

HOUSE OF ASSEMBLY

Monday 29 July 2002

ESTIMATES COMMITTEE A

Chairman:

The Hon. R.B. Such

Members:

Ms F.E. Bedford
Mr P. Caica
Ms V. Ciccarello
Mr M.L.J. Hamilton-Smith
The Hon. R.G. Kerin
Mr M.R. Williams

The committee met at 11 a.m.

State Governor's Establishment, \$2 253 000

Witness:

The Hon. M.D. Rann, Premier, Minister for Economic Development, Minister for the Arts, Minister for Volunteers.

The CHAIRMAN: I need to outline briefly the procedures of the committee. They will be familiar to some of the long-term members. The estimates committees are a relatively informal procedure and as such there is no need to stand to ask or to answer questions. The committee will determine an approximate time for consideration of proposed payments to facilitate changeover of departmental advisers. I ask the Premier and the Leader of the Opposition if they could indicate whether they have agreed on a timetable for today's proceedings.

The Hon. M.D. RANN: Yes, sir, we have.

The CHAIRMAN: Changes to committee membership will be notified as they occur. Members should ensure that the chair is provided with a completed 'request to be discharged' form. If the Premier undertakes to supply information at a later date, it must be submitted to the Clerk of the House of Assembly by no later than Friday 16 August. I propose to allow both the Premier and the Leader of the Opposition to make opening statements of about 10 minutes each.

There will be a flexible approach to giving the call for asking questions, based on about three questions per member alternating each side. Supplementary questions will be the exception rather than the rule. A member who is not part of the committee may, at the discretion of the chair, ask a question. Questions must be based on lines of expenditure in the budget papers and must be identifiable or referenced. Members unable to complete their questions during the proceedings may submit them as questions on notice for inclusion in the assembly *Notice Paper*.

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; that is, that it is purely statistical and

limited to one page in length. All questions are to be directed to the minister, not the minister's advisers. The minister may refer questions to advisers for a response. I also advise that, for the purpose of the committees, there will be some freedom allowed for television coverage by allowing a short period of filming from the northern gallery. Does the Premier have an opening statement?

The Hon. M.D. RANN: I have a brief statement to make on the Governor's establishment.

The CHAIRMAN: I declare the proposed payments open for examination and refer members to appendix D, page 2, in the budget statement.

The Hon. M.D. RANN: I would like to make a very brief opening statement, and say that I am pleased that the television stations are able to film this. It was suggested some years ago that they might want to televise live the entire proceedings from 11 a.m. until 10 p.m. in an effort to build audiences—but I am not sure if that is likely to happen.

The Hon. R.G. KERIN: It would not build ratings.

The Hon. M.D. RANN: No, not build ratings, okay. The last financial year was a busy one for the State Governor's Establishment with a hectic round of activities preceding the departure of former governor Sir Eric Neal AC, CVO and Lady Neal, on the completion of his term of office and the swearing in of Her Excellency Marjorie Jackson-Nelson AC, CVO, MBE on 3 November 2001. On behalf, I am sure, of all members of parliament, I pay tribute to the tireless contribution of Sir Eric and Lady Neal to the South Australian community. Their engagements extended across rural and urban settings and embraced a range of contexts covering philanthropic, professional and corporate enterprises. It is gratifying that their ongoing commitment to South Australia is reflected by their continued residence in Adelaide.

Continuing the trend of making Government House increasingly accessible to the people of the state, visitor numbers have increased from over 21 000 last year to over 27 000 this year. In addition to providing such a focal point for people of our state, Government House was temporary home to Her Majesty the Queen and His Royal Highness the Duke of Edinburgh during their highly successful visit in late February this year. It has also provided hospitality for many diplomatic visitors and trade delegations to the state. This hospitality, of course, never fails to impress overseas visitors, especially the increasing numbers from Eastern and South-East Asia.

Her Excellency Marjorie Jackson-Nelson has participated in a constant stream of vice-regal commitments, including 16 country/rural visits, over her first eight months in office, and she has brought her own engaging style to Government House. I want to congratulate again, on behalf of all members, Marjorie Jackson-Nelson, an outstanding choice by the former government in terms of being our Governor. I know that she is being diligent in her task and is enjoying both the affection and respect of the people of this state.

Major maintenance works undertaken within current resources includes the completion of exterior painting to the southern wing of the house at a cost of \$198 493 in the last financial year. Because of the endemic damp and the nature of the masonry this was no simple exercise. Extensive repair and repainting of the northern wing is required in the next financial year to avoid further deterioration. So that cost of \$198 000 was for restoration as well as the exterior painting. Restoration work on the main cellars was funded and undertaken by the Department of Administrative Services Heritage Unit.

The Hon. R.G. KERIN: I endorse the words of the Premier, and I totally support what he said about the two governors we have had over the recent period. Sir Eric and Lady Neal were absolutely feted around South Australia, and they were great people for getting out. On several occasions, when I tried to tell him to slow down a bit, I remember Sir Eric saying that he did not want to leave the position of governor knowing that he could have done any more. I think that typified his approach. He visited a lot of community groups, and he had a lot of people through Government House over his period there. But, as a team, Sir Eric and Lady Neal did a magnificent job for all South Australians, and I think that was well and truly appreciated right across the community.

With respect to our new Governor, Marjorie Jackson-Nelson has carried on where the Neals left off. She is inclusive of all South Australians. She is doing a terrific job and has certainly been very well accepted across the community. She has fitted into that job well and I would certainly endorse the Premier's comments. This state has been extremely fortunate in recent years to have governors who have worked so hard for the benefit of all South Australians.

The CHAIRMAN: For the benefit of members, we are dealing only with the line State Governor's Establishment. Are there any questions relating to that line? If not, I declare the examination of that vote closed.

Legislative Council, \$3 786 000
House of Assembly, \$5 906 000
Joint Parliamentary Services, \$6 393 000

Departmental Advisers:

Mr D.A. Bridges, Acting Clerk, House of Assembly.
Mr M. Lehman, Acting Deputy Clerk, House of Assembly.
Ms P. Thomson, Manager, Support Services, Support Services Office.
Mr J. Neldner, Finance Manager, Joint Services Division.
Mr H. Coxon, Parliamentary Librarian, Parliamentary Library.
Mrs J. Richards, Leader, Hansard.
Mr J. Nicholas, Acting Catering Manager, Catering Division.

The CHAIRMAN: We turn now to the legislature. However, before we do that, does the Premier wish to make an opening statement?

The Hon. M.D. RANN: I have no opening statement, Mr Chairman.

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

The Hon. R.G. KERIN: No, Mr Chairman.

The CHAIRMAN: Are there any questions from any members in relation to the legislature?

The Hon. R.G. KERIN: Yes, sir. Much has been said about the Constitutional Convention. Currently, there is widespread confusion as to the form it will take. The opposition supports the principle of a Constitutional Convention as long as it is bipartisan and there is an agreed process. At present, the statements to the house by the Attorney-General have not been totally consistent with some of the public statements that have been made by the Speaker. In

reaffirming our support for the principle of constitutional reform, I ask for an assurance from the Premier that he and the Attorney-General will take control and work towards a process in terms of references that have broad political support. I also ask that the process be cost neutral for the parliamentary budget.

The Hon. M.D. RANN: First, I welcome the commitment by the opposition in support of the Constitutional Convention. I attended the national Constitution Convention nearly four years ago which, largely, related to the republic issue. Whilst there was a great deal of cynicism beforehand, I certainly believe that the nature of that convention substantially enhanced our life in terms of the underpinning of the values that are held in common—often we have much more in common than divides us—and also in terms of looking at the constitution nationally, which is, of course, more than 100 years old.

We think there could be a number of outcomes from the Constitutional Convention. The leader knows that I am very committed to the concept of greater civics education in our schools. It concerned me some years ago, during school tours of this parliament, when I was asked often by school children, 'Where does Bob Hawke sit?', or 'Where does John Howard sit?', and this is in our own state parliament. If democracy and the parliamentary system is to work, it needs not only to be understood by all Australians and all South Australians but also it needs to be owned by them.

The government is committed to conducting a Constitutional Convention to report to parliament before June 2003 pursuant to the compact with the Speaker. To date, a series of discussions have taken place, as I understand it, between the Attorney-General, the Speaker and others, including representatives, I understand, of the opposition. The Attorney-General has also met with me about the convention on several occasions. The government recently appointed a senior project manager and a senior legal officer to begin work on the project. We expect to complete the selection process for the positions of media liaison officer and administrative officer in the near future. A range of options regarding the possible content and structure of the convention are currently under consideration. One of these options involves the conduct of a deliberative poll. However, that is not the only option receiving consideration.

Given the importance and likely cost of the convention to the state, the government is not prepared to finalise the format, content or timing of the convention until all options have been carefully reviewed and considered by cabinet. Key decisions about the convention are likely to be made within the next two or three weeks.

Members of the opposition can be reassured that the government proposes to involve it in all aspects of the convention, including, for example, the provision of input into content. It is vitally important that this is conducted in a bipartisan way and, certainly, a key to that is involving the opposition in the process. I look forward to it. I think is going to be a once in a 100 year experience. I have been in this place for 16½ years. We are in the 21st century, and it seems to me that many of our processes are inefficient and archaic and appear increasingly irrelevant to the people whom we serve. We are all servants of the people of the state. We are not the masters: we are the servants, and I think that we have to make sure that our parliamentary processes—as well as our Constitution—much more effectively represent the people's aspirations.

Just to give one example, I believe that the estimates committee process needs to be looked at. The Leader of the Opposition and I need to sit down together, because I have the sneaking feeling that we have almost identical views of the estimates process. When the Tonkin government introduced the process 20 years ago, it was an innovation. At the time it was welcomed, but it has become something of a set piece: a vehicle for the telling of one story from the government and another for the media and for the opposition.

There have been some changes already. The parliament is now sitting much longer. We have guaranteed the opposition 10 questions per day, rather than the five or six that were the case. So, there are things that we can do better. This parliament must be made relevant, and that includes having a good look at the upper house and the way it does business. We have all—privately as well as publicly—expressed frustration about the way in which the upper house does its business.

There are also questions about whether or not there are too many members of parliament in South Australia. Should the number be reduced or not? There are keen views about all this. Are we overgoverned? These are issues that deserve to be put on the table. We welcome the process. There is no doubt that it is going to be a difficult process, as the Drugs Summit was. I went into the Drugs Summit—which was my own idea—with some apprehension, because it is always open to people to behave badly. But, in fact, the reverse happened. Whereas other drug summits had broken up into rancour by the Tuesday afternoon, we came out with a whole series of resolutions in a bipartisan way. Let us see if we can do it again, because the people deserve better.

The CHAIRMAN: Are there any more questions related to the legislature?

The Hon. R.G. KERIN: This comment does not necessarily require a reply. I welcome a lot of what the Premier has said. We are very happy to sit down and try to work out a way forward. I am a great fan of parliamentary reform, and I think there is a great need for it. There is a lot of promise in the idea of a Constitutional Convention to effect reform in this place. I have had discussions with the Speaker. He has some ideas of what is and what is not negotiable in this process.

We are well and truly willing to cooperate to try to get this up, but it will only work—and work well—if it is bipartisan, if there is total agreement on what the terms of reference are, and what the process is. At the moment, I think a bit of work might need to be done to get it to the stage where we are moving ahead at the same pace. The Premier and the Attorney probably need to sort that out with the Speaker to take stock of where we are at present and what is the easiest way now to go ahead and get agreement. It might require a bit of pulling back in some areas.

The Hon. M.D. RANN: Yes.

The Hon. R.G. KERIN: My second question also refers to the parliamentary line in Appendix D. Considerable concern has been expressed by MPs and the media about the precedent that was set by the decision to pay the legal fees of the former presiding member of the Public Works Committee, because the committee of the day did not support his actions or endorse the incurring of those legal fees. As the resolution of the new Public Works Committee was for the government to reimburse the legal fees, can the Premier advise the committee why the decision on payment was not considered by cabinet and, instead, the responsibility for what was always going to be a somewhat controversial decision

was handed to the Deputy Speaker and the parliament was left responsible for the costs? Can the Premier give an assurance that the parliamentary budget will not be impacted on by the fact that the initial reimbursement was by the parliament?

The Hon. M.D. RANN: I understood that it was a decision of the committee that was supported by members of both sides, including Liberal members, certainly the member for Unley, as I understand, from hearing crossfire in the chamber and also reports in the media. I was not involved in the process and I am very happy to invite David Bridges to comment.

Mr BRIDGES: The payment was retrospective, as has been reported. It is my understanding that the original decision in the committee last year in relation to the project was that the committee regarded it as unlawful. A motion, which was also before the committee on the same day and lapsed, related to access to legal fees for the purpose of challenging the then government's position that the project was not a public work. When the approach came, it was properly put in front of the Deputy Speaker, because it would have been inappropriate for the Speaker to be involved in that decision since he was the person who, as an individual, incurred the legal fees, and the Deputy Speaker, in consultation with me, was happy to approve the payment.

It is not uncommon in other parliaments for access to be had to advice other than crown law advice where that is not the appropriate source. On this occasion, of course, that was the case because crown law was involved in advising the government, I assume, in the direction at that time that the work was not a public work. The Deputy Speaker, of course, took the decision, having looked at all the aspects of the earlier decisions on the part of the previous Public Works Committee and the decision by the current Public Works Committee, that the reimbursement should be made.

The Hon. R.G. KERIN: There is no criticism of the Acting Clerk at the time. The issues concern the fact that the committee's recommendation was that the government reimburse. I suppose there are two ways for that to happen and what I would really like to know is whether, at the end of the day, the parliamentary budget is under pressure to the tune of \$20 000 or whether that is reimbursed by the government, because the actual motion of the Public Works Committee was that the government reimburse the legal fees.

The Hon. M.D. RANN: All these issues are very difficult. I know the Attorney would be looking at issues relating to the defamation actions with the Hon. Rob Lucas and the Hon. Wayne Matthew. These are always difficult decisions to make: whether or not to indemnify. I know the previous government did indemnify a number of ministers, including the Premier and others. In terms of this issue, I will invite David Bridges to comment.

Mr BRIDGES: I was more than satisfied, once the correspondence was referred to the parliament, that it was appropriate expenditure on behalf of the parliament or a committee of the parliament in the circumstances that I mentioned before, where the issue was one on which it was not appropriate to go to crown law for advice, and it was a circumstance in which the advice that was being sought was contrary to the position being taken by crown law at the time.

It is true that there is no specific line for that sort of expenditure in our budget, but it is, I repeat, not uncommon (in fact it happens quite frequently) in other parliaments in all sorts of other areas, including subordinate legislation, and so

on; advice is sought outside the government legal system and paid for by committees or the house.

The Hon. R.G. KERIN: Ultimately, it has been a cost to the parliamentary budget.

Mr BRIDGES: Yes, it has been. As a result, the parliament or the committee most properly in this circumstance owns the advice that has been received and has, in fact, possession of that advice.

The CHAIRMAN: Any more questions in relation to the legislature?

The Hon. R.G. KERIN: No, sir.

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

Department of the Premier and Cabinet, \$144 481 000
Administered Items for the Department of the Premier and Cabinet, \$2 205 000, excluding the Office of Innovation

Additional Departmental Advisers:

Mr W. McCann, Chief Executive, Department of the Premier and Cabinet.

Mr A. Bodzioch, Executive Director, Corporate and Organisational Development.

Ms H. Butow, Executive Director, Cabinet Office.

Ms H. Parkes, Executive Director, Social Inclusion Unit.

Mr T. Tysoe, Executive Director, Strategic Projects.

Ms P. Martin, Director, Commercial Advice.

Ms A. Alford, Manager, Planning and Financial Services.

Ms M. Evans, Parliamentary Coordinator.

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

The Hon. M.D. RANN: I have an opening statement, which appears somewhat long, so I may abbreviate it in order to assist the committee.

When the government came to office after the February election, it became responsible for running the state and managing its finances, and that meant identifying the real state of affairs across government. As the Treasurer said in his budget speech on 11 July, the government was not prepared for the financial situation which had taken place and which was not revealed by the previous government. Too many unavoidable cost pressures were not accounted for, and we believe that the public was deceived by the former treasurer at election time.

Nonetheless, we are managing through carefully targeted initiatives. We are putting South Australia on a path of financial sustainability by turning the string of cash deficits with which we were left into substantial cash surpluses. We came to power with a vision to recapture South Australia's confidence and self-esteem; to make South Australia a great place to do business; to give our children a better future and help them achieve their full potential by putting more teachers in our schools and by increasing school retention rates; to provide more public hospital beds and cut hospital waiting times; to tackle the hard environmental issues, such as the River Murray and greenhouse gas emissions; to make sure that South Australia does not become the nation's nuclear waste dump; to build a stronger regional South

Australia and to work towards rural social cohesion; to end the senseless policy of privatisation; and to work to put the public interest back into essential services.

We also came with the desire to rebuild community trust in the government and its institutions by introducing a tough and transparent range of honesty and accountability measures, and since forming government my government has made considerable progress turning that vision into reality. Four key offices have been created to support the government's vision. They are the Economic Development Board and, under it, the Office of Economic Development, the social inclusion unit, the Office of Sustainability and the Office of Regional Affairs. In terms of the Economic Development Board, a strong partnership with the private sector is essential to achieving sustained growth and more jobs.

The embodiment of that partnership is the Economic Development Board chaired by the internationally respected South Australian business leader Robert Champion de Crespigny. The board is preparing a five year strategic plan for the South Australian economy, which will address issues such as infrastructure, providing the right high quality skills for industry, research and development, the knowledge economy and economic development in regional South Australia. The board will work with the government in a practical hands-on way to lay the foundations for sustained growth in our state.

The board has already helped with Mitsubishi's massive new investment in South Australia, which will create nearly 1 000 new jobs and nearly double the number of cars produced. It has also been working with General Motors executives to explore the possibility of upgrading and expanding Holden's Elizabeth plant. A related development is the Science and Research Council, which I will co-chair. Its job is to advise the government—

Mr Brindal: That's a worry!

