campaigns through the *Advertiser*, *SA Motor* and through selected radio stations. The program is also advertised on television through sponsorship of the very popular award-winning channel 9 *Postcards* program, with four new themed advertisements, including water-based activities, food and wine, heritage and culture, and adventure.

A cooperative opportunity exists for *Shorts* operators to tag their commercials with details, including the prices of their *Shorts* package. As part of the marketing plan to increase awareness of the South Australian product in our interstate markets, the *SA Shorts* program will be widely distributed through the national travel agency network, particularly in markets on the eastern seaboard of Australia. There is a revised format and presentation of *Shorts* gift vouchers which were launched in March this year. Consumer promotion of these attractive vouchers has been and will continue to be concentrated around special days, such as Valentine's and Mother's Day—perhaps even Father's Day, who knows—although we do actually recommend that people take advantage of the vouchers through general gifts throughout the year.

The increased distribution of *Shorts* through the national retail network of approximately 3 900 retail outlets will continue to increase interstate awareness and demand for the South Australian tourism holiday experiences. It will therefore provide tourism operators with additional value measured in terms of expanded distribution as well as increased sales potential. It is interesting to know that the sales figures for *Shorts* for 1997-98 were \$721 479. The total for 1998-99 was \$953 972, showing an increase of \$232 483 which is an increase, incidentally, of approximately 32 per cent and which almost certainly can be attributed to the expanded national distribution.

Trade advertising has and will continue to centre around four major travel industry publications, namely, *Travel Trade*, *Travel Week*, *Travel News* and *Travel Talk*, all of which are being used to promote South Australia as a destination and, in particular, our *Shorts* program has been featured. Regular updates relating to *Shorts* are included in the internal communications newsletters for Harvey World Travel, Traveland and Jet Set. Other national retail chains' internal communications systems are often used and are being considered as potential promotional avenues.

It is an important strategy to use the *Shorts* program as a linkage with transport to *Shorts* product. Qantas has continued to provide a special wholesale fare, and negotiations with Ansett are very positive in respect of the same provision of fares in the next financial year. Great Southern Railways has also provided a special wholesale fare for this year's program.

Mr WRIGHT: What is the likely cost of staging a Le Mans style car race in Adelaide and what cost benefit analysis will be undertaken before any decisions are made?

The Hon. J. Hall: The honourable member would know, obviously, that there are extremely exciting opportunities that come South Australia's way, particularly because of the reputation we have enjoyed as a leading host for major events and festivals. Just in case the member for Lee does not know, although he may, the 24 hour Le Mans race in France attracts more than 2 000 members of the media, more than 400 000 spectators and an estimated television audience of more than 200 million people. It is fair to say that the Formula One Grand Prix started South Australia's reputation for motor

sport excellence and that has been continued through the activities of the Sensational Adelaide 500, the Formula Adelaide Racing and the Classic Adelaide Rally.

I am not too good at some of the words in French although I am sure the member for Spence will correct me when I say this incorrectly with a French accent, but the Magny Cours Grand Prix circuit in France has a corner and a grandstand bearing the name of Adelaide, which I think is fairly special for South Australia. Le Mans brings together some of the best motor vehicle manufacturers, including teams from BMW, Toyota, Mercedes, Audi and Nissan. It is true that I held a number of discussions concerning motor sport opportunities for Adelaide at both Le Mans and the Goodwood Festival of Speed, about which the honourable member did not ask me.

I know that these questions are of great interest to the member for Lee. However, there is very little I can add, other than perhaps some of the figures I would love to provide him in relation to that because the Premier will probably be meeting with other individuals later in the year and looking at every opportunity, as one would expect of the Premier, that comes the way of South Australia. I would be surprised if the member for Lee did not expect the Premier and, indeed, any Minister to look at any opportunity that comes the way of South Australia, and this is but one of them.