The Hon. M.D. RANN: I am pleased to get the support from the former minister. The job is to advise the government on how we can further develop innovation, science research and technology in South Australia. The council will audit our strengths and weaknesses in science and R&D and in the commercialisation of intellectual property. We want to work with key research and educational institutions to identify R&D priorities for the state. My co-chair, of course, is Dr Tim Flannery, Director of the Museum, but also an internationally renowned scientist and palaeontologist—and I know members have an interest in that area.

Mr BRINDAL: Somebody that's an expert on dinosaurs should be conferring with you.

The CHAIRMAN: Order! The member for Unley is out of order.

The Hon. M.D. RANN: The member for Unley knows of my interest in dinosaurs, which is why I spend so much time with him! This government has put social justice back on the agenda. The government's social inclusion initiative through the Social Inclusion Unit is the cornerstone of a different way of tackling pressing social issues. It recognises that issues such as poor health, homelessness, crime rates, increasing drug use and poverty are all interconnected, and their causes stem from social exclusion. I have established a strong and pro-active board chaired by Monsignor David Cappo, who is the Vicar General of the Catholic Church and a former head of the Catholic Welfare Commission and an outstanding social policy innovator.

The immediate priorities of the board are to tackle the alarming drop in school retention rates and to look at ways to reduce homelessness in our community. In June, it

convened a five day community drugs summit, which was universally applauded as a major step forward in tackling illicit drug use in South Australia, especially the growing use of amphetamines and designer type drugs. The summit was conducted in a true spirit of cooperation and openness and has provided some excellent ideas that will help to guide the government's future drugs policy. The recommendations from the summit have been passed on to the Social Inclusion Board for consideration, and later this year the board will put its proposals to government and we will then decide which of those we will put to parliament.

The Office of Sustainability was created on 1 July this year to fulfil a key election promise to build the principle of ecologically sustainable development into decision-making. The office has worked to ensure that regeneration and preservation of the environment is complemented by the revamped more independent and more powerful Environment Protection Authority. We are looking at wind farms for sustainable energy, targeted waste management levies for better environmental outcomes, cross-government sustainable energy activities to reduce consumption and, through the Capital City Committee, the government is working closely with the Adelaide City Council to develop a green city.

As to the Office of Regional Affairs, I know that members opposite will be interested that in respect of rural and regional South Australia, which is crucial to the economic and social fabric of our state, the government is committed to the future growth and prosperity of rural communities and is working to build new and stronger links with our regions.

The new Office of Regional Affairs will combine the resources of the former Office of Regional Development and the former Regional Business Services Unit, and it will be the main point of contact between the government and the state's 14 regional development boards. The new office provides a single point of contact for regional South Australians, and the government's approaches to community cabinet also gives people in regional South Australia greater access to me as Premier, to ministers and also to the chief executives of all government agencies, especially through the open forum. We have had three community cabinets so far in Murray Bridge and Tailem Bend, Port Augusta and Mount Gambier. The next meeting is set for 12 August in Adelaide's southern suburbs.

Before coming to government we pledged to conduct monthly community cabinet meetings around the state, and we have kept that commitment. It is obviously a big logistics exercise but one that is important. Regional South Australia, with more than a quarter of the population, generates two-thirds of the state's export income and a quarter of the state's manufacturing turnover. The government will open two regional ministerial offices: a northern office will be opened at Port Augusta, and a Murraylands and Mallee regional office will be established at Murray Bridge. Both offices will be the responsibility of the regional affairs minister, the Hon. Terry Roberts. The two offices will provide these communities with a direct point of contact to the state government.

Obviously, no one area is so much more important that it should dominate decision-making to the detriment of other areas. However, cooperation, consultation, coherence and consistency will be the hallmarks of the government's decision-making, not solutions through individual grandstanding, because that is the last thing that I would want to do. It is all about honesty and accountability. Being accountable means the obligation of having to answer for one's responsibilities and to respect, explain and to give genuine

reasons. The government's honesty and accountability initiatives will help to re-establish public confidence in our system of government and its public institutions.

The government's new ministerial code of conduct is one of the strongest codes governing ministerial behaviour in the nation. The new code prohibits ministers from buying or selling shares, requires the disclosure of the contents of family trusts and requires ministers to divest themselves of share holdings in any company in which they have a conflict of interest.

In the first week of the new parliament we introduced a number of legislative amendments known as the honesty and accountability series of bills. The new legislation will also require high standards of honesty and accountability for those who work in government, and also with the government. We are also legislating for a charter of budget honesty which will require the government to clearly state its future financial objectives and the principles upon which it will make its decisions to spend taxpayers' money.

A special charter will be required within three months and it will be tabled in parliament, and just to speed things up the government is committed to broadening the powers of the Ombudsman to ensure that he can fully investigate claims made by the public against government agencies. Earlier this year we introduced the Ombudsman (Honesty and Accountability in Government) Amendment Bill to work towards achieving this goal. In addition to giving the Ombudsman greater powers, this government will also appoint an essential services ombudsman to handle consumer complaints against electricity, gas and water companies, and also a health and community services ombudsman.

On 10 July the Essential Services Commission Bill was introduced into parliament. It will create the new essential services commission as a powerful industry regulator, and it will deal with issues such as electricity, gas, water and sewerage. But the immediate focus of the commission will be on electricity, reflecting the immediate priority of preparing for electricity re-sale competition and the power price crisis left to South Australia.

Because I am also Minister for Volunteers, I will finish this opening statement with a reference to the excellent efforts put in by the many volunteers in our community. Each year in South Australia more than 400 000 volunteers freely give up untold hours of their own time to help others. The State Volunteer Reference Group, made up of volunteers from across the volunteer sector, is developing a South Australian Compact for Volunteering between the government and volunteer organisations.

The CHAIRMAN: I invite the leader to make a statement, if he wishes.

The Hon. R.G. KERIN: This year's budget is one in which there are broken promises and many unanswered questions, many of which we will explore during the next two weeks. We find that the budget is not consistent with the promises and the rhetoric of the Labor Party in the lead-up to the election. It has not met the expectations of those who supported Labor—those who believed the promises in health and education, those who believed the promises of no new taxes, charges or increases, or those who believed that Public Service jobs of less than \$100 000 a year were safe. The people of South Australia were promised increases in services without increases in taxes and charges, and we would submit that they have been let down.

Much has been said about consultation. In many of the decisions, not just in the budget process but in some of the

other decisions that have been made over the past several months, consultation is one thing that is shown to be lacking and, if you put that together with a couple of other things, you will see that some of the decisions that have been made have had impacts probably beyond what were discussed around the cabinet table.

In the lead-up to the election we were promised both small business impact statements and regional development impact statements on all decisions that were going to affect either small business or the regions. It has been admitted that they have not been done, and that has also caused a couple of the problems that we now see.

The lack of consultation and the lack of impact statements combined with, perhaps, the inexperience of cabinet—and experience comes only with time spent around the cabinet table—has led to a lack of understanding of the impact of some of the decisions that have been made. The cuts to crime prevention on the surface look like a cut of \$600 000 or \$800 000 across the state and only a handful of jobs. In the regional areas where that has occurred, there has been an enormous flow-on effect, because those crime prevention officers have actually been the facilitators for a lot more jobs in the community. I know that in Port Pirie, for instance, there is talk not just of the crime prevention officer losing the job but also a flow-on impact of about 18 jobs in the community because of the programs that were facilitated by the Crime Prevention Unit.

On the subject of crown leases, we welcome the fact that that matter has now been referred to a select committee. From the media release we saw, I do not think there was a full understanding that the people who have crown leases, particularly perpetual leases, actually bought those normally at freehold prices and with an understanding that it was purely a form of tenure. That advice has been backed up over the years by those who have contacted the department.

The media release that went out talked about how it was unfair to the taxpayer that people were able to rent a property from the government for only a couple of dollars a year when it was worth over \$1 million. In reality, the person is holding that land as a perpetual lease, thinking that that was a form of tenure, but the bulk of the more than \$1 million was actually in the building that was built on that land, and that building never belonged to the government.

I think there was a lack of understanding as to the impact that crown leases would have. I know that members opposite were somewhat surprised to learn that some people had up to 80 crown leases contiguous in single properties. The \$300 minimum might not sound too bad but, if you start multiplying that by 60 and 80, it has a massive impact on the people who own the land and on the business activities that many of them perform. They see measures such as this as trying to help problem gamblers.

This is not harm minimisation for gambling: this is actually a tax. I think what was misunderstood was not only the impact on the investment environment but also the taking of some of the income and the redistribution of that income into health and education rather than into profits. I think what is not well understood is that a lot of people in that industry are highly geared. They have borrowed a lot of money and the impact of the move on the capital value of their properties is enormous. I am aware of a couple of cases where the drop in capital value is greater than the owner's equity in the property, and that has left them in a very difficult position. I think that issue needs to be revisited.

One of the worrying things, which is in the budget and which results from a couple of other decisions, is that, without impact statements and consultation, the bureaucrats have been able to drive through a couple of decisions which were previously put to cabinet when we were in government. I think a couple of those decisions have consequences beyond those which cabinet may have understood when it made those decisions.

One other issue which does show in the budget papers and in the way in which we have had to structure estimates this year is the mismatch between portfolios and departments. I totally acknowledge the Premier's right to allocate portfolios as he wishes. However, some departments have up to five ministers. I know that the Public Sector Review Report, which was done by John Fahey, Greg Crafter and Rod Payze, constantly refers to the importance of accountability of government departments to their minister. When a department has five ministers that becomes extremely difficult to control. I am well aware of some problems that is causing; I know the Premier would be aware of that as well. I suppose we need to know the solution to that issue. Will we have to restructure government to fit in with that? Are there other means that the Premier has in mind to ensure that accountability of departments to ministers is addressed?

In the budget the Treasurer has deferred capital and dividend payments from the bad bank and SAFA and transferred them into the current financial year, which creates a false deficit for 2001-02 and an inflated surplus for the current year. The Treasurer previously criticised the former Liberal government for transferring \$321 million in dividends from public financial corporations in 2001-02; yet he has decided to defer the majority of this payment until the current financial year, where he has budgeted for dividend and capital payments of \$340.9 million from these entities for the single purpose of creating an inflated surplus in the government's first year—and we saw the *Financial Review* pick up on that issue.

Another area of some interest and concern to the opposition is the compact between the government and the member for Hammond. The cost of the commitments within that compact remain unclear. In the budget speech, the Treasurer said:

Upon coming to government we committed to a number of initiatives as part of the compact for good government. These initiatives have been funded in this budget. They are funded from reallocation and savings—as are all of our promises in this budget.

I know the member for Hammond himself has questions—which will not be asked in estimates—about progress with the compact. We need openness and accountability on those promises.

The budget also fails to identify where 600 Public Service jobs and 100 Public Service jobs at a level over \$100 000 will come from. The Treasurer said that Public Sector Management Act employees would have nothing to fear under a Labor government. The opposition fears that employment is a major loser in this budget, and the fact that the previous employment statement component of the budget has disappeared tends to confirm that. Janet Giles of the UTLC, when commenting on the budget, said:

The big disappointment is jobs. There is really nothing there that would give us hope that would create employment, particularly for young people.

Jan McMahon of the Public Service Association also claimed that it was a sad day for the public sector. She went on to say:

It will mean less service for ordinary South Australians, longer queues. It will impact in health and education. It's a sad day when a Labor government can't deliver more jobs and services.

Certainly, with respect to the government's concern about employment (with the predicted slowdown in employment growth showing up in the budget papers), particularly having regard to the impact of other decisions on employment levels, I think that this will be a challenge over the next 12 months.

During estimates, we hope to gain much more information about the impact of this budget. As the days since the budget have passed, we have learnt of many community impacts from the decisions in this budget. These impacts are greatly at odds with what we heard from the Labor Party before the election, and we hope over the period of the estimates committees to gain a lot more information about where the impact of the budget will occur.

The CHAIRMAN: I call on the leader to ask the first question.

The Hon. R.G. KERIN: I refer to Budget Paper 4, Volume 1, where one of the targets set by the government for 2002-03 under 'Output class 1' is the development of the social inclusion initiative. Much has been said about this initiative in the media. However, members of the general public—and, indeed, many members of parliament—are unclear as to exactly what the unit will do. How would the Premier best summarise the role of the unit, and can he advise the committee of the total cost of the unit and how its performance will be measured?

The CHAIRMAN: While the Premier is getting ready to answer the question, I point out that I do not believe we need to identify every precise line, unless members wander off and stray beyond the reasonable. It saves a lot of time in estimates if we do not have to go through that part of it. Unless members wander, the chair will not require them to specify the exact line, unless it is a particularly curly question that requires that precise identification.

The Hon. M.D. RANN: I am very happy to answer that question. I will refer to the social inclusion initiative in a second. In response to the leader's opening remarks, in terms of jobs, what are we doing? I refer the leader back to Mitsubishi. That is 1 000 jobs. I refer the leader back to—

An honourable member interjecting:

The Hon. M.D. RANN: Not even John Howard believes that. I refer the leader back to the Holden's announcement and the British and Aerospace announcements. I refer the leader to this morning's announcement—thousands of jobs in terms of the Port Adelaide redevelopment; it is a \$1.2 billion project. I refer the leader to what we are doing in terms of finally, after five years of mucking around, trying to crack a deal over the Adelaide Airport, and a whole range of other things that are going on.

Members interjecting:

The Hon. M.D. RANN: You could not do it. Five years of false announcements and false starts. I am quite happy to sit down and talk about the rectitude of the former government on financial administration and a series of conflicts of interests. But what we are trying to do is get some energy back. That is why we have been bigger than the former government in terms of appointing people, regardless of their politics, to key positions—people such as Robert de Crespigny, Carolyn Hewson and others, as well as people such as Stephen Baker, who I am sure is held in the highest regard by the member's side of the house—his being a former Deputy Premier and Treasurer of the state. And, there are people such as David Wotton, who was a senior minister in the former

Liberal government. We have shown that we are prepared to be big enough to embrace and include, and that is something that the opposition should think about.

In terms of social inclusion, I got the idea for the social inclusion initiative from the Blair government in Britain which in 1997 set up a social exclusion initiative. In fact, it was first drawn to my attention by George Carey, the Archbishop of Canterbury, during a visit to Adelaide a few years back. He told me in late 1997 about the work being done by the Blair government to look at protracted social issues with joined up problems being addressed in terms of joined up solutions. The Blair government was doing this because over many decades it had seen political parties and governments of all persuasions throwing huge amounts of money at the symptoms of issues but not at the causes of issues. So, the social exclusion initiative in Britain was set up. It was an embrace of government, the community sector and the private sector, but rather than dealing with things in a silo way, whereby if you had a particular problem you gave it to a department where it got locked away, you looked at an across government and across community approach.

One of the social exclusion initiatives in Britain was the sleeping rough campaign. Sleeping rough means that people are homeless but sleeping out on the streets rather than just people who are in hostels or temporary or transitional crisis accommodation. Sleeping rough was the first reference to Britain's social inclusion initiative. The social inclusion initiative looks at the problem from the ground up, recommends a series of approaches and then reports back to government. The important thing is that government not only announces the strategy and funding needed but also the time lines for which those issues should be addressed, so in a sense the government creates a rod for its own back or, more positively, a goad for action.

So, we have set up a social inclusion initiative in South Australia that reports to me as Premier, with a unit established within the Premier's Department but with officers seconded in from other departments. They are supervised by a board chaired by David Cappo, essentially the CEO of the Catholic Church in terms of its operations, as Vicar General and recently appointed a Monsignor, but also with national experience in terms of social justice issues. The board includes people drawn from the private and community sectors—eminent Australians including Betina Cass and Peter Kirby, former head of TAFE and former head of the Premier's Department, and he also worked in the education department in Victoria and for British ministers.

The first reference we have asked the social inclusion initiative to look at was what has gone wrong with the retention rate in South Australia. We know that back in 1992, about 93 per cent of our kids completed high school and that there has been free fall since that time. Obviously if we are going to boast about being the smart state and the clever country, we need to do something to redress the retention rate. Why is it that in South Australia the retention rate has headed south whilst the retention rate in other states has headed north? We have to regain our pre-eminence in education, which must be our economic imperative as well as our social imperative. That is the first reference to the social inclusion initiative.

The second reference is about homelessness. We are already making some progress in terms of looking at innovative ways to tackle homelessness in South Australia. Further references down the track will include Aboriginal health and morbidity and, hopefully, we will see some pilot

programs to look at how we can improve Aboriginal health in communities and to look at such issues as youth suicide. One of the first references was the Drugs Summit convened in late June for five days and chaired by the chairman of this committee (Hon. R.B. Such), by Rory McEwen, by Jennifer Cashmore, by Carolyn Pickles and by myself to look at different ways to attack the drugs problem through better targeted education programs and by looking at changes to the criminal law.

I have already announced some of those things, including the toughening up of our approach to hydroponics; looking at the precursor or ingredient drugs for things such as amphetamines, ecstasy and so on; and raising the maximum sentence from a \$5 000 fine up to 20 years imprisonment and life imprisonment for those who seek to involve children in the sale of these drugs.

In response to the leader's final question, the Social Inclusion Unit has a budget of \$2.1 million for 2002-03, which includes a carryover of \$300 000 from 2001-02. An amount of \$370 000 is provided from existing departmental funds and \$1.43 million in new funding, and the unit has an approved FTE establishment of 12.

The Hon. R.G. KERIN: Who will determine what policy areas the social inclusion initiative will report on, and what reporting mechanisms will be established to facilitate the implementation of the unit's recommendations?

The Hon. M.D. RANN: Essentially, cabinet will refer references to the social inclusion initiative, and the Social Inclusion Unit (the director of which is Heather Parkes) will report to Mr McCann, the head of the Department of Premier and Cabinet, and, of course, David Capo, as chair of the board, is driving the social inclusion initiative. So, cabinet will make references on social issues to the Social Inclusion Unit across government rather than asking different departments.