Mr WRIGHT: As a supplementary question, I have acknowledged the importance and that we welcome the Minister's attempts to try to win the race, so do not give us that business. My question was pretty specific: what is the likely cost of staging a Le Mans style car race? Does the Minister have any idea whatsoever, despite the fact that it is still early days (and we acknowledge that; we are trying to be as fair as possible about this), of the likely cost?

The Hon. J. Hall: I have absolutely no details I can share with the Committee on this subject at this time.

Ms CICCARELLO: My question relates to the Tour Down Under, and I understand that the Minister answered a question from the member for Bragg about this. Could the Minister be more specific about the criteria which the UCI uses to determine the routes of the various stages for the Tour Down Under. I would like to say that I was very impressed with the tour and, together with the members for Bragg and Price, I followed the tour around South Australia. It was certainly very good and I very much appreciated its being on The Parade. The various participants this year were invited to indicate their interest in being part of the year 2000 event and a number indicated their willingness to do so.

At some of the meetings suddenly the councils were faced with the introduction of fees, for example \$10 000 for staging the start of a race and \$15 000 for the finish of a race. How were these fees determined? Has the choice of the successful participant councils been based on their willingness or otherwise to pay these fees, and will this in the future lead to a bidding war similar to those conducted by the IOC in that only very wealthy communities will be able to participate in the Tour Down Under?

The Hon. J. Hall: I have responded in part to a question that the member for Norwood asked in a similar way in a different place. However, first I would like to correct the wording of her question: what she referred to for councils for a start and finish of the race are not considered fees. A letter was sent to councils to ask whether they were interested in contributing to the costs involved. It was such an enormous success last time but it was the first ever, as we well know, and there were significant costs. It is my understanding that no council would be precluded from being involved in a start

or finish just because it could not contribute to the cost, although it is fair to say that numbers of councils have been very enthusiastically offering support, not just in financial terms but in terms of the activities that their local communities would be involved in on the day, in either the lead up to or follow on from a start or a finish. It would be quite unfair to leave the impression that, if a council could not contribute in any way to a start or finish, it would not be able to be involved in one of the circuits of the four stages outside the city. It is important to put that on the record.

In terms of the criteria set down by the UCI in terms of the change of the route, I understand, although I will need to obtain the information for the honourable member, that one of the key criteria is safety of the riders and of the track, which I am sure we would all understand and support. The other aspect of the criteria, again as I understand it, is that starts and finishes are recommended to be within an hour's drive of the hotel at which the riders and the teams are staying.

Ms Ciccarello interjecting:

The Hon. J. Hall: I understand, but Norwood is not the only place in South Australia, as the honourable member is well aware. The other criterion is to enable other communities to participate in the spectacle and enjoyment of such a bike race. I have never been able to witness other than on television the Tour de France, the Tour of Italy, the Tour of Ireland or the Tour of Spain, but I understand that the routes change every year. As I said earlier, the final circuit has not yet been resolved and—

Ms Ciccarello interjecting:

The Hon. J. Hall: I am sure that the member for Norwood would be delighted to know that the final decision is not mine. It will be based entirely on recommendations of the race director, and that will predominantly be based, I suppose, on the safety of riders, the safety and variations of the track and a whole range of other cycling related issues. They will not actually be based on whether the member for Norwood or her community is upset that it may or may not have a start or finish this time.

Ms CICCARELLO: My next question relates to the Sensational Adelaide 500 car race, which also impacts on my community. Again I want not to make any negative comments about it but just to ask the question. This race is not as big as the Grand Prix, so why was it necessary to have the roads closed for nine or 10 days this year as opposed to the four days for the Grand Prix? The road closures caused immense distress to the people in the eastern suburbs. Is it necessary to have the roads closed for that length of time? Also, why did it take so long for the barriers to come down this time as opposed to after the Grands Prix, which were done much more quickly?

The Hon. J. Hall: Some of the detail of that question I will need to follow up, but I understand that the issue of road closures is continually looked at for all major events. I have no doubt that that would have been one of the issues which was addressed at a recent debriefing of the entire race. I will certainly pass that on to the organisers and endeavour to bring back a report to the member for Norwood in the near future. I am sure that the member for Bragg probably has some views that might be of interest.

Additional Departmental Advisers:

Mr P.A. van der Hoeven, Chief Executive Officer, Adelaide Convention Centre.

Ms K. Puels, Chief Executive Officer, Adelaide Entertainment Centre.

Mr G. Ashman, Deputy General Manager, Adelaide Convention Centre.

Mr P. Griffin, Business Manager, Finance, Adelaide Entertainment Centre.

The Hon. G.A. INGERSON: How important is the conventions market to South Australia? What growth has it been experiencing and how important is the Convention Centre expansion to maintaining and building on that growth?

The Hon. J. Hall: Before I address the question from the member for Bragg, I thank the officers of the South Australian Tourism Commission for joining us here this evening. I am quite sure that the member for Bragg knows very well that the economic benefits that are generated by convention delegates who come to Adelaide from both overseas and interstate are calculated on the basis of room nights that are booked by delegates. A formula has been developed by the Bureau of Industry Economics that takes into account an average spending of a delegate based on surveys conducted and a multiplier effect which is the measure of the spinoff to those industries that benefit from servicing tourists. As we know, this includes food, beverage, hotel services such as linen and laundry etc., and transport just to name but a small selection of that involved. The economic benefits to the State of the Adelaide Convention Centre are based purely on interstate and international visitors and do not include any local or intra-State functions or delegates.

I know that the committee would be particularly interested in some of the figures, because on this issue there has been great support for the activities for the Adelaide Convention Centre by members of the Opposition and the expansion that has been announced. I thought that the breakdown of how delegates spend their money is of interest, because I am sure the categories are surprising to some, and the breakdown is as follows: they put 9.6 per cent down on entertainment; 16.5 per cent down on restaurants; 19 per cent down on shopping; 39.6 per cent down on accommodation; and touring and other—which we are interested in—is 15.3 per cent. The Adelaide Convention Centre has recently made its 7700th booking, and bookings over the past year have increased for both the Convention Centre itself and the exhibition hall.

The numbers of conventions that have been held have progressively increased since 1996, in both the centre and the Exhibition Hall, and the feasibility study that was completed by Coopers Lybrand in March 1997 identified that the proposed extension of 7 000 square meters would provide significant economic benefits to the State, and they indicated the following: value adding from a total impact of \$13.1 million through to \$102 million from 2001-2 to 2010-11, and the employment growth, which is very significant, ranges from 230 in 2001-2 through to 1 700 in 2010-11. The numbers of internal jobs would increase by 200 at the Adelaide Convention Centre itself, and there would be an increase of 20 additional permanent jobs at the centre. It is these sorts of benefits that we know we will all benefit from over the coming years as the Convention Centre opens in August 2001.

Mr CONDOUS: What background research and support information has been used to justify the expansion of the Adelaide Convention Centre? How does the new structure compare to the best in the world? Where are we situated?

The Hon. J. Hall: I take this opportunity to let the Chief Executive of the Convention Centre respond to this question because Mr van der Hoeven's credentials in the development and growth of the Adelaide Convention Centre are unequalled and it is highly appropriate for him to be a little proud of his achievements both in the past and looking to the future.

Mr van der Hoeven: We are very pleased to advise that only a couple of months ago the Adelaide Convention Centre was ranked amongst the 10 most preferred centres in the world by the US-based company, Adams Business Media, which is a professional media company in the meetings industry worldwide. It undertook a survey of about 40 000 professionals in the convention industry to find out what were the most popular destinations, airlines, convention centres and hotels that these people would use if they had a need for it. The Adelaide Convention Centre was ranked among the first 10 in the world. We are ranked with facilities such as those in Hong Kong, Nice, Paris, Vienna and the Austria Centre, and that in itself is quite a nice achievement.

The Adelaide Convention Centre itself played quite an important role because, currently, Australia entertains 14 per cent of the global market share and good old Adelaide has now achieved 17 per cent out of that for the local market. That is quite a milestone for us. I have to say that our patrons are the ones who give us that opportunity because we have a 60 per cent repeat factor in our business and that is a solid business to build from.