Say, for instance, we referred the issue of mental health to the social inclusion initiative, in the past governments would have referred that issue to the health minister—that would seem to be appropriate—but mental health has a serious impact in terms of housing and the Housing Trust and law and order. Police often say that police cars are being used as taxis to and from emergency departments in government hospitals for people having psychotic episodes. There are educational, family and community welfare and child protection issues. Recognising that, whilst over many years premiers have had the economic development reins in their portfolio, I think it is time for social justice issues also to be reported directly to the Premier.

So, the unit will develop draft action plans with specific targets with regard to each reference that the government refers to the Social Inclusion Board. Initial references are: to increase school retention rates and to reduce the incidence of homelessness. The unit will also develop the management of an action plan on outcomes from the recommendations of the Drugs Summit. Other priorities identified by the government which will be referred to the board from mid-2003 include: rates of Aboriginal morbidity and mortality and rates of youth suicide. So far, the Social Inclusion Board and the Social Inclusion Unit have been established. The chair of the board, Father David Capo, has visited the UK to review the progress of its social exclusion initiative, and he joined with me in meeting Tony Blair at 10 Downing Street on this issue.

The Hon. R.G. KERIN: With unemployment always being a big issue within the community and one which deserves the highest priority, we were somewhat disappointed

to see that there was no employment statement within the budget this year. I think the Premier mentioned before some of the major job creation initiatives which have been announced recently. As he knows, there was bipartisan support for those, much of the initial work having been done by the former government. We welcome those initiatives, but I suppose our fear is that the momentum continues, because over the past eight years we have seen a major drop in unemployment.

We have got a lot closer to the national rate, which is where we want to be, but we also want to push the overall figure down as much as we can. It has been forecast that 600 public sector jobs will go, and 100 youth traineeships have been cut from the graduate recruitment program, but within the budget the worrying part is the budget forecast of a 25 per cent cut in employment growth for the coming year. Is the Premier aware of the reason why there is no employment statement with this year's budget?

The Hon. M.D. RANN: I should have mentioned this previously, because we are informal. The government is committed to regional impact statements. The purpose of regional impact statements for cabinet submissions is to better inform cabinet of the costs and benefits of proposals for regional communities. The Office of Regional Affairs has developed guidelines for regional impact statements for cabinet submissions, and the cabinet handbook is being revised. Even though the Office of Regional Affairs has just been established, the former office of regional development has informed me that already in the vicinity of 30 regional impact statements have been prepared as part of the cabinet process.

The Office of Regional Affairs has just been established and has just formed a small projects team to further develop the process of regional impact statements and public assessments to strengthen the government's commitment to regional consultation. The proposal will incorporate engagement and consultation principles with regional communities. The Office of Regional Development is finalising a guide to regional consultation for use by state government agencies, and this will assist the government in consulting with regional communities.

In terms of economic development and the public sector, the leader has referred to the cutting of 600 public sector jobs. These people will be offered voluntary separation packages. We have massively reduced this reduction compared to that of our predecessors. The leader was the deputy leader for much of the time of the former government when it cut 20 000 jobs. We have massively reduced the rate, by about half of that in the previous year from memory. So I find it a bit rich when you cut 20 000 jobs out of the public sector and privatised everything that moved for this opposition then to criticise this government for slowing the rate of reduction massively compared to what it did.

We have totally axed privatisation in terms of the things that you had on the chopping block. The leader mentioned the public sector graduate program. The South Australian Public Sector Graduate Recruitment Program administered by the Office of the Commissioner for Public Employment assists agencies to recruit quality graduates with the skills needed to foster the state's economic and social development. It helps to retain young people in the South Australian economy and provides replacements for the knowledge and experience which is being progressively lost as the baby boomer generation of employees leaves the public sector.

The program was also utilised by agencies in 2001-02 to recruit skilled graduates to replace employees who accepted enhanced targeted voluntary separation packages as part of an explicit work force refreshing strategy. The graduate recruitment program is open to all university graduates who have completed a three year degree, regardless of their age. It was advertised in July, August and December 2001 in metropolitan and regional newspapers. Over 3 500 queries and 2 050 applications were received, and from these 1 700 graduates have been registered in the program. Let me repeat that: 1 700 graduates have been registered in the program.

As of the end of June 2002, an estimated 195 graduates were employed in agencies, and referrals for another 160 graduate positions were also under consideration. To May 2002, subsidies amounting to \$1 195 500 were paid to agencies which had committed before 30 June 2001 to employing graduates as part of the previous government's target of 600. The total number of graduates recruited through the program from 1998-99 to 2001-02 utilising the graduate subsidy and targeted separation package backfill initiatives is 821.

In terms of the brilliance of the employment strategy of the former government, you should know that in terms of every 36 jobs created in Australia during that time, as I understand it, about only one was in South Australia. We did dismally in terms of our share of economic growth.

Let me refer to this much vaunted record on jobs. The Liberal Party's record on jobs is that during the eight years between December 1993 (which was the start of the Dean Brown government) to December 2001 (when the leader was Premier), only 300 extra full-time jobs were created in South Australia. In terms of the plan, we have asked Robert de Crespigny's group—which includes people from all sides of politics, who are appointed on the basis of their competence, clout and connections and not on how they vote, because I do not care how they vote—to develop a jobs and economic development strategy for the state, and I think that is what is expected of the government.

Finally, the leader has criticised the government for its decision in offering voluntary separation payments and the reduction in jobs by 600. I believe that it is really important to look at how the public sector was reduced. Information regarding employment levels in the state public sector work force is provided by the Office of the Commissioner for Public Employment and comprises agencies' actual full-time equivalent outcomes from previous years. In 1994-95, there were 86 535 FTEs in the public sector; the following year, there were 79 432; by 1998, it was down from 86 535 to 70 517; in 1999-2000, it was 68 000; and in 2000-01, it was 68 884. These figures show that, in the seven-year period from June 1995 to June 2001—during the time that the leader was both a minister and Deputy Premier—the public sector experienced a 20.4 per cent decrease in the level of full-time employment, so there should be some recognition of reality. There were 18 000 jobs cut from the public sector during that period.

Ms CICCARELLO: I refer to page 1.23—Output 1.1. The issue of detention centres at Woomera and Baxter is causing concern across government agencies. Can the Premier advise on the latest developments?

The Hon. M.D. RANN: I thank the honourable member for her question, and I note that she has a strong interest in the area of concern for refugees. Of course, I have an interest in this area as well; I recently visited the Baxter detention centre. I am totally opposed to the opening of the Baxter

detention centre at the former El Alamein army camp near Port Augusta.

Port Augusta has many strengths, but it also has many challenges. It has enough problems of its own without importing more. Remember that there has already been a significant draw upon the resources of Port Augusta in terms of health services and police resources that have been diverted to deal with problems at Woomera. Earlier this year, we had the disgraceful incidents at Woomera—and I use the word 'disgraceful' wisely, I think. We saw not only a riot situation but also demonstrations, and we saw a small group of feral demonstrators throwing urine at the police. Our police have done a magnificent job, albeit, I believe, without the full support of the commonwealth. We saw Minister Ruddock criticise the South Australia Police on television. For instance, over the Easter weekend—which is one of the worst weekends of the year in terms of the deployment of police resources—huge police resources were diverted to Woomera. We had our police doing the job for the commonwealth; it was a problem of the commonwealth's own making. Our police were doing a difficult job under the most difficult circumstances and in the most difficult terrain, and they were being attacked by demonstrators and by the federal minister.

I have met with Mr Ruddock and complained. I met with him and spoke with him by telephone. I visited Baxter during the community cabinet meeting at Port Augusta and the gate was locked. It seemed to me that the commonwealth was not too crash hot at keeping people locked up, but certainly it wanted to lock us out even before it was opened, such is its concern about openness and transparency. We are opposed to the opening of the Baxter detention centre. Quite frankly, in the light of the decision on Friday with respect to the low level nuclear waste dump (and in this the Year of the Outback), it seems that the federal government's vision for South Australia is two detention centres.

That does not reflect this government's vision for the future of regional South Australia. I have now written to Mr Ruddock. The letter will be sent today. That letter, which is being sent right now to the Minister for Immigration, states:

Dear Minister

Thank you for your letter of 7 June 2002 in relation to detention centres in South Australia. Your letter raises a wide range of detention centre related issues and asserts that if there are any substantive issues which require resolution then your department is ready to deal with them promptly and constructively.

There are many significant issues associated with detention centres in South Australia and your offer to resolve them is much appreciated.

I am greatly concerned about the welfare of children who are being detained at the Woomera centre and, in particular, about the two boys who were recently returned to Woomera. I am seeking assurances from my officials regarding the safety and welfare of all children detained at Woomera, including the two boys who have been returned recently, apparently against their will. The protection of children is a major priority for the South Australian government which is why Robyn Layton QC has been commissioned to undertake an independent review into child protection. Ms Layton is expected to report by December this year, and I am keen for her report to address issues relating to the care and protection of the children of detainees. I want to inform you, as a matter of courtesy, that South Australian government child protection officers will soon be visiting Woomera to respond to notifications of children at risk, and I have asked them to provide me with a report on the health and welfare of the two boys detained in Melbourne. I would be grateful if you could ensure the fullest cooperation from your officers and the staff at Woomera.

I have also received two additional letters that were signed by you on 28 June and 2 July 2002.

The 28 June 2002 letter refers to South Australian police involvement in the most recent break-out from the Woomera centre,

as well as the Easter break-out. I agree with you that South Australia's police (SAPOL) are dealing with policing issues in relation to detention centres in a commendable way, which is typical of their professional approach.

The letter also discusses compensation issues associated with the break-outs. In addition, it repeats information from your letter of 7 June regarding fire safety and security issues surrounding the Baxter Immigration Reception and Processing Centre.

I would ask that your department please expedite the reimbursement of SAPOL for the \$589 000 associated with the Easter break-out from Woomera. An account for expenses associated with the more recent break-out can also be expected in the near future. These costs have a big impact on the police budget for operations in this part of South Australia. Speedy reimbursement by your department will ensure that the police are well positioned to deal with other emergencies in the future.

I also seek your assistance in expediting the Memorandum of Understanding between SAPOL, your department and the federal police on roles and responsibilities associated with asylum seekers and detention centres. There needs to be an agreed and recognisable role and responsibilities for each organisation in the event of disturbances. It is my understanding that negotiations are progressing very slowly and your direct involvement may be needed to speed up the resolution of this important issue.

Your letter of 2 July 2002 invited me to visit the Baxter centre on 10 July 2002 prior to its commissioning. I regret being unable to accept your offer. I also understand that officers of your department and my department have been discussing alternative dates for an inspection of Baxter, and that 2 August 2002 has been nominated as a suitable date.

Unfortunately, I am unable to attend because of a previous appointment in Mount Gambier. However, I would appreciate it if officers of my department and the Office of Multicultural Affairs could inspect Baxter and report to me. Ideally, it would be useful if my officers could inspect the Woomera Centre as well, although I understand that this would depend upon events occurring at Woomera at the time.

It is also worth mentioning that there are conflicting reports on the fire risk associated with Baxter. Consequently, SAPOL and the South Australian fire services will conduct a joint 'desktop' exercise at Port Augusta in relation to fire or other serious disturbances associated with Baxter.

You would also be aware that I have a particular interest in the wellbeing of children in detention. While, rightly or wrongly, it is the commonwealth's decision to incarcerate asylum seekers in Australia, this does not mean that we cannot deal sensitively with minors, who by no fault their own are caught up in decisions made by their parents.

In my view, the commonwealth needs to demonstrate its good intentions by reconsidering its approach to the children of detainees especially in areas such as accommodation, education and psychological and physical health.

Our need for up-to-date information is also an issue. You have advised that Baxter has a capacity of 1 200 and that Woomera's capacity will be reduced from 2 000 to 800 and its 'contingency capacity' from 500 to 400. Would you please provide up-to-date details of occupancy and 'anticipated occupancy' of both of these facilities so that South Australian government agencies can plan for dealing with the impacts on their budgets and services.

I would also appreciate it if you would provide information on your plans for detention centres and facilities around Australia so that we have some context for our decision-making in relation to your facilities. I realise that occupancy of detention centres in Australia may be fluid; however, we need to be able to properly plan for their consequences.

With your cooperation and assistance we can address some of the more immediate impacts of detention centres on South Australia.

I look forward to your response on these matters.

Yours sincerely

So, we have concerns about the health and welfare of children at Woomera. I have asked the Minister for Social Justice to send child protection officers into Woomera in the very near future to respond to notifications of possibly at-risk children, and I have asked for a report on the health and welfare of the two boys detained in Melbourne, to be reported back to me as Premier.

Ms CICCARELLO: Also in relation to Output 1.1, can the Premier outline the state of play with regard to the Port Adelaide development?

The Hon. M.D. RANN: I can probably expedite this quite quickly. There has been a registration of interest established over the last 12 months in relation to the Port Adelaide development. As you know, this government is particularly interested in urban renewal initiatives, and I know that the previous government was keen to get the Port Adelaide redevelopment off the ground. It is the last waterfront development opportunity of its type in Australia. Of course, with the arrival of shipping containers and other modes of transport Port Adelaide has changed forever and land around Inner Harbour now lies idle. What remains, however, is an outstanding built form of the history of the Port. It is a state heritage area, and gracious colonial buildings stand near the wharves and are dotted throughout the business district. Much of this infrastructure has recently been carefully restored for use as restaurants and museums, and civic, residential and commercial buildings. But the waterfront land around Inner Harbour has remained derelict and unsightly.

Two private sector consortia were invited to prepare detailed development concepts for the redevelopment of Inner Harbour for the government to consider. We regard this as a landmark project for South Australia, and I want to acknowledge the work of the previous government on this project. I hope everyone registered that. The project will deliver thousands of jobs and inject more than \$1 billion—I think it is \$1.2 billion—in today's terms, into the construction industry. About 2000 jobs will be created in the construction industry.

The flow-on investment through this development should create additional jobs, and there will be a stimulus to retail and other service industries in the area. The project is expected to be completed over a 10 year period, with construction starting next year. It will see the construction of around 2 000 residences, including apartments and townhouses for low income, medium income and high income earners, and it will include the refurbishment of some heritage buildings, such as the Port Adelaide mill, for apartments. The state will benefit from returns from the sale of the land under development, and from stamp duty, payroll tax and land tax revenues.

I can announce today that we have asked the Land Management Corporation to secure at least \$100 million in profits from the project for the government. The Auditor-General has advised the government that the bidding process may proceed to conclusion, and this morning I announce the successful bidder for the project, which is the Newport Quays consortium, comprising Multiplex, Urban Construct and Cox Architects. It has been selected to carry the project forward. The selection of Newport Quays follows the receipt of 13 submissions to the Land Management Corporation by interested parties, and the contracting of Newport and the Portlands partnership, which is a consortium of Boulderstone, Urban Pacific, Macquarie Bank and others, to prepare comprehensive development proposals.

Cabinet has decided to work with Newport Quays on the recommendation of the Land Management Corporation to negotiate terms and conditions for the development, and it is expected that the final agreement will be reached before the end of next year. It will be very much an environmental improvement, a greening of Port Adelaide, a restoration of degraded land, and 51 hectares are owned by the government. There will be total public access with a running track around

the entire development on which, at the opening, I will invite the Leader of the Opposition to join me in a bipartisan way in a spirited jog.

The CHAIRMAN: I assume that residents do not have to have any particular football affiliation.

The Hon. M.D. RANN: This is intended to put some power back into the port, an extra 3 000 to 4 000 people spending on retail and cafes, living in a development that I hope will be better than Fremantle.

Ms CICCARELLO: It will have to be bipartisan because, being the member for Norwood, I have a strong allegiance to the Norwood Football Club. My third question relates also to Output 1.1. The Premier has always had a strong concern about the drug situation within our community. The government's platform was to hold a drugs summit, and it was held recently. Can the Premier advise on the outcomes of the recent South Australian Drugs Summit and how they will be built upon by the government?

The Hon. M.D. RANN: I have already mentioned some of the issues, but the misuse of drugs, especially illicit drugs, is a matter of great concern to the South Australian community. I made a pre-election announcement that the government would call a drugs summit, and it was the government's first social inclusion initiative. The summit processes generated a range of innovative ideas to the drug problem that continues to face our community. These ideas have been presented to the government in the form of 51 recommendations in the summit's final communique. The recommendations cover diverse issues including prevention, treatment, rehabilitation and law enforcement. There is a strong focus in the recommendations on early intervention and community capacity building, as well as a focus on issues for young people and Aboriginal people.

It was a very open and inclusive process, and the summit allowed the full spectrum of views about the drug problem to be aired and considered. People whose voices had not been fully heard by decision makers—drug users and their families, Aboriginal people and young people—were provided with an opportunity to be heard. They shared their experiences in a forum which considered them respectfully and seriously in the decision-making process. The process has assisted members of parliament and the community at large to develop their understanding of the causes, nature and extent of illicit drug use in South Australia.

In terms of the criminal law, people would be aware of my commitment to a tough approach. Manufacturers of amphetamine-style designer drugs will face new tough penalties. The proponents of precursor drugs—chemicals used to create amphetamines and designer type drugs—face prison terms of up to 25 years (not 20 years as I said previously) for the sale of large commercial quantities of the chemical. Currently, under South Australia law, the maximum penalty for this offence is \$5 000. For a small commercial quantity of precursor chemicals or drugs, the penalty would be 15 years gaol.

Seventy South Australians have died from illicit drug use, most aged between 15 and 34, 80 per cent of them being young men. The Royal Adelaide Hospital reported in 2000-01 that it had treated 88 people for amphetamine overdoses. So, we will put in place a series of simple and powerful major offences to take on commercial drug dealers.

The new penalties would also single out those who prey on our children, by targeting those dealers who use or try to use kids to sell drugs. These dealers will be dealt with under specific new categories of offences, such as a maximum life

sentence for supplying for sale a commercial quantity of an illegal drug to a child, and for procuring a child to traffic commercial quantities of drugs. We constantly hear apocryphal stories of kids selling amphetamines in high schools, but they are obviously being recruited by adults to do so. Those adults who try to involve young children in their vicious trade will face life sentences if convicted.

We are also cracking down on hydroponically grown cannabis and looking at planning laws to make it harder for bikie gangs, and any other group, to operate suburban fortresses for the manufacture and cultivation of drugs.

The Hon. R.G. KERIN: In the budget paper, you have identified a target for this coming year to coordinate implementation of approved public sector review findings. In my opening statement I referred to a report entitled 'The Public Sector Responsiveness in the 21st Century', which I initially commissioned, and I certainly thank you for allowing that group to continue its work.

I have read its report with a lot of interest, and it is obvious that there are a lot of recommendations in the report. As you have flagged, some recommendations will be taken up and others will not. I commend that report as having some very good ideas within it, certainly as far as responsiveness, utilising the skills which are within the public sector, looking at partnerships with the community and business and the cultural change aspect of it.

As I said before, I acknowledge the right to allocate portfolios however you wish but, as I said in my opening statement, I realise that the current match-up of portfolios to departments is somewhat unwieldy, with some departments actually reporting to five ministers. Will the Premier outline to the committee how the government will address this issue? I have been a great believer in a straight question deserving a straight reply. Are we about to see a major restructure of government departments?

The Hon. M.D. RANN: I am happy to respond to both the Fahey report and in terms of restructuring of government agencies. As the member knows, he will always get a straight answer to a straight question. I met with the Hon. John Fahey, who of course is a former Liberal premier of New South Wales and a former Liberal finance minister, and is someone whom I hold in the highest regard. He was one of the few New Zealanders to do well in the federal parliament. He was minister for TAFE at the same time that I was minister for TAFE some years ago, and we worked very cooperatively together.

This is a report commissioned by the Leader of the Opposition in his role as former premier, and I respect that. However, the Fahey inquiry—which included former Labor minister for education and community welfare and Aboriginal affairs, Greg Crafter, and Mr Rod Payze, a former head of the Highways Department—was initiated by the former government to review processes in the public sector to improve its responsiveness.

Following the state election, I indicated to John Fahey that we wanted them to continue with the review, which was already then well progressed. The task force handed over its final report to me on 28 May. I met with John Fahey on that day. It was tabled in parliament on 30 May, two days later. The government did this in keeping with its commitment to openness and accountability rather than saying, 'This was done by the other mob, so let's just shelve it.' We thought a number of things in it were useful and that we would seek comment and feedback over the next three months.

The task force findings and 121 recommendations were based on evidence from a variety of sources, including written submissions from a wide range of individuals, community and government organisations, including the PSA and Business SA; and two commissioned reports, research and interviews undertaken by the project team. Of course, the opposition has not yet made any comment on the report, although I did invite comments when it was tabled. I hope the opposition will be making a formal comment in response to the report, given that it was the Liberal government that commissioned it; and we look forward to that. The task force noted in its final report that the South Australian public sector, in general, comprises talented and hardworking people with a strong commitment to serving the community and government.

However, the task force suggested that there is a tendency towards risk averseness and a silo mentality, which means a lack of a whole of government approach. The types of things that we are trying to do (or want to do) with social inclusion, our Economic Development Board and Tim Flannery's Science and Innovation Council are all about what the Fahey report is saying. It is about ensuring that people realise that they are there to serve the public, not to serve the interests of a particular department and get locked up in some sort of silo. The task force put forward recommendations on a number of key areas and processes. In particular, the recommendations highlight the importance of leadership at all levels as opposed to structural change in the public sector and to encourage innovation and collaboration and a more confident 'can do' approach.

In its recommendations the task force said that there is a need for well-defined and understood governance arrangements; for the government's vision, priorities and outcomes to be clearly articulated and to drive planning and budget bids; for budget processes to be multilateral instead of bilateral; to encourage collaboration across government; and to achieve integrated programs and whole of government outcomes. I have said that I want a multilateral approach to be part of the budget process leading up to next year's budget. Again, things such as social inclusion and so on will be part of that. It also said that there is a need for long-term capital investment planning and rigorous analysis of funding proposals, including public-private partnerships.

Apparently, from memory, the Fahey report criticises a lack of strategic direction in terms of the government's—and it is referring of course to previous years—capital investment. It has called for more effective and efficient processes supporting cabinet, including adherence to the 10-day rule; timely and adequate consultation on proposals before they are considered by cabinet and an effective cabinet committee system; a variety of practical mechanisms for breaking down the silo mentality and patch protection in the public sector to encourage inter-agency collaboration and cooperation; for the risk to be appropriately identified, assessed and managed instead of avoided; and for requests for legal advice to be appropriate and proportionate to the risks involved. I think that John Fahey thought that we were a bit legalistic in South Australia; that is, over the years, crown law, the lawyers, becoming perhaps too powerful. The Fahey report also refers to:

- a more streamlined approval process for major and other large capital investment projects. (That is coming up time and time again, and certainly the new EDB is finding criticism that things take ages, that you cannot get a no, let alone a yes);

- a number of guiding principles and practical measures for more effective interaction with the community;
- priority given to valuing the public sector's most important assets: its people.

I understand that the total cost of the task force work was approximately \$120 000. The government will closely examine the report and any comments received during the next three months. We want to hear from the Liberal opposition to determine our detailed response to the report.

With regard to the restructuring of agencies (because I could feel a supplementary question coming on), some restructuring of public sector agencies has been required to reflect the incoming government's allocation of ministerial portfolios and its policy commitments. A transition to government task force was set up at the ministerial level, chaired by the Deputy Premier with appropriate input from the Chief Executive of the Department of the Premier and Cabinet and the Commissioner for Public Employment to take decisions on specific changes. An independent structural review of the Department of Industry and Trade was also initiated, which included the three treasurers: Dick McKay, former Liberal Party treasurer; Stephen Baker, former state deputy premier and Liberal government treasurer; and John Dawkins, former federal Labor treasurer. This review naturally has flow-on impacts for administrative structures and other portfolios handling economic issues.

Mr Hamilton-Smith interjecting:

The Hon. M.D. RANN: You would have to ask the Treasurer. With the exception of relatively minor new—

Mr Hamilton-Smith interjecting:

The Hon. M.D. RANN: You do not want it to embarrass you, do you? It could be a bit embarrassing for you. With the exception of relatively minor new expenditure, \$400 000, on the Office for the Southern Suburbs to deliver on an election policy commitment, all restructuring involves only movement of existing units to create more coordinated and focused structures, and this is expected to be without net budget impact. Aside from restructuring in the economic area as a result of the review of the Department of Industry and Trade, the main decisions taken and being implemented are:

- creation of a new Department of Water, Land and Biodiversity Conservation from the Department of Water Resources and parts of the Department of Primary Industries and Resources;
- creation of a new Department of Employment, Further Education, Science and Small Business by the transfer of units from the Department of Education, Training and Employment and the Department of the Premier and Cabinet;
- creation of a new Office of the Southern Suburbs, as well as new regional ministerial offices at Port Augusta and Murray Bridge;
- transfer of parts of Energy SA and the Electricity Reform Unit to Treasury, but which will report to the Minister for Energy;
- revamping of the Environment Protection Authority into an independent agency and transferring it to the Environment Protection Agency from the Department of Environment and Heritage, the radiation section from the Department of Human Services, and some employees from the Department of Water, Land and Biodiversity Conservation dealing with enforcement under the Water Resources Act;
- transfer of the Office of the Status of Women and the Office of Youth to the Department of Human Services, and the transfer of the Division of Multicultural Affairs

to the justice portfolio from the Department of the Premier and Cabinet;

- transfer of the Office of Volunteers and Arts SA to the Department of the Premier and Cabinet (Mr McCann is now the state's arts mogul); and

- internal restructuring in the Department of Human Services and the Department of Environment and Heritage, setting up a housing management council and an Office of Sustainability.

The Hon. R.G. KERIN: Can the Premier advise whether the Media Monitoring Unit, established by the former government, remains part of the Premier's office, or has the unit been transferred to the Department of the Premier and Cabinet? Are staff members within the unit on ministerial or public service contracts, and what are the terms of those contracts?

The Hon. M.D. RANN: The leader is not right. It is not part of my office, nor is it part of the Department of the Premier and Cabinet: it has been transferred to DAIS, under the minister there.

The Hon. R.G. KERIN: Given that the Premier made a commitment in the compact—

The Hon. M.D. RANN: Just one thing about that: for the benefit of people who do not know about the unit, it was set up by the former government to monitor everything that is said on television and radio that relates to politics, to government, to ministers. Several times a day, it provides summaries of what was said on talkback shows, morning radio, mid-morning radio, mid-afternoon radio or television in the evening. The unit covers the major channels, but does not cover SBS, RPH and 5UV. However, it covers SAFM, 5AA, 5DN and ABC news.

I have to say that I was stunned when I got into office, because I did not realise the extent of what can only be described as a fairly major operation that was, I think, under the leader when he was premier. Previously, opposition members never, ever saw the summaries, so I thought that in a gesture of reconciliation I would make copies available to the opposition and also to the member for Hammond. This is something that I hoped I would get a little thank you note about, but I am still waiting.

The Hon. R.G. KERIN: Having heard the Premier sound like Santa Claus over media monitoring, I point out that part of the compact with the member for Hammond was to do with a commitment in relation to the government Media Monitoring Unit, part of which commitment was to provide all members of parliament with the services of the Media Monitoring Unit. We have discussed this with the Speaker several times, and the Speaker even spoke about it coming down to Parliament House, which I am not particularly worried about, because I do not think there is room down here. Quite frankly, I do not care where they are located, because with IT we can gain access wherever we are.

However, the member for Hammond's understanding is that the services of the Media Monitoring Unit will be made available to all members of parliament. Will the Premier now commit to providing all members of parliament with the same level of service as received by the government, which was the agreement in the compact? The member for Hammond keeps reminding me of that, and he asked me to thank him because he thinks we are actually getting those services now.

The Hon. M.D. RANN: I find this extraordinary, when you gave us absolutely nothing. In terms of media monitoring, we never saw anything. I found out that this extraordinary structure had been put in place by the former govern-

ment, and these were political appointees. People say that videos of the Estimates Committee could be sold as some kind of parliamentary *Big Brother*, but you want to have a look at the media unit and what it does.

The Hon. R.G. KERIN: You've still got it.

The Hon. M.D. RANN: Yes, we have still got it, and we are making it more widely available. Perhaps I could give you a digest at the end of each week: I do not know if that would be of assistance.

The Hon. R.G. KERIN: We're not getting what the Speaker has told us we would be receiving.

The Hon. M.D. RANN: But you're getting so much more than you ever gave anyone else. You know: 'I'm from the government and I'm here to help'! But let me have a look at it.

Ms BEDFORD: Will the Premier outline the state government's response to the news last Friday that the commonwealth has identified three sites for a national radioactive waste repository and all three are in South Australia?

The Hon. M.D. RANN: I said before the election that I was greatly concerned that, basically, there was a done deal for the former government to squeak loudly about the prospect of a nuclear waste dump and be opposed to it and to get a great deal of publicity about legislation to oppose a national high level dump but, meanwhile, there had been a done deal, a backroom deal behind the scenes for there to be the low level repository in South Australia, to be soon followed by a higher level repository.

I try to be positive, and I have to say that, when one sees all the options being based in South Australia, who was telling the truth before the election and who was not telling the truth? Rather than create noise—and this will be the big test for the Liberal Party—we have put into the parliament (and it has gone through the lower house) legislation that opposes any national nuclear waste dump—small, medium or high level—being established in any state. I do not want radioactive waste and nuclear waste being taken across our borders, through our communities and along our roads. Members know that—

Mr Williams interjecting:

The Hon. M.D. RANN: Did you support the legislation, Mitch? No, you didn't; so no crocodile tears from the member for MacKillop. We introduced the legislation and we put our money where our mouth is. The bill provides for a complete legislative ban on any level of national nuclear waste dump in this state, but the thing that the Liberals do not like, nationally or locally, is that we have gone further. They want to create noise and then, after the election, the federal government would put in its low level waste dump with its options. We have just seen that being announced.

The Hon. R.G. Kerin interjecting:

The Hon. M.D. RANN: The Leader of the Opposition says that he has known about it for 18 months to two years. Perhaps he should have told the people during the election campaign. The key point about this is that they thought that they put on a high level waste dump ban, knowing full well they would get credit from the Greens and others during the election campaign, and afterwards they would blame the federal government by saying, 'It is using its constitutional powers to override the state. We are sorry; we did the best that we could.' We have gone further than that because we have put in a trigger for a referendum.

The Hon. R.G. Kerin interjecting:

The Hon. M.D. RANN: No, that is the difference—it is a trigger for a referendum. It is our political nuclear deterrent. The simple fact is that if the federal government tries to use constitutional powers to override state laws—which it can—it then cops it sweet in terms of the vote of a massive proportion of South Australians opposed to a national waste dump. It would be tempting for someone much more malicious than me to put that on during an election campaign to see how many seats the federal government would lose. The opposition wanted to run up the flag and then cop it sweet afterwards. Basically, the opposition ran up the white flag on a nuclear waste dump, but we are facing down the commonwealth with the will of the people.

Ms BEDFORD: What is the government doing to support the redevelopment of Adelaide Airport?

Members interjecting:

The Hon. M.D. RANN: The suggestion from members of the Liberal opposition is that the government should buy the Ansett facility. We have got their wine centre and the Hindmarsh Soccer Stadium; and apparently they did a private deal with SACA to redevelop Adelaide Oval. However, I pay tribute to the former premier, John Olsen, who along with Phil Baker put in a great deal of work to get the airport up and running. It was a plan for, I think, a \$240 million multiuser facility to be built not where the existing domestic terminal is but to be shifted around to where the international terminal is currently located. It was to be a multiuser terminal with regional, domestic and international flights, with the international terminal in the middle, Qantas on one side and then Ansett on the other.

There were lots of false starts and false announcements—and I want to pay a tribute to Phil Baker, who has toiled long and hard in the vineyard of this project. Phil Baker has done an outstanding job and has worked hard, only to see it all crash around him when Ansett crashed. So, I want to pay tribute to John Olsen—do members opposite acknowledge that? He is still in favour, I hope.

Members interjecting:

The Hon. M.D. RANN: However, we do not have an airport, we do not have a start on construction and we do not have contracts let. The airport was privatised some years ago. What concerns me is that the airport is our front door; it is our window on the world. It is important for freight and exports and it is important for tourists and local people here. A first-class city deserves a first-class airport. At the moment, it is a dog's breakfast. When I returned from overseas (as did, I know, the leader), I had to run the gamut of people saying, 'What the hell are you doing? Get off your backside and fix the airport.' That was a spark, I guess.

Whilst it is a private sector development, I understood that the former government pledged about \$11 million over 17 years (or was it \$17 million over 11 years; it was one of the two) in order to help facilitate it. I was concerned to see the report in the paper that Qantas had decided to go it alone and to rebuild its existing terminal, which is on the domestic terminal site. Quite frankly, that would have put the concrete lid on the airport; it would have kyboshed it. So, I decided to become involved. I went over to see Geoff Dixon, an old friend of mine who is the head of Qantas, and he allowed me to go out and announce that Qantas was now in, that it would be prepared to be part of the multi user terminal; and that it was committed to it. My next stop is to talk to Brett Godfrey, the head of Virgin Blue. I had hoped to see him Friday, but he was not available; I think he was overseas. I will see him as soon as I can. We want to get this moving. I am not

making any promises. All I am saying is that I hope we crack a deal and start some construction and, hopefully, see it up and running by the end of 2004. Let us do it in a bipartisan way.

An honourable member interjecting:

The Hon. M.D. RANN: No, I did not have to offer any money at all.

The CHAIRMAN: Order! The member for Florey; we have two minutes before lunch.

Ms BEDFORD: It may not be long enough, but we will try. What has the new government decided to do with the previous government's Bringing Them Back Home program?

Mr BRINDAL: Have you got friends in transport as well as entertainment? That's good.

The CHAIRMAN: The member for Unley has no friend in the chair when he behaves like that. He is out of order.

The Hon. M.D. RANN: I think he is referring to incidents in Providence, Rhode Island, which I think should better be left in the confines of the elevator. A summary of the key activities in relation to the interstate migration attraction program known as Bringing Them Back Home has been provided to me. At an immigration ministers' meeting in April 2000, the government—indeed, the former Premier, who was multicultural and ethnic affairs minister—announced that the Liberal government was planning to try to bring expatriate South Australians back to work in South Australia. I think that this was at about the same time as the former minister Michael Armitage announced some kind of cyber MPs—

Ms BEDFORD: Virtual.

The Hon. M.D. RANN: Virtual electorates, where people internationally could vote in elections in South Australia, even though they did not pay taxes here. This would have to be one of the most bizarre proposals ever put before a parliament—to have virtual MPs. It sounds like the upper house!

Mr Brindal interjecting:

The CHAIRMAN: Order! The member for Unley is out of order.

The Hon. M.D. RANN: Virtual MPs—would they receive virtual salaries and virtual superannuation? I can tell members that virtual MPs are dead and buried before they were born. We will not have any virtual MPs; there will be no cyber MPs. We have totally kyboshed that proposal. It was the daftest idea. Basically, it meant that, if someone was born here but was taken away as a week old baby, 50 years later they could help determine the outcome of our elections even though they did not pay taxes here. How daft would that be?

Members interjecting:

The Hon. M.D. RANN: We are getting on to Bringing Them Back Home. The two things were clearly related. It was a way of encouraging interest from South Australians who had left.

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

The CHAIRMAN: The Premier was part way through answering a question about Bringing Them Back Home. Before I invite him to complete his remarks, I point out that standard omnibus questions about who is earning what, where and when, can all be read out and taken on notice at the end of the day's hearing, and enough time to do that should be allowed. The Premier.

The Hon. M.D. RANN: I was asked, prior to the break, questions about the previous government's Bringing Them

Back Home program. I do not want to be controversial, as that is not my way. However, the new government will not be continuing with the Bringing Them Back Home program of the previous government. That program, in our view, was a sham and was actually never implemented by the previous government. The previous government allocated \$500 000 per annum for 2001-02 through to 2004-05 to establish and implement the program. However, the then government never implemented the program.