Mr CONDOUS: You have looked at the plans closely. How does the proposed Adelaide facility compare to the cities you have just mentioned?

Mr van der Hoeven: The centre itself is now among the main centres that we compete with. The centre had a restriction because we could not accommodate larger events because of the lack of exhibition space and catering in order to meet the requirements of an increasing number of delegates. That has now been addressed and we are now of a world standard. Even more importantly, the whole new facility fits so well within the City of Adelaide. We are now making a very user-friendly place for the public at large as well. We are bringing the river back to the North Terrace precinct and I think it becomes an icon of which we can be very proud and which we can use for future marketing of the State.

Mr CLARKE: I add my congratulations for the work done by Mr van der Hoeven and the staff at the Convention Centre. I am pleased that in my own little way I kicked along a very reluctant Government to commit itself to the expansion of the Convention Centre.

I have had a Question on Notice with the Minister's department since December last year, and I put another Question on Notice only a couple of months ago, with respect to what I thought was a fairly simple issue, that is, the names of MPs who have been guests at the Adelaide Entertainment Centre since 1 January 1994, the number of times they have been invited, the number of times they have attended and the value of that hospitality. I have not had an answer, and it is now six months since it was asked. I will now ask the question here but, if the Minister takes it on notice, she will have to answer it within 10 days under the Standing Orders of this Committee. Why has it taken the department so long to answer a question which should be fairly easy to research? If there was any difficulty, why has the department had no communication with my office to explain why there has been

a difficulty in answering what appears to be a very simple question?

The Hon. J. Hall: I will not take the question on notice because there has been great difficulty in obtaining some of the information that the member for Ross Smith has sought. I understand that we have nearly prepared a response to his question and I am sure that the member for Ross Smith does not understand that very few records are kept of the sort of information that he has asked. I did not think it was appropriate to employ someone full time to answer a question like that, so we have been endeavouring through communications with the Entertainment Centre and from previous records to find a suitable response. It has not been easy, but I understand that one is not far away from being prepared.

Mr CLARKE: If it has been so difficult, the Minister could have contacted my office months ago and told me so. The fact that the Minister has not done so raises suspicions in my mind, but the Minister says that the information is coming. I will wait and see.

The Hon. J. Hall: If it raises suspicions in the honourable member's mind it should not.

Mr CLARKE: That is okay. I know that my name will be on the list at least once because, together with Carolyn Pickles, I received an invitation to attend the Deep Purple concert about two months ago, just after I asked my second Question on Notice. I declare my interest in that, but I will be interested to see the names of everybody else and the frequency with which they have attended.

My second question concerns Kangaroo Island and the Glenelg ferry. What is the position with respect to the ferry, fast or otherwise, that is supposed to go from Glenelg to Kangaroo Island? What costs are involved as far as the Government is concerned, and that relates particularly to the dredging to which the Government has committed itself?

The CHAIRMAN: I suggest that the Minister take that question on notice.

The Hon. J. Hall: I am very pleased to do so.

Mr De Laine: I would like to correct the record in relation to a comment made twice by the Minister in a previous answer to a question from the member for Lee. As Opposition Whip, I did not refuse the Minister a pair to go overseas. In fact, it would have been quite easy to have done so because the member for Norwood also wished to go overseas. It would have been easy for me to pair the two members together, but I did not receive an application for a pair from the Minister.

The Hon. G.A. INGERSON: I rise on a point of order. Whilst this issue needs to be taken up, it should be taken up within the Parliament at the appropriate time.

The CHAIRMAN: Order! It is quite appropriate for the member to have been given an opportunity to ask a question, and that is what he has done.

The Hon. J.W. OLSEN: I would like to make one circumstance known to the Committee. The Government acted clearly on advice it was given. There were no pairs available for the debate on ETSA on that day.

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

ADJOURNMENT

At 10 p.m. the Committee adjourned until Wednesday 23 June at 11 a.m.