Largely, the program was supposed to consist of the establishment and maintenance of an international web site detailing job opportunities in the South Australian labour market, information on house prices and educational and other services available in South Australia and some other promotional materials. This work was to be let to the private sector. The new government will be concentrating on providing jobs that will give young people a reason to stay in South Australia rather than advertising gimmicks. As the first step we have to turn Adelaide into a destination, not a home town that people leave. The new government is implementing a more effective approach that includes a comprehensive approach to the economy and to population matters.

One of the first references decided upon for the Economic Development Board was about a population strategy. The previous government simply spent \$50 000 on a University of Adelaide study. Lest anyone is excited, lest the story of the day is about scrapping this valuable program, total spending on Bringing Them Back Home for 2001-02 by the previous government was \$1 876. That consisted of \$1 629 spent on newspaper articles and so forth and \$247 on advertising and publications. So, this Bringing Them Back Home campaign—which got front-page headlines in the *Advertiser*, massive television coverage, big statements to parliament and elsewhere—had only \$1 876 spent on it. Although \$500 000 was provisioned out to 2004-05 for the program, nothing was really ever done.

We all know that South Australia loses too many of its best and brightest to interstate, and we know the reason: too few jobs. So, Bringing Them Back Home was a gimmick. People will stay in South Australia or come back when there are enough jobs. Bringing Them Back Home was thought up on the run and never delivered. It came from John Olsen's attendance at an immigration ministers meeting in April 2000. It was about a headline rather than about doing something. A study was commissioned for the National Key Centre for Social Applications of Geographical Information Systems, based at the University of Adelaide. That study provided some useful insights and was finalised in January 2001.

In November 2001, DIT issued a request for proposal for the service delivery and marketing component of the program. At the end of last year, DIT shortlisted the respondents for final negotiations but did not take any further steps due to the Liberals' delaying of the election. In other words, after nearly two years the previous government had done next to nothing. Bringing Them Back Home was basically about a headline; it was not a program. The new government is considering a comprehensive population policy for the state, and the Economic Development Board (headed by Robert Champion de Crespigny) will advise us on this. Within that, targeted migration programs will play an important role. What South Australia needs is a comprehensive approach to population rather than a piecemeal gimmick. Bringing Them Back Home was simply a title, not a program.

Mr HAMILTON-SMITH: In the past, the Premier has been critical of government support for television programs such as *Postcards* and *Directions for South Australia*. He has gone so far as to describe some of these programs as advertorials. I recall that during estimates last year he was highly critical of the government's support for these programs. He suggested that taxpayer subsidies were being provided in return for favourable editorial comment, etc. Has appropriation been made in this budget for the support of these programs; and, if so, how many programs will receive government support and what level of funding has been allocated? Given the Premier's previous concerns that taxpayer subsidies were being provided in return for favourable editorial comment, will the Premier assure us that guidelines will be put in place to ensure that what he was so critical of does not occur under this government?

The Hon. M.D. RANN: I think the honourable member is confused, and perhaps on a kernel-to-kernel basis I can be perfectly frank with him. In terms of those programs I said that they would have to be rigorously assessed for outcomes.

Mr Hamilton-Smith interjecting:

The Hon. M.D. RANN: No. That's what I said. In my speech to SA Great I said that they would have to be rigorously assessed. I have been making cuts. Let me tell the honourable member about some of the cuts I have made. I will be saving money in terms of funding for SA Great; I will be saving money in terms of funding for the Sky Show; and I have saved money in terms of the state budget promotion. People have written to me saying: how dare the Labor government spend money on promoting the state budget! We actually saved \$87 000 on what the previous government spent—we cut those funds. We will support SA Great and the Sky Show, but we will make substantial savings. Across the board in a whole range of government promotions we are making substantial savings as we are also with consultants.

Mr HAMILTON-SMITH: I do not think the Premier has answered my question. My question was: how much money has been allocated for television programs such as *Postcards* and *Directions for South Australia* and other advertorial—

The Hon. M.D. RANN: I want to assist my parliamentary and military colleague. If he can point to the line in the estimates—because obviously he has read this rigorously—in the Premier's department budget for *Directions* or *Discover* or *Postcards*—

Mr HAMILTON-SMITH: There isn't a line there.

The Hon. M.D. RANN: You're sure there isn't a line in there, so why are you asking the question? I suggest you find a line and I will make a comment. I make this pledge now: not one single cent of money from the Premier's department will be spent on any of those three programs.

Mr Williams interjecting:

The Hon. M.D. RANN: Because they are funded by other departments. The member for MacKillop seems to be a slow learner on this one. One of those programs is funded by tourism and the other by DIT.

Mr HAMILTON-SMITH: I thank the Premier for confirming that funding will be provided to those programs. My next question relates to staffing within his department. In the past, the Premier has made much of increases in staffing levels in the Department of the Premier and Cabinet. I refer to Output Class 2, Public Sector HR Management (Budget Paper 4, Volume 1). Given that the Premier has announced that 600 public sector jobs will be cut as part of this budget, will he explain why the total staffing within his own department is forecast to be increased by 22 positions in 2002-03?

I seem to recollect from the *Hansard* that the former leader of the opposition, in last year's estimates, was quite critical of the number of staff in the Department of Premier and Cabinet, and you added that the premier should lead by example. I ask: will you be doing that?

The Hon. M.D. RANN: We have announced cuts to the public sector and we do not resile from offering targeted voluntary separation packages. I think there will be a queue of people wanting to take them. No-one will be retrenched. No-one is being kicked out the door. We are asking for targeted voluntary retrenchment packages to be taken up. Can I ask him—because obviously my friend, officer and gentleman must have missed what I said before—to compare the 600 cut. It is about half, from my memory, of what your government did the previous year, and it is considerably less than the 18 000 to 20 000 to whom you showed the door. I find that extraordinary, given the financial mess that you left behind, despite the fibs told during the election campaign—

Mr Hamilton-Smith interjecting:

The Hon. M.D. RANN: Because I do not use those unparliamentary words—by the Treasurer, who did not tell the truth about the state of the budget. We had to fix the mess. Someone had to do it. Someone had to restore the finances. We have taken some hard decisions. We do not resile from them. We have hit the—I am not allowed to call them pokies barons or sheiks any more—but we have hit the pokies millionaires, because we had to basically stop the black hole and fix it and turn us back into surpluses again. We have taken some hard decisions in terms of the public sector, but by golly—and I do not want to be much harsher than that—we have done it in a way that is much more rigorous but also much more accountable than our predecessors. I will ask the chief executive officer of the department to provide more detail in terms of our own department.

Mr McCANN: The Portfolio Statement reflects that the work force in 2001-02 decreased by 12 FTEs from an original budget of 305 FTEs to the estimated result of 293 FTEs as at 30 June 2002. The decrease of 12 FTEs is primarily as a result of a temporary reduction of 4.6 FTEs in the cabinet office, due to the delay in or the non-filling of vacancies, a reduction of 3.4 FTEs in the Premier's office during the election caretaker period, and a reduction of four FTEs from the central unattached redeployee area of the Office for the Commissioner of Public Employment.

In 2002-03, the Portfolio Statement reflects the expectation that the total work force in 2002-03 is estimated to increase by 22 FTEs from 293 FTEs as at 30 June 2002 to an estimated budget result of 315 as at 30 June 2003. The increase of 22 FTEs is primarily the result of the filling of 4.2 FTEs in the corporate division of the department, associated with the transfer of human resources functions from Treasury, the filling of the 4.6 FTEs that I mentioned were unfilled in the cabinet office, an increase of eight FTEs for the Social Inclusion Unit and three funded vacancies in the strategic projects division of the department, the filling of 6.9 FTEs funded vacancies within the Office of the Commissioner for Public Employment, and the filling of 2.3 FTEs funded vacancies within the division of multicultural affairs. These increases—and you will appreciate there are ins and outs during the course of the year—are partially offset by a decrease of six FTEs from the Centenary of Federation, as the project is now completed, and a decrease of four FTEs from the office of Minister for Tourism, as this office is no longer the responsibility of the department. There is one further matter to mention: the 293 FTEs for 2001-02 is the actual

result for that year. The 315 full-time equivalents for 2002-03 do not include vacant positions that will be inevitable at the end of the financial year; so the actual outcome will be less than the figure shown in the budget papers.

The Hon. M.D. RANN: I think that the shadow minister is trying to attack us for cutting the public sector and then attacking us for increasing it. It is largely about the social inclusion initiative, which is a cross-department thing, and it deals with things such as education, health and homelessness.

Mr HAMILTON-SMITH: To follow that line of questioning, the Premier said last year—and these are his words—that he was against growth and excessive numbers within the Department of Premier and Cabinet. In regard to the 600 positions, prior to the election the Premier made a commitment that public servants had nothing to fear and that there were no plans to conduct further cuts or to carry out further cuts.

The Hon. M.D. RANN: It is important that people tell the truth here, because the government announced during the election campaign that there would be voluntary separation packages. So the member will not try to verbal me, because this is not a court martial. In any case, I am better at it than he is.

Mr HAMILTON-SMITH: The point is that 'public servants had nothing to fear'. Will the Premier provide a list of names, titles and classifications of all employees within the Department of the Premier and Cabinet, specifying in each case whether the employee is a permanent public servant or a contract employee and, in the case of contract employees, the term of the contract and when the contract is due to expire? I realise that this question may have to be taken on notice. Given the Premier's commitment to cut 100 so-called 'fat cats' from the public sector, can he advise how many employees within his own department earn in excess of \$100 000 and how many of these positions will be axed under his premiership?

The Hon. M.D. RANN: Let me explain about axing people and which people will be axed. I go back to what I said previously: these are targeted voluntary separation packages. At this stage, it is unclear as to how many TVSPs will be utilised in the Department of the Premier and Cabinet; the 2002-03 process will require a reduction of positions in order to offer packages. The process is voluntary and does not guarantee that packages will be made available for all those who seek them.

The department will follow the guidelines established by the OCPE (for the shadow minister's information, Commissioner's Determination No. 4) in relation to the approval process for packages. Consultation will include notifying employee representatives of the intention to use the TVSP scheme to seek expressions of interest from staff, liaising with both the OCPE and the employee representatives prior to making any formal offers. Staff will always be encouraged to seek independent advice prior to accepting any TVSP offer. Where possible, the department will also seek to utilise cross-department TVSPs. This will enable there to be a reduction across the public sector and not necessarily within the Department of the Premier and Cabinet. At this stage, it is unclear how many TVSPs will be utilised, because it is a voluntary process—that is the whole point.

As at 17 June, a total of 41 executives were employed within DPC, including 10 on the unattached list. The increase in executive numbers resulted from an additional two executives being placed on the unattached list—one from July

2000 and the other from October 2001—under the previous government.

Mr CAICA: Can the Premier inform the committee of recent decisions that reflect the different priorities of this government?

The Hon. M.D. RANN: That is an important question because, in terms of that overview, I could give many examples of the different priorities of this government. The budget has increased funding for education and health. We have brokered the deal with the wine industry to stop the bleeding of taxpayers' funds in terms of the National Wine Centre. That was just a disgrace. I do not know how the previous government could have possibly signed itself up to that sort of mess. The government has decided not to put \$11 million into the grandstand at the Adelaide Oval. We have cut back on the original stage 1 North Terrace precinct development.

Mr Williams interjecting:

The CHAIRMAN: Order! The member for MacKillop is out of his seat and he is out of order.

Mr WILLIAMS: It is a good question.

The CHAIRMAN: It is not a good question: it is bad behaviour by the member for MacKillop.

The Hon. M.D. RANN: I will repeat what I said because, apparently, the interjection was about the Adelaide Oval. The government has decided not to put \$11 million of taxpayers' money into the grandstand at the Adelaide Oval. I know that SACA is unhappy about that, but that was a deal which the opposition did when it was in government but which it never announced. If the previous government was so proud of the deal it had done with SACA, why did it not announce it during the election campaign? Why did the Leader of the Opposition (the former premier) not stand in the middle of Adelaide Oval in front of a screen that said, 'New deal for SACA'?

My suspicion is that it was not announced during the election campaign (even though it was apparently secretly provisioned for) because the government had been so burnt by Hindmarsh stadium and the National Wine Centre that it did not want the Hon. Rob Kerin at the Adelaide Oval in his cricket whites standing next to Ian McLachlan saying, 'Boy, have I got a deal for you.' We make no apologies for not putting the money into Adelaide Oval. We have also cut back on the original stage 1 North Terrace precinct development. The new plan costs less and it is a better plan.

These were important but tough decisions, and we make no apologies for them. They are about having the right priorities for the state. As I mentioned, the previous government's 2001-02 budget set aside \$11 million for the Adelaide Oval redevelopment—\$11 million that it did not have, as it turns out, given the state of the budget that we discovered when we came to office. That is why our hospitals were haemorrhaging and our school retention rates were in free fall.

So, what does that say about priorities? We make no apologies for withdrawing those funds and spending them on hospitals and schools. The previous government spent irresponsibly on promoting itself. On other occasions, it supported worthy causes but ones that simply cannot be as generously supported in the present budget context. We are cutting government advertising and public relations to fund schools and hospitals.

I was really pleased to cut the promotional allocation for the state budget. There will be a thorough review of the government's communication budget during the current

financial year. We have already made savings, such as the \$87 000 saved in promotion of this year's budget. We are cutting funds but still putting a lot of taxpayers' money into Sky Show. We are putting a lot of money into SA Great, but not as much. Last year the Liberal government paid \$75 000 to Business SA as sponsorship for Business SA's annual dinner. I think that Business SA received \$110 000 from the Office of Volunteers, as well as a range of other moneys, but \$75 000 was allocated for sponsorship of its annual dinner—not to create jobs or to supply central services but to sponsor a dinner that would feature Clive James. I am advised that the money may have been paid so that the then premier could speak at the dinner. I hope that is not true. In fact, if one adds in the GST, the total figure spent on Business SA's annual dinner was \$82 500, and I have the receipt signed by Chris Kenny. We will not be repeating that performance. I will not be signing cheques to hand over to Business SA for its dinner, whether or not it is to sponsor Clive James to tell funny stories.

We have different priorities. Even when the previous government claimed to be getting in touch with communities with its 11 regional cabinet meetings in 2001, it spent \$100 000 on three course dinners for local dignitaries. We have abolished those dinners. We have open community forums instead.

We have abolished government credit cards for ministerial staff such as chiefs-of-staff, ministerial advisers and media advisers. The opposition would not want to push me too much on credit cards. Ministerial staff accompanying ministers on overseas travel may be issued with a card that must be surrendered immediately upon return. Some staff in ministerial offices may be issued with credit cards purely for doing the business of the office. Media staff and chiefs-of-staff will no longer have credit cards that they can use to go around purchasing grog. Work-related expenses incurred by ministerial staff will be reimbursed on proof of payment. I want you to compare that to the role of the previous government. In the interests of friendliness, I will not read the rest of my briefing.

Mr CAICA: What were the main issues you sought to address in your recent overseas trip?

The Hon. M.D. RANN: I might speak extemporaneously, if I may. I went overseas in June. I was asked to be part of the South Australian delegation to the World Biotech Conference in Toronto. Two other premiers were there: Premier Steve Bracks from Victoria and Premier Peter Beattie from Queensland, who is something of a bio-evangelist. I then went from Toronto to Detroit. I was in Detroit for only a few hours, but it was important to go to Detroit to meet with senior executives of General Motors in relation to General Motors' plans for expansion—something that all members would obviously support.

What we want to see is an increase in the production of vehicles at the Elizabeth plant from around 130 000 units per year to 180 000 units per year, and we want to see a major capital upgrade of the plant. We also wanted to see the Monaro exported to the United States—around 18 000 units per year—and rebadged as the Pontiac GTO. We also wanted to see, and we still want to see, a third shift, or at least an extension of the original two shifts. I understand a decision will be made on that at the end of this year.

I should say that, prior to going to Detroit to discuss these issues with senior people from General Motors (because Detroit is where the decisions will be made), I also met with Bill Pettipas, who is the Chief Executive Officer of General

Motors Defence in Toronto. Again, I would like to acknowledge the role of the former premier, John Olsen, in developing relationships with General Motors Defence. The honourable Leader of the Opposition and I were able to welcome Bill Pettipas back to South Australia for the announcement of the ASLAV project, which is the provision of light armoured vehicles and turrets, for manufacture and sale to both the Australian and New Zealand armies—105, I think, for the New Zealand army—and also with prospective sales coming up to Saudi Arabia and South-East Asia.

I then went to Providence, Rhode Island, to sign the MOU that had been negotiated by the former premier, John Olsen, with the Governor of Rhode Island which is very much a naval excellence centre and a naval and defence electronics state. Lincoln Almond is the outgoing Republican governor—he retires at the coming election—and I was pleased to be able to sign the MOU there, and to address local industry as well as political leaders, and I am pleased that a number of these industry leaders will be coming to South Australia over the next few months. The MOU, whilst broad in its scope, envisages a range of relationships between Rhode Island and South Australia, and I think that the former government was right in choosing Rhode Island. There are some natural synergies in terms of the submarine project and defence electronics. Then we drove to Boston for talks with MIT about this idea of a media lab being established in South Australia—I do have some concerns about the expenditure there—and to talk to other people. Then we went on to Dublin to talk to the Irish Enterprise Board and others there.

When I was in Britain I had meetings with the Prime Minister, Tony Blair, and various ministers and members of parliament about social inclusion and about the volunteers compact. I also had meetings to sign up WOMAD until 2009 on an annual basis rather than a biennial basis, and I also had talks with Thames Water, which was the only note of some disagreement, about the honouring of its contracted commitments and seeking perhaps a better understanding of its contracted commitments. Certainly what we were told by the former government was in the contract appeared not to be the case. I also had meetings with the head of British Aerospace about the consolidation of British Aerospace's Australian operations at Edinburgh Park and I had a range of other business meetings with Rio Tinto and some others.

I pay tribute here and now to Maurice de Rohan, who was chosen by the former government to be Agent-General for South Australia. He is doing an outstanding job in Britain and, although his contract expires at the end of this year, I think, I hope that he will continue because he is doing a terrific job and has assisted members from all sides of parliament, including the Leader of the Opposition during his recent visit overseas, which closely followed my own.

I also have to pay tribute to the High Commissioner, Michael L'Estrange, who is a former staffer to the Prime Minister, for his work. He facilitated a number of things, including a lunch with some people who had an interest in South Australia, and that involved someone in the food industry. He also came to a breakfast on my final day, which was attended by a range of industry leaders from around Britain. I thought it was a useful exercise. We were able to announce a number of things and to establish relationships for the future, and we were able to learn some things, as well.

The CHAIRMAN: On the issue of credit cards, can the Premier confirm a suggestion put to me that a former chief of staff spent \$81 000 on a credit card? Is that figure correct?

The Hon. M.D. RANN: I can check that out for the chair. I want to stop all of that. Things got out of hand with some staffers in the past and, in terms of building better relations, I do not want media staff and chiefs of staff wandering around town with credit cards. Obviously when they are overseas it is important. If there are some administrative reasons for an administrative officer to hold credit cards, there is no reason for media staff to be wheeling around town putting alcohol and other things on government credit cards.

Mr CAICA: What is the government doing through its social inclusion initiative about falling school retention?

The Hon. M.D. RANN: The retention rate issue is a critical one. In 1992, there was about a 93 per cent retention rate across the board but in state schools it has slumped to about 56 per cent. Young people who leave school earlier are at a much higher risk of unemployment or precarious employment in casual jobs without careers or training than those who complete 12 years of schooling. The labour market disadvantage facing early school leavers can last a lifetime. National studies have identified the cost to our community for each student not completing secondary school to be about \$74 000 per year.

The government has already moved to raise the school leaving age to 16 years, which, by the way, is fairly historic legislation. Where else has it been done on mainland Australia? We are the first state on mainland Australia to legislate to raise the school leaving age from 15 to 16. It is a once-in-a-generation thing, and I am pleased that it has been supported by both sides of parliament. We also recognise that many of the issues that affect students in later years are as a direct result of what happens in the early years, and that is why we have provided funding for an extra 160 teachers, to reduce class sizes (for the first three years of schooling from reception to year 2). We have also made extra provision for school counsellors. If we can identify those literacy and numeracy issues and learning problems early, we can avoid problems down the track.

The Social Inclusion Unit will work with the Department of Education and Children's Services and other agencies delivering youth services, as well as school communities, to put in place a systemic approach to improving successful school completion. This will cover best practice solutions in schools, partnerships between schools and local government services, student focused interventions, early intervention for students at risk of early school leaving, better targeting, integration and coordination of existing state government youth transition services and joined up regional youth transition and educational services across state government agencies and across the three tiers of government. Towards the end of this year the Social Inclusion Board will present an action plan to cabinet to support successful completion of schooling for all young South Australians.

Mr WILLIAMS: I am delighted that the member for Colton has asked the question about school retention rates because it leads straight into the question that I have for the Premier. How will the government measure the retention rate in our schools? Will the government count part-time students? Anybody who understands the figures that have been bandied about in this debate over the last few years knows that the only way to get the retention rate figures that are currently being used by the government is to exclude part-time students in South Australia, as do the ABS figures. South Australia is the only regime where students can complete year 12 over a two-year period, and therefore there are a huge number of part-time students relative to other

states. Mr Chairman, I know that you fully appreciate this, in that the evidence we received on the select committee last year into DETE-funded schools shows that, once you count the part-time students, the retention rate in South Australia is in fact above the national average.

The Hon. M.D. RANN: There is no-one I am meeting who is not concerned about the fact that there has been a massive deterioration in the number of kids completing school. Rather than attributing blame to the previous government, let us see if we can fix it, which is why I have referred it to the social inclusion initiative. By raising the school leaving age to 16 we have recognised different pathways. For instance, it is about making sure that kids are in education and training, whether it is through TAFE or through school. We have asked the Social Inclusion—

Mr WILLIAMS: Will you count them all?

The Hon. M.D. RANN: Let me just finish. You are not going to get a run. They are not even filming you; they have all gone. They have done their job for the day. Apparently, the Constitutional Convention was the big story of the day. So, what I am saying is that that is why I have referred it to the social inclusion initiative. I have asked them to look at how we measure and how we improve. The bottom line is that, if we can fix this, member for MacKillop, support it. Surely we all want to see our kids do better, and that is what we intend to do.

Mr WILLIAMS: In considering the answer to that, I do not know if it is worth going on. The question was not answered, but I will persist. You have listed as the target for 2002-03 the replacement of the development of the document management system, to replace the existing REC_FIND system. What funding allocation has been made for this purpose and what advice have you received regarding the estimated total cost of this major project?

The Hon. M.D. RANN: DPC is currently partnering with DTF in an initiative titled the 'Document Management Project'. The project objectives include the development of a strategic framework to ensure the ongoing management of agency information (paper and electronic), the implementation of the framework and the implementation of an integrated system (to replace Recfind) that will manage all documents in all formats. The project is a joint initiative with Treasury and Finance. Corporate and Organisational Development Division (commonly known as CODD) is the project sponsor on behalf of DPC, and key staff will be working with DTF to ensure the best overall outcome for the agency.

The project is being managed under a project management methodology. The Director, Business and Information Services, CODD, is on the project board. DPC is represented through project assurance groups and has dedicated a resource to work on the project and the implementation of the agreed recommendations. The estimated current capital cost is \$550 000. The estimated margin of accuracy is 90 per cent.

Mr WILLIAMS: Premier, you have also listed as a target for 2002-03 the implementation of a new human resources payroll system. What funding allocation has been made for this purpose and what advice have you received regarding the estimated total cost?

The Hon. M.D. RANN: Essentially, just to put it in plain English, this is the implementation of CHRIS in DPC by DAIS. Funds are required to enable implementation of a new HR payroll system CHRIS by DAIS for DPC in 2002-03. Although the business case is based on the costs of CHRIS being no more than the costs currently incurred for Concept over a five year period, it is acknowledged that there will be

up-front costs associated with the implementation. These costs are estimated to be once-off costs of around \$350 000 and ongoing costs of \$50 000 per annum associated with contract administration costs. Further details will be known closer to the implementation time once they are agreed by the project board and subcommittees.

A cabinet submission was approved in November 2001. The Corporate and Organisational Development Division will be a key liaison point with DAIS over the implementation of CHRIS. All government portfolios will be transferring to CHRIS and probably will incur similar up-front costs, which will be dependent on the IT platform required, contract administration required and ongoing support from the HR and financial areas of each agency. The estimated cost, as I said, is \$350 000; and the estimated margin of accuracy is 90 per cent.

Ms CICCARELLO: What changes have been made to the format of community cabinet meetings and how will these changes benefit the community?

The Hon. M.D. RANN: I am very pleased that the member has asked me that question. Every government has had country cabinet meetings. People think that estimates committees are like watching grass grow, which is unfortunate, given my desire for it to be permanently televised and for any media outlet so wishing to do so. I think it would be a terrific experience for the public to see us at work. In terms of community cabinet meetings, the most important part of community cabinet is the time spent listening to people. A new approach gives people across the government greater access to me as Premier, to ministers and to chief executives of all government agencies. Through the community cabinet program, South Australians have the opportunity to meet the government and to hold it accountable for the things for which people have always relied on governments—first rate health services, quality education, a thriving economy and a clean and green environment.

One of the major improvements that we have made to community cabinet meetings is the introduction of an open community forum. This forum is advertised locally and is open to all people in the area or region being visited by cabinet to come and meet us and ask questions about any issue and to be provided with answers where we are able.

Also, individuals or groups can now request a formal deputation to the government for an in-depth discussion about local issues and initiatives. In addition, time is set aside for meetings with local government leaders, community groups and local businesses. So, we have people making submissions to ministers. There are individual meetings where members of the public and community group representatives sit down with individual ministers. There is usually a presentation from the local government authority, or from a number of local government authorities, and there is also an open forum, like a public town hall meeting, where you stand up and just cop what you are given—and I think that is a healthy approach.

Mr Hamilton-Smith interjecting:

The Hon. M.D. RANN: That is right. The government's first community cabinet meeting was held on 14 and 15 April in Tailem Bend and Murray Bridge. The event was successful and culminated in my announcement of a new \$25 million River Murray Environmental Flows Fund in conjunction with the Victorian Premier, Steve Bracks. This will see an extra 30 billion litres of water flowing to improve the health of the river and surrounding environment in South Australia and Victoria. A community cabinet was also held on 24 and 25

May in Mount Gambier and Penola. The local member of parliament, Rory McEwen, helped to plan this event, making sure that a range of community representatives were given the opportunity to discuss issues with me and with government ministers.

During this community cabinet, we announced a \$10 million upgrade of the rail line from Mount Gambier to Wolsley, which will see freight trains running by about April or May next year. This commitment was extremely well received by the local community.

Mr Hamilton-Smith interjecting:

The Hon. M.D. RANN: I acknowledge Martin Hamilton-Smith, if he did have a role in it. Is that true?

Mr HAMILTON-SMITH: The former government.

The Hon. M.D. RANN: Not you.

Mr HAMILTON-SMITH: No.

The Hon. M.D. RANN: I am sorry. I acknowledge the former government.

Mr Hamilton-Smith interjecting:

The CHAIRMAN: Order!

Mr HAMILTON-SMITH: Thank you for being so gracious.

The Hon. M.D. RANN: I have been very gracious. A new school hall at Melaleuca Park Primary School was announced by the Minister for Education (Trish White).

The most recent community cabinet meeting was held in Port Augusta and Whyalla on 30 June and 1 July. Highlights included:

- the announcement of a \$2 million country student teacher grants scheme to help young people from rural and regional areas of South Australia complete teacher training in Adelaide. Once qualified, these students will be offered a teaching position back in the country;
- the announcement of planning for an Outback SA government office in Port Augusta;
- a visit that I and other ministers made to the new \$45 million OneSteel gas production facility at Whyalla;
- a \$25 000 grant to Biringa rehabilitation centre in Whyalla to improve its services and facilities for young Aboriginal people; and
- a \$10 000 grant to Pika Wiya to educate the Aboriginal community at Port Augusta about the effects of problem gambling.

I also made a somewhat impromptu visit to the Baxter immigration detention centre. Whilst the federal government finds it difficult to keep people locked in, it was quite successful in keeping me locked out!

Mr HAMILTON-SMITH: You didn't try to get in.

The Hon. M.D. RANN: No, they locked the gate.

Mr HAMILTON-SMITH: Did you actually try to get in?

The Hon. M.D. RANN: They locked the gate on me.

The CHAIRMAN: Order! The member for Waite has had his question.

The Hon. M.D. RANN: Furthermore, the Minister for Immigration has invited me to visit Baxter. When I am next in Port Augusta, I will be happy to tour Baxter. Local people attending community cabinet meetings constantly tell me how much they appreciate the opportunity to meet government leaders who are willing to listen to their ideas and concerns. People are particularly positive about how open the process is and how we make ourselves available for feedback from anyone in the community.

Further community cabinets are planned for later this year: metro south on 11 and 12 August; Port Lincoln, metro north and the Riverland. The costs for each community cabinet vary

according to a number of factors. However, it should be borne in mind that this money assists local businesses, who provide catering facilities, equipment hire, function staff and accommodation. We have moved away from having formally invited guest-only dinners, and now spend two days in the locality when people have access to the cabinet and government leaders via events such as buffet meals, barbecues and afternoon teas.

Mr CAICA: What is the Thinkers in Residence program and how will it benefit South Australians?

The Hon. M.D. RANN: Some might say that the estimates committee is an example of thinkers in residence! Thinkers in Residence is a program that will bring to Adelaide world-class leaders in fields such as the arts, sciences, industry and the environment, to work and live for periods of three to six months. It is about positioning South Australia as a leader again, raising its profile nationally as a knowledge and education state. It will be closely linked to the Festival of Ideas, which now is regarded as one of the best in the world, along with Writers' Week. The program will:

- utilise the expertise of world-class thinkers in the strategic development of South Australia;
- assist to develop a climate of creativity, innovation and excellence in South Australia;
- build the knowledge economy in South Australia; and
- promote Adelaide and South Australia, both interstate and overseas, as an innovative and dynamic community in which to live or work or to visit.

The thinkers will be selected from fields of strategic importance to South Australia, to lead projects that will utilise the expertise of the thinker and have tangible outcomes for the state. Long-term benefits will be maximised by ensuring ongoing association and exchanges with the thinkers. I am delighted with the response from a whole range of people, from the universities to business to the arts, all looking at supporting people. We are prepared to fund around 50 per cent of the costs. We are not there simply to subsidise people whom they would have brought here already but people who, by working here and conducting master classes, would substantially add value.

Currently, the framework of the program is being established and discussion is taking place with potential partners. Initial ideas on priority fields and potential individual invitees are coming forward. Robert de Crespigny has some outstanding ideas, as has Tim Flannery. Assistance, both financial and in kind, of potential partners and sponsors from private industry, the education sector and South Australian cultural institutions is being sought to supplement the government's funding. The use of funding from bequests earmarked for memorial lectures (such as the Fisher Lecture or the Florey Lecture) will also be explored. Not least, the work is looking into how best to ensure that diverse sectors of the community, including in regional South Australia, can be involved in the program and benefit from the presence of the thinkers.

There will be programs of research, public lectures, educational seminars, mentoring and project supervision, and the general public, secondary and tertiary students, academics and leaders of industry, the community and the public sector will be given the opportunity to talk with and learn from the thinkers. So, I am excited about this. The Festival of Ideas is brilliant in the sense that it brings the best and brightest in the world to Adelaide every two years, but they are here for only a few days. We want to try to make sure that there are a number of people of world ranking in different walks of life

who can not only speak but work here in ways in which they can substantially add value.

Ms BEDFORD: How will the government's social inclusion initiative reduce the incidence of homelessness in South Australia over the next four years and, in particular, what are the details of the government's strategy?

The Hon. M.D. RANN: The first three references to the social inclusion initiative are the retention rate in schools, the Drugs Summit recommendations, and homelessness. The South Australian government is committed to reducing the incidence of homelessness in our state, and our aim is to halve the number of people sleeping rough. People have told me that it is very ambitious, but I intend the social inclusion initiative to come up with an action plan to halve the number of people sleeping rough. On census night in August 1996, about 700 people in our state were sleeping rough.

The 2001 census indicates an increase in homelessness for the state with the number of rough sleepers almost doubling to 1 300 people; that means that nine in every 10 000 South Australians slept rough. By comparison, the other southern states recorded only five in every 10 000 people sleeping rough. We are very serious about the issue of homelessness and tackling this complex, pressing social problem as part of our commitment to reversing the trend of social exclusion in this state.

As I mentioned before, we are very pleased that Father David Cappo has decided to head the Social Inclusion Board, and homelessness is one of the initial references for the social inclusion initiative. While he was in London Father Cappo met with the Social Inclusion Unit of Tony Blair's government that has been so successful in handling the 'sleeping rough' issue. Under the direction of Father Cappo, the Social Inclusion Board is required to report by March 2003 on how homelessness will be reduced. This will be in the form of an action plan. To this end the board has approved a process that will involve all relevant stakeholders—the homeless community, all levels of government, service providers and community groups—to assist with:

- Describing in detail the nature, causes and extent of homelessness in South Australia in accordance with ABS definitions.
- Reviewing existing programs and policies.
- Developing strategies.
- Implementing, monitoring and reviewing projects.

A reference group with members drawn from the government, non-government and university sectors is being established to help guide this work. A process of community engagement and consultation around the issues is being planned to commence in September. The complex nature of homelessness requires a broad response beyond simply housing. It is about prevention, early intervention, crisis, transition and support. The aim is to develop a broad cross-government and cross-community response to homelessness that addresses its causes, location and population groups, and results in long-term systemic change.

Obviously, there are different segments of homelessness. There are people sleeping rough or in a makeshift shelter—people sleeping in the parklands—but there are people in boarding houses and emergency, crisis and transitional types of accommodation. People sleeping rough or in a makeshift shelter are our top priority because they are so vulnerable. With regard to boarding houses, the social inclusion initiative is interested in working with all stakeholders to improve the number and quality of boarding house places. With regard to crisis and transitional accommodation, the social inclusion

initiative is interested in ensuring the availability of sustainable, permanent accommodation options for those passing through this segment. The social inclusion initiative will work with the Department of Human Services to prioritise key actions proposed by DHS for its homelessness plan, 'A place to live', and also develop and implement strategic partnerships and pilot or research projects, both of which will assist the work of the unit.

We regard this issue as serious. There are a lot of people in Adelaide, for some reason more than in other southern states, who are sleeping at night in mid-winter in parklands or in degraded buildings around our state. A range of issues is involved. Some of it is to do with poverty and unemployment, and some of it is to do with family breakdown. Yesterday, Archbishop Ian George talked about one particular case, which was incredibly sad, about someone in a fulfilling job who simultaneously lost his job and felt humiliated, but who at the same time lost his wife and ended up on the streets and in a life of alcohol and vulnerability. I think that a range of other factors, including unemployment, family breakdown, alcoholism, mental illness and drug addiction, are at play here.

Each Christmas I go to the Daughters of Charity—the member for Norwood joined me last Christmas—and also to West Care, and this past year to the Salvos. Many agencies and volunteers are doing an outstanding job. We have to do something about sleeping rough. We have to make a difference, and we will.

The CHAIRMAN: Before asking the leader for his omnibus questions, I wish to ask the Premier a question without notice. Does the Premier see any merit in reviewing the relationship of funding and responsibilities between state and local government—and also, ideally, the federal government? I do not believe that that would fit neatly within the Constitutional Convention. As the Premier would be aware, many councils now are doing tasks that were not envisaged several years ago, and claim that they do not have the funding. Does the Premier see merit in looking at that macro issue of the relationship between state and local government and also, ideally, the federal government?

The Hon. M.D. RANN: I do. There are many areas of overlap and there are many areas of cost shifting. With respect to this whole detention centre issue, in terms of the state government, we are clearly seeing a deliberate process of cost shifting. It was interesting today that, when I read out the letter to Phillip Ruddock, apparently the response from one of Ruddock's staff was to talk about, 'It must be a quiet day in Adelaide,' or something, which I thought was trying to reflect on the South Australian opposition during estimates. If they do not want to take it seriously, we do. They are shifting costs onto the government of South Australia, onto the taxpayers of South Australia. One minute they say that this is their responsibility and their jurisdiction, then they are asking us to pay for it. I guess the corollary to what some idiot in the federal government minister's office has said is: do they want to take responsibility for putting the federal police or the army in rather than our police, when our police have to put up with insults from demonstrators and the federal minister? These issues of funding and demarcation need to be sorted out, otherwise we will continually see cost shifting.

The Local Government Association and its President, Johanna McLuskey, met with me last week. They would like to talk about looking at the ways in which we do business—overlap, complementarity, demarcation issues and areas

where there could be devolution. I am very interested in the area. It is about time.

The Hon. R.G. KERIN: I have four omnibus questions, and the Premier is very welcome to take these questions on notice. If he has any comments, well and good. They are as follows:

1. For all departments and agencies reporting to the Premier, what is the share of the \$322 million underspending in 2001-02 claimed by the government, what is the detail of each proposal and project underspent and what is the detail of any carry-on expenditure to 2002-03 which has been approved?

2. For each year—2002-03, 2003-04, 2004-05 and 2005-06—and from all departments and agencies reporting to the Premier, what is the share of the total \$967 million savings strategy announced by the government, and what is the detail of each savings strategy?

3. Will the Premier advise the committee which initiatives contained within the government's compact with the member for Hammond have been allocated to his portfolio, how much will they cost each and whether these costs will be met by new or existing funding?

4. Will the minister advise the committee how many reviews have been undertaken or scheduled to take place within the portfolio since the government was elected, to which matters do these reviews pertain, which consultant or consultancy organisation has been hired to undertake this work, and the total cost of these contracts?

The Hon. M.D. RANN: I am happy to take all those questions on board. I can probably assist with one of those matters now, if it would help the committee. In terms of the compact with the Speaker—and I know both the Liberal and Labor parties were negotiating at the same time for compact arrangements—

The Hon. R.G. KERIN: Just different outcomes.

The Hon. M.D. RANN: There was a different outcome: we are in government. On the freedom of information laws rewrite, progress is underway, with no impact on the current budget, but we are looking at reforming the state's freedom of information laws, and we are making substantial progress. In terms of honesty in the budget papers, that has been drafted, with no impact on the budget. We have announced increased powers for the Auditor-General and the Ombudsman and progress is underway. Members would be aware of our legislative agenda on that issue: to give greater independence and powers to the Auditor General and the Ombudsman. In other areas, a budget of \$500 000 is provided for the new health Ombudsman, and part of our Essential Services Commission legislation contains provision for a new essential services Ombudsman. The health Ombudsman will have powers over mental health, private sector hospitals and nursing homes as well as public hospitals.

We have talked about the Constitutional Convention. Talks have been held and there is further movement involving the opposition in the next few weeks. Extra staff has been allocated to the Speaker to help organise public and community involvement in the process: one senior project officer, one senior legal adviser, one media adviser and one administrative assistant. As to establishing a parliament appropriations bill, that is not due until 2003-04, so there is no impact on the current budget. The number of parliamentary sitting days has been increased, and we are all enjoying being here on Monday as well as Tuesday, Wednesday and Thursday.

Broomrape eradication is underway, with state funding of \$7.6 million provided between 2002 and 2006. Common-

wealth funding will also be sought. A further \$15.9 million will be required between 2006 and 2012 to undertake a 10 year eradication program. I have to say that the cost of eradication would have been far less had the former government taken decisive action when broomrape was first discovered, at which time it affected only one small area of one property. It has now spread across thousands of hectares and jumped the Murray River, requiring much more intensive and expensive effort to protect the state's rural exports from potential overseas bans because of crop contamination with broomrape seed. Why did you not do something about it?

As to rectifying television reception problems in Mallee areas, a trial has been approved to filter reception from GRN interference, with DAIS funding of \$200 000 for a pilot program from GRN contingency. It was originally estimated that 6 000 homes would be involved at a total cost of about \$2 million, but it is now believed that only 1 000 homes are adversely affected by a GRN electronic pulse.

In relation to banning gill nets in the Murray River, the ban was implemented from 1 July. Budget funding was set aside but not itemised because of continuing negotiations with affected commercial anglers, as desired by the opposition. We are not talking about the removal of commercial fishing licences—all Murray fishers are still able to operate but simply cannot use gill nets. Much misinformation has been peddled about the impact of the gill net ban, which is strongly supported not only by the Speaker but also I understand by the National MP for the Riverland, Karlene Maywald. Regardless of the compact, a gill net ban was part of Labor policy because of environmental concerns. They are already banned along the Murray-Darling system in all other states.

The issue of legal changes on water licences to require owners to contribute to local road funds is subject to further negotiation with the Speaker and consultation with affected local government areas, with no impact on the current budget. The matter of regulating access to local roads by B-double and other heavy transport is subject to further negotiation with the Speaker in consultation with affected local government areas. There is no impact on the current budget. With regard to introducing small bus licences, the matter is subject to further negotiation with the Speaker and consultation with affected local government areas, with no impact on the current budget.

In terms of the health formula review for the Hammond electorate, a generational review of the entire health delivery system is under way. Funding has been provided in the budget for stage 2 of the Murray Bridge Hospital redevelopment. This will allow infrastructure adjustments so that the hospital can change roles to provide greater emphasis on primary health and ambulatory care. The budget allocation for this project is \$1 million in 2003-04 and \$2.5 million in 2004-05.

Regarding the proposal for private schoolchildren to be allowed to ride on public school buses, this has already been implemented on routes where buses have spare capacity. The proposal will have no impact on the budget. Regarding the retention of the Economic Development Unit, the Department of Industry and Trade is being overhauled to improve economic development outcomes across the state. Specifically, there is a new portfolio area of regional development, and the government has opened two regional offices with funding provided in the recurrent budget.

Lower Murray swamp trials have been implemented with minor expenditure associated with trials funded internally by

the Department of Water Resources. Scientific investigation of funding to construct a lock at Wellington is subject to further negotiation on the details with the Speaker. A review has been undertaken into lower water rates in bore-supplied Mallee towns. The Speaker has been provided with data showing the level of subsidy already applied to consumers in affected towns. This project will have no impact on the budget.

I would like to thank my officers for their splendid work. Whomever is in government, I know that all of the Public Service enjoys the estimates experience, and we enjoy and depend on their support because without it we would be stranded.

Additional Departmental Advisers:

Mr P. Case, Commissioner for Public Employment.

Ms J. Andrews, Deputy Commissioner for Public Employment.

Mr E. Brooks, Director, Work Force Relations.

The Hon. R.G. KERIN: The previous government made a substantial commitment to the recruitment of young graduates into the public sector. We recognise the importance of attracting highly skilled graduates as a means of revitalising the public sector and maintaining an adequate skills base and addressing the worsening age profile within government. This commitment was no more apparent than the previous government's program to recruit 600 university graduates (under 24 years of age) over a three-year period. This government made headlines with its so-called plans to axe government fat cats, but these plans are meaningless if a concerted effort is not maintained to recruit talented young graduates into the public sector. Disappointingly, it appears that the government has chosen not to extend this important program. Accordingly, I ask the Premier to explain why the government has chosen to cut this program.

The Hon. M.D. RANN: I have already answered this question earlier.

The Hon. R.G. KERIN: No, there are two.

The Hon. M.D. RANN: I already answered a question about the public sector graduate recruitment program earlier today from another member, I think.

The Hon. R.G. KERIN: No. The commissioner might be able to explain. This is a specific program for under 24 year olds. The question can be taken on notice.

The Hon. M.D. RANN: The South Australian public sector graduate recruitment program (administered by the Office of the Commissioner for Public Employment) assists agencies to recruit quality graduates with the skills needed to foster the state's economic and social development. It helps to retain young people in the South Australian economy and provide replacements for the knowledge and experience which is being progressively lost as the baby boomer generation of employees leaves the public sector.

The CHAIRMAN: My understanding is that there have been two schemes, one for graduates and one for non-graduates, where young people out of school could be taken on by a government agency. Is that the scheme to which you refer?

The Hon. R.G. KERIN: My understanding was that there was an induction program. Does that throw light on it?

The CHAIRMAN: The one where they spent some time at TAFE and the rest of the time at a government agency and got paid a pro rata wage?

The Hon. M.D. RANN: So you are not referring to the graduate recruitment program?

The Hon. R.G. KERIN: No, not the traineeships. I will give more detail on that. Also, there has been a cut of 100 traineeships as part of this particular budget. Will the Premier detail the plans the government has put into action to encourage young people to pursue a career in the public sector and how much funding has been allocated to these programs?

The Hon. M.D. RANN: I have just talked about the graduate recruitment program and I think I dealt with most of that before. I will invite Mr Case to comment generally.

Mr CASE: There are two issues here. The first is in relation to the general graduate program, where a target was established for 600 graduates, and that target was met. A structured graduate induction and development program has been put in place, using the certificate 4 in government of the public sector training package. It has been developed and coordinated to provide a pathway for new graduates to obtain the necessary competencies for working effectively in the public sector environment. The program commenced in February 2002 and will be completed in December 2003.

As at the end of July 2002, 385 graduates from all portfolios have commenced the program. Each participant will complete 15 units of competency. There is a lot of energy going into ensuring that these graduates are brought up to speed in public sector practices as quickly as possible. Some 38 orientation sessions for managers and participants have been organised, whilst 190 workshops will be run for participants on a range of relevant topics, such as complying with legislation in the public sector. A total of 1 550 individual workplace assessments will take place during this year.

To cope with the large scale logistics of this program, eight different training providers and assessors from public and private organisations have been utilised. A conference, called the Machinery of Government, has been organised for 30 September this year at the Adelaide Convention Centre. The conference will be open to the graduates and their managers, and it is anticipated that up to 600 will attend. Topics to be covered at the conference to ensure that the graduates are given the greatest knowledge and skill possible in their first year within government will include governance and government, government, cabinet office process, the court and the judiciary, and budget cycles in government.

The Hon. R.G. KERIN: I think that clarifies the previous question as well with respect to the induction program. It may well be our reading of the budget, but I am glad that the commissioner has said that that program will continue until December 2003. I think that clears up the confusion on the last one. What are the government's plans for the Leadership SA program established by the former government? Has any funding been allocated for this program in 2002-03, or has the government discontinued this program?

The Hon. M.D. RANN: I am delighted to announce not only that the former government's program has been acknowledged but also that it is supported and that \$480 000 has been committed.

Ms CICCARELLO: Following on from that, what opportunities are in place to develop the management and leadership capabilities of the public sector?

The Hon. M.D. RANN: We are all greatly concerned about the age profile of the public sector. That is why, in relation to what I have already said today about the recruitment program and what Mr Case has said about the induction program, it has been designed to replenish and bring new

blood into the public sector. In terms of leadership and management development, the management and leadership skills of the public sector—from first line managers through to chief executives—are vital resources for government.

The Office of the Commissioner for Public Employment provides the following opportunities to build the management and leadership capability across the public sector:

- Implementation of Leadership SA—a suite of programs, including development centres for managers—to identify needs against the leadership and management capabilities and to provide career development opportunities. There have been 806 participants—first line managers through to executives—since 2000, and that is quite extraordinary. I congratulate the former government on this initiative.
- The promotion of a competency-based approach, using qualifications and units from the Public Service's training package, for entry to mid-level staff. There have been 350 participants since 2000.
- The public sector training package details the competencies required for success in a public sector environment and is aimed primarily at the entry to middle management level. It offers over 200 competency standards, within both generalist and specialist areas, and 23 qualifications, ranging from certificate 2 to advanced diploma. The training package is therefore a key vehicle for providing high quality development opportunities for staff below senior management level.
- Coordination over the past 10 years of the public sector management course. A program accredited at the graduate certificate level for middle to senior managers, with 80 to 100 participants annually.
- Development and coordination of the Government Practising Certificate, a centralised induction program, accredited at certificate 4 level, for new graduates to the public sector. The program currently has 380 graduates involved.
- Coordination and funding of executive directions. This program offers senior executives across portfolios a series of individual career assessment and development sessions with a specialist consultant.
- Development of an executive development competency framework.
- Establishment of *Savvy*—an online learning environment providing greater access to learning opportunities for executives, and I have had a look at that.
- Participation by senior executives in the strategic public sector leaders program (three per annum).
- Chief executive and executive workshops on selected topics.

Mr Case and his team deserve all our support for a whole range of programs at different levels to upgrade the capabilities of the public sector—for example, the 380 graduates involved in the Government Practising Certificate. I was a member of the South Australian public service between May and December 1977 and, if I had entered into one of these programs, God knows how far I could have climbed!

Ms BEDFORD: What does the government have planned to ensure an open, honest and accountable public sector?

The Hon. M.D. RANN: I would like to congratulate the honourable member for her question—perhaps next time she could give me slightly more notice, but I will do my best under pressure. The government is committed to ensuring a more open, honest and accountable government. In support of that commitment, the government has a 10-point plan for honesty and accountability in government. Most of the

initiatives proposed in the plan involve legislative review and the development of amending legislation. The first three bills have been introduced into parliament. The Statutes Amendment (Honesty and Accountability in Government) Bill ensures that all people working in the public sector are subject to duties of honesty and accountability.

The ethical standards and behaviours for all public sector employees are set out in the Public Sector Management Act 1995 Part 2—General Public Sector Aims and Standards, and this act will be strengthened through the bill. The framework for ethical conduct in the South Australian public sector is an integral part of the strategic human resource management framework for the South Australian public sector. The aim of the framework is to ensure a public sector that has the confidence of the community for being not only efficient and effective but also ethical and free from corruption.

The Commissioner for Public Employment has reviewed the ethical framework for the South Australian public sector in consultation with agency chief executives. The framework includes a code of conduct for South Australian public sector employees. The code was reviewed and reissued to all employees in November 2001. The code is binding on all public sector employees and will be given more explicit legislative backing as a result of legislative amendments to be brought forward by the bill. Finally, a guideline for ethical conduct for the South Australian Public Service issued in October 2001 is aimed at chief executives and is designed to be implemented at agency level to ensure that appropriate behaviour is modelled on ethical standards that are promoted and integrated into agency business. The guideline and code will be complemented by a revised Public Sector Manager Act, determination on ethical conduct and education and training material currently being considered.

The Hon. R.G. KERIN: In deference to the great job undertaken by the commissioner and his staff, we have no further questions.

The Hon. M.D. RANN: Often people do not appreciate the work of the Commissioner for Public Employment and his incredibly hard-working staff. It is an extremely difficult and sensitive area of government. It is critical in terms of the morale of the public service but also in terms of the development of the public service as we move towards looking at whole of government responses to issues. I want to congratulate Mr Case and his team for their excellent service to governments of all persuasion.

Auditor-General's Department, \$9 283 000
Administered Items for Auditor-General's Department,
\$820 000

Departmental Advisers:

Mr K. MacPherson, Auditor-General.
Mr I. McGlen, Director of Audits, Policy, Planning and Research, Auditor-General's Department.
Mr T. Knight, Manager, Administration and Finance.

The CHAIRMAN: I invite the Premier to introduce the Auditor-General and his staff. I do not think that the Auditor-General needs a lot of introduction.

The Hon. M.D. RANN: The Auditor-General needs no introduction. Mr Ken MacPherson has been Auditor-General for some years in South Australia. The role of Auditor-

General is critical in terms of serving the people of this state and that is why we are keen for legislation to be passed this year not only to ensure the Auditor-General's independence—and he is independent—but also to give further legislative backing to his independence and to give the Auditor-General greater powers. Certainly, there will be no impediment from my government to the Auditor-General working effectively in the interest of all of us. At no stage will the Auditor-General be impeded from doing the job we ask him to do on behalf of this parliament, the government and the people of South Australia.

The Hon. R.G. KERIN: Premier, you have made numerous statements regarding the government's commitment to honesty and accountability and, as part of that pledge, you have committed to the independence of the office of the Auditor-General, and to strengthen the powers of what I agree is a very important institution within government. Do you envisage that these added responsibilities will require any additional resources within the Auditor-General's Department? If so, why does the budget provide for no increase in staffing levels for the Auditor-General's Department for 2002-03?

The Hon. M.D. RANN: At this stage there is no plan for increased resources. However, we want to give the Auditor-General the legal powers that he needs to do his job. That is what we are currently dealing with.

The Hon. R.G. KERIN: Does the Premier believe that recent planned departmental restructuring will pose any difficulties with respect to departmental audit requirements? Has the Premier allocated any additional funding to allow for this adjustment process? I remember a few years ago I was involved in a departmental restructure. There was a shift in a few things, and it did require an additional audit.

The Hon. M.D. RANN: Certainly, we do not envisage any additional costs or expenditure. As to whether there will be changes in administrative arrangements that the government has made, that always happens after a change of government. Departments are restructured to fit the different priorities and in terms of the break up of existing ministries and their portfolio focus. Obviously the Auditor-General would inevitably change, as he has done before, to accommodate those changed administrative circumstances. I am happy to invite the Auditor-General to comment.

Mr MacPHERSON: The experience in the past has been that we simply accommodate that as part of our audit responsibilities.

The Hon. R.G. KERIN: I know when the department of mines and the primary industries department came together it took a lot longer to do the books. As to whether the audit responsibilities increased greatly, you would be a better judge of that than I.

Premier, you have listed as a target for 2002-03, within the Auditor-General's Department, a program of reviews relating to specific issues of importance and interest in the public sector, aimed at improving processes and/or maintaining accountability in public sector agencies. Given that the staffing levels for the Auditor-General were not increased in this budget, do you envisage that these reviews will be met using existing agency resources, or will any other functions of the Auditor-General be compromised as a result?

The Hon. M.D. RANN: I am advised that they will be dealt with using existing resources, and most of them will be dealt with by the end of this year.

The CHAIRMAN: Does the leader have any further questions?

The Hon. R.G. KERIN: No, Mr Chairman. We are glad to hear the assurances of the Auditor-General on a range of issues and we have no further questions.

The Hon. M.D. RANN: Again, I would like to thank the Auditor-General.

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

Additional Witness:

The Hon. J.D. Hill, Minister Assisting the Premier in the Arts.

Additional Departmental Advisers:

Ms K. Massey, Executive Director, Arts SA.
 Ms C. Treloar, Director, Arts Industry Development.
 Mr G. Kling, Manager, Budget and Financial Planning.
 Mr J. Andary, Director, Lead Agencies.
 Mr J. Bettcher, General Manager, Business Services.
 Ms J. Worth, Director of Projects.

The ACTING CHAIRMAN (Mr Snelling): Does the minister wish to make any opening statement?

The Hon. M.D. RANN: Thank you. The new Labor government's arts initiatives for 2002-03 will bring long-term benefits for all South Australians. Despite the difficult economic situation that the government is tackling, funding for the arts has been maintained. In fact, there has been a small increase, which signifies the importance the government puts on the contribution that the arts make to the social, cultural and economic wellbeing of this state and its people.

Funding for the arts in 2002-03 will be \$98 million, compared to \$89.4 million in 2001-02, and includes capital and accrual items such as employee entitlements. This represents a 7.1 per cent increase in real terms over total budget funding in 2001-02. The recurrent appropriation has increased from \$78.6 million to \$81 million—a nominal increase of 3.1 per cent, or 0.6 per cent in real terms.

Most importantly, funding for 2002-03 includes a real increase of 2.3 per cent for grants to major arts organisations and 5.6 per cent for the small to medium sector. These increases in funding for new arts initiatives have been funded from both additional government funding and the relocation of Arts SA's internal resources, to reflect the government's priorities. Our priorities aim to increase community involvement in the arts at every level. This will be achieved by building the role of the arts throughout the state as an important driver for the state's economic future, promoting the arts as a crucial key to building a more inclusive and integrated society and utilising the arts as a means of increasing the capacity of both individuals and their communities.

This is as important for industry sectors, like tourism, film or new media, as it is for the future of whole generations of our young people. The arts can play a significant role in creating an environment and opportunities for young people, to enable them to have fulfilling careers and lives in South Australia rather than having to leave the state.

The government will ensure that South Australia regains its pre-eminent national reputation as a leader in artistic

innovation, quality and integrity and as an internationally renowned centre for arts practise. Labor's vision for the arts is about developing greater opportunities for engagement with the arts across the whole community and providing genuine opportunities for the whole community to participate. It is about valuing and supporting our artists and making South Australia a place where artists can build and sustain lifelong careers.

The government is committed to these outcomes and we are implementing a number of important new initiatives in the arts to achieve them. As part of our arts policy, I gave a commitment to the establishment of an Adelaide international film festival; the aim of the festival will be to showcase independent film making and to revitalise South Australia's film industry. The first festival, to be held in late February 2003, will be a pilot, and a model by which to ensure that the 2005 event receives interstate and global attention. Over time, I want our film festival to have the equivalent status internationally as does the Adelaide Festival of Arts.

The 2003 event will also celebrate the 30th year of the South Australian Film Corporation and herald a new era and future for the corporation; and I hope to be making some significant announcements on the film front in the coming months. The sum of \$500 000 has been allocated for the inaugural Adelaide International Film Festival; and then essentially the next festival in 2005 would be sustained by the annual \$500 000, which means that it will receive \$1 million from the state government for 2005.

In the 1970s, South Australia was at the forefront of the re-emergence of the South Australian film industry. We have a track record for producing landmark feature films which showcase both our technical expertise and our creative talents. Film has broadcast South Australian stories onto the world's screens and raised international awareness of who we are and our place in the world. It is part of our sense of self-esteem, as well as our image internationally. I want our festival to do more than acknowledge our past success: I want it to be an opportunity to explore new directions for the future of contemporary South Australian film—indeed for the whole Australian film industry.

That is why a key component of the festival will be a series of open discussions and forums run along similar lines to Writer's Week during the Adelaide Festival of Arts. I want the festival to engage the community's interest and provide a platform for the exchange of ideas and debate. Katrina Sedgwick has accepted the position of Festival Director of the inaugural 2003 and 2005 Adelaide International Film Festivals. Katrina brings with her a wealth of experience and the recent success of having run an outstanding Adelaide Fringe. She has an extensive background as a performer, arts manager, creative producer and artistic director.

I have asked Cheryl Bart, a director of ETSA Utilities, to be chair of the Adelaide International Film Festival Board. Cheryl is also a member of South Australia's new Economic Development Board headed by Robert Champion de Crespigny. I want this event to have a strong board and a vibrant director. I am also delighted that South Australia's Academy Award winning cinematographer, Dean Semmler, is part of the board. Other board members include Judith Crombie, CEO of the South Australian Film Corporation and deputy chair; emerging film director, Mojgan Khadem; convergent media executive, Gabrielle Kelly; writer and director, Bob Ellis; and of course the Chairman of the Australian Film Institute, Denny Lawrence, and others.

I have also made changes to other major arts boards. Ross Adler is now the chair of the Adelaide Festival of Arts, and Michael Abbott QC has taken over as the new chair of the Art Gallery board. I can also announce today the new chair of the South Australian Museum. I am very pleased to announce that John Ellice-Flint, the Managing Director of SANTOS, has agreed to take up this position. He has taken over from Robert Champion de Crespigny, who wanted to focus more on his role as the chair of our newly formed Economic Development Board, and of course he is chancellor of the university.

Mr Ellice-Flint has a keen interest in the Museum through its connections with Santos, which last year sponsored the highly successful 'A gap in nature' exhibition which is now touring the nation. Being a qualified geologist with 26 years experience living and working all over the world with the oil and gas industry, Mr Ellice-Flint has a natural interest in our Museum in terms of its educational role and responsibilities to science and research. So, I am delighted that someone of the calibre of Ellice-Flint has agreed to take on this important role.

Also today I am pleased to announce that the new Chairman of the History Trust of South Australia will be Mr Phil Broderick, who was born and raised in Adelaide and, after a short stint in Sydney, returned to practise law in Adelaide in 1991. He was the inaugural sitting member of the Commonwealth Veterans Review Board for South Australia, and will bring to the trust a strong interest in history and military and veterans' affairs. I am also pleased to announce that Ms Minerva Nassar Eddine, the Director of Al Hikma Middle East Advisory Agency, which specialises in Arab and Middle Eastern socio political, economic and cultural affairs, has been appointed as a board member of the history trust. Ms Nassar Eddine has more than 10 years' experience in cross-cultural education and has worked closely with various migrant community organisations assisting in settlement issues. So, we have someone who is about to complete a PhD and who I think will be a substantial new and young addition to the History Trust.

Another significant achievement so far has been securing the WOMAD Festival until 2009. This was achieved with an additional investment of \$150 000 in 2002-03. In June, I signed a memorandum of agreement with the artistic director and joint founder of WOMAD in the UK, Thomas Brooman, to secure the event and to turn it into an annual event. There are annual WOMADs in England, Greece, Spain, Italy, and I understand that a San Francisco WOMAD is also being planned. WOMAD has been an outstanding festival for Adelaide, generating millions of dollars of economic benefits in terms of tourism since it started. It has also been a tremendous success artistically and has helped promote Aboriginal music and culture, as well as the music and dance of many nations.

WOMAD will kick off with a special event and workshop in September of this year, involving international and local artists and South Australian schools, to be followed by a full Womadelaide next year. I want our new international film festival to precede Womadelaide, so that in alternate years to the Adelaide Festival we will have back to back world class events. In the Festival years there will be a smaller WOMAD event so as to complement but not compete with the Adelaide Festival of Arts. Certainly, the government is investing in our artists at all stages of their careers, because we value the unique role that they play in our community. We want to ensure that children and young people in schools have access

to creative and challenging arts experiences for their lifelong learning and enjoyment. American and emerging Australian research demonstrates that exposure to the arts can enhance the academic outcomes and life skills of children and young people. Access to creative and challenging arts experiences can turn their lives around.

Another initiative aimed at children, Windmill Performing Arts, will receive \$1 million in four-year funding in 2002-03. I take this opportunity to congratulate the former minister the Hon. Diana Laidlaw for her role in establishing Windmill in South Australia. It is always important to be bipartisan in recognising the achievements of former governments. As the first national performance company for children and families, Windmill is set to position itself at the forefront of children's performing arts in this country. We hope that it will lead to a whole generation of young people experiencing the arts for the first time, and then for a lifetime. I was unable to see its premier show, but I know my ministerial colleague John Hill, Minister Assisting the Premier in the Arts, was present. I hope many members have managed to see Windmill's outstanding project called 'The Wilfrid Gordon McDonald Partridge' written by our own Mem Fox. If not, I urge them to take their children and young relatives to Windmill's next performance.

As well as investing in our leading arts organisations, supporting their significant role in the community and in the life of the state, we are also providing financial assistance to smaller arts organisations so they can continue their outstanding contribution to the community. More than \$2.6 million in annual and multi-year industry development funding has been allocated for these local arts and cultural organisations. The state government will provide an extra \$200 000 in 2002-03 to this sector. It will also continue to provide recipients of industry development program funds with a CPI increase, representing an injection of a further \$57 000. There are 36 small to medium-sized arts organisations which have secured funding in 2002-03. These represent the full range of arts practice across all art forms, including direct producers of art, arts presenters and peak advocacy and service organisations.

Three South Australian organisations—Bakehouse Theatre, Central Studies and the May Gibbs Children's Literature Trust—have been successful in securing annual funding for the first time in 2002-03. These organisations have proven track records in delivering unique development opportunities for South Australian artists. Significant funding increases have been granted to Radio Adelaide (formerly known as 5UV); Artlink Australia; the Australian Network for Art and Technology; Vitalstatistix; The Firm; Feast; and Wakefield Press. This recognises the strong performance of these organisations in delivering successful arts outcomes. Nexus Multicultural Arts Centre will receive a funding increase of over \$30 000 per annum in recognition of its important role in supporting artists and communities from culturally diverse backgrounds. These organisations have played a vital role in creating new, often experimental, works and in pushing the boundaries. They also develop new audiences and enhance access to the arts for all South Australians.

The Folk Federation of South Australia will receive a 50 per cent funding increase to present its annual Folk Festival at Woodhouse in the Adelaide Hills (previously staged at Victor Harbor). Increased funding to Music House will provide greater opportunities for the development and presentation of contemporary live music in South Australia. The peer assessment panel, which considered and made

recommendations on all the applications, applauded the excellent performance of each of the peak advocacy and service organisations, such as the Community Arts Network, for consistently meeting and advancing the needs of their sectors.

Arts and cultural events can play a vital role in bringing the community together, and nowhere is this more important or more necessary than in our regional areas. An extra \$30 000 of funding has been allocated to further extend the performing arts regional touring subscription season undertaken by Country Arts SA to Tanunda. Of course, we also need to maintain and extend the services of our leading arts organisations, many of which are housed in significant heritage public buildings.

In terms of capital works, our capital investment program totals \$28.221 million (including carried over amounts for 2002-03). This includes \$850 000 to ensure the safe storage of the South Australian Museum's collection of important natural sciences materials. This was not originally in the budget, but Tim Flannery convinced me of the importance of this in terms of preserving Mawson items, extinct species, and other things. I do not think I mention in this document the \$200 000 that I am putting in to put solar power panels on the roof of the museum and another \$200 000 to be put on the roof of the Art Gallery.

Also, there will be \$25.2 million (including carry-over from 2001-02) for the redevelopment of the State Library, for which again I would like to pay tribute to the Hon. Diana Laidlaw, and \$1.7 million (carried over from 2001-02) to complete the upgrade of the SA Museum Natural Sciences Building. The Adelaide Festival Centre Trust will receive additional recurrent funding of \$2.106 million in 2002-03. That is important, because the Festival Centre Trust felt that it was manacled; it was like Gulliver, being held back by debts that it has incurred over the years, so we put in additional funding to help it do the job that it does so well—but to do it better.

The government recognises that, if the Adelaide Festival Centre is to fulfil its important leadership role in the arts, its longstanding structural funding imbalance must be addressed. This increase will enable the centre to establish a sound basis from which to perform the wide range of roles expected of it by the community. It provides venues and services for numerous arts organisations and artists; it programs challenging and popular events such as the Cabaret Festival and Morning Melodies; and it provides the training ground for artists, technical and front of house staff and many other arts practitioners.

I have already noted the Thinkers in Residence program, which is being funded through a different division of the Department of the Premier and Cabinet rather than Arts SA, and I have already mentioned that we want to see ideas come from arts organisations. In fact, on Friday I spoke to the head of the Adelaide Symphony Orchestra about its coming up with some ideas. As I noted, this program will bring to South Australia internationally recognised leaders in the arts, sciences and other areas who will live and work in Adelaide for a period of months. It is an extension of the concept of artists in residence.

Our priority has been, and continues to be, facilitating and supporting the community's engagement with the arts. Like all other areas of government, Arts SA was required to deliver savings in this budget. It met the challenge and has delivered savings of \$3.249 million from its 2002-03 budget with minimal impact on our artists and arts organisations.

Funding for new operating and capital initiatives has been provided through the budget and from within Arts SA's own internal resources. Almost 60 per cent of the agreed savings were made from within Arts SA itself. I am delighted with Arts SA and its leadership under Kathie Massey; and I am pleased that she has joined me at the table, along with Carol Treloar. The reason I have taken on the arts portfolio as Premier, assisted by a senior minister, is a demonstration that we believe that the arts is vitally important, not only to our image internationally and nationally but also to our creative edge and sense of self-esteem locally.

Mr HAMILTON-SMITH: The opposition welcomes the Premier's opening remarks. However, we intend to question closely the figures that have been presented. It is our view that a rosy spin has been put on expenditure within the arts portfolio, and we will certainly be exploring that in the 1½ hours that follow.

The opposition's view is that the government has inherited arts institutions that are generally in pretty good shape as a consequence of the hard work of the past eight years. I note the Premier's acknowledgment of Minister Laidlaw's effort, in particular, the Museum; the Art Gallery; the State Library, with works under way and major commitments and decisions having been made; and the Festival Centre and the precinct around it being substantially upgraded.

We read the figures a little differently from the Premier and, if the figures he has given, in terms of real increases within the arts budget, are correct, there should be no cuts whatsoever in the arts budget and everything would appear to be rosy—which we would welcome. We understand that the role of the department in making comment on the budget is essentially unchanged, with Arts SA, on behalf of the government, providing policy advice, grants management, industry development programs and corporate administration services. We understand that Arts SA is close to finalising a corporate plan, which we look forward to seeing in due course. I hope that plan will be made available to us. We understand that Arts SA's broader role will continue to be development of participation in the arts by enriching, challenging and humanising our society, and expressing individual and community aspirations.

We understand that the department will continue to support the indigenous arts and artists with disabilities. We will certainly be looking to support that. We hope that Arts SA under this government will ensure that arts in South Australia continue to hold their unique national creative leadership position and that the mainstream arts activities that have been built up do not suffer as a consequence of pet projects or new ideas which, although we may cautiously welcome, we would express some concern were they to take away money from the bread and butter, if you like, of arts services to the community in order to uphold these new ideas.

We are looking to ensure that artists and arts organisations with developmental opportunities are assisted in building lifelong independent careers. We hope that performance will be rewarded to provide maximum encouragement for the production of excellence, ensuring that the community receives the maximum social benefit from the use of public resources and encouraging the arts sector to contribute to the community's economic and promotional objectives.

We understand that the role and structure of Arts SA has not dramatically changed with the arrival of the new government, and that Arts SA will continue its strategic planning and implementation of programs to assist with the development of the arts and the cultural industry. We understand that

Arts SA will continue its coordination of research and information, its administration of strategic financial support programs to the arts and cultural industry and the provision of corporate and conservation services to the Art Gallery of South Australia, the State Library, the South Australian Museum and Carrick Hill. We understand that, essentially, the structure of Arts SA, with its three main sections, will remain (we will be delighted to be corrected if a major restructure is intended), with lead agencies in planning continuing, since its creation in 1997-98, to focus on the performance of South Australia's 21 or 22 lead arts agencies, and that that section will strengthen the state's arts industry by continuing to help these agencies improve their artistic, cultural and business potential.

The Arts Industry Development Section, we understand, will continue with policy and research functions managed from the arts industry development, or within that section. It also will continue to administer project funding for established and emerging artists and arts groups. Business services, we understand, will continue to provide centralised financial, human resource and facilities management support to all areas of Arts SA, including the key institutions. If any major restructure is planned, or any change to those roles, we would be delighted to hear about it during this coming hour.

My first question relates to the funding being made available. We have read with interest the government's media releases put out at the time of the budget—which, of course, promote the good news—and we have also read carefully the government's election promises. In the light of those statements, we are a little surprised that the government appears to have decided to reduce expenses in Output 6.1, Development of Arts and Access to Arts, from \$36.977 million in 2001-02 to \$33.212 million in 2002-03, which, as the figures read, is a cut of \$3.76 million. If that is the case—that funding has, in fact, reduced by that amount over the last 12 months—which programs are to be eliminated or reduced in value as a consequence?

The Hon. M.D. RANN: The shadow minister seems to have a sort of a salami slicer in reverse approach to funding. One talks about pet projects. When I was listening to the member's opening statement, I wondered whether his speech writer was Diana Laidlaw: she had so many pet projects. She cut the Constitutional Museum next door; she cut lots of things. But she also had her own significant projects, which we have acknowledged, such as the Windmill. One cannot just keep adding on to the salami. We went across to the cultural ministers' council, and the federal Liberal minister, in upbraiding a minister from another state because of their lack of funding, held up a list of the comparison of the per capita funding of the arts in South Australia compared to the per capita funding of the other states, and we were absolutely miles ahead. When we are putting in something like a new film festival, when we are talking about a range of new initiatives, that does not mean to say that that will always be an add on. No wonder the former government got into the financial mess that it did: financial rigour does not seem to be part of that government's understanding. What was happening, of course, is that the minister, in order to fund her pet projects, was diverting funding from the transport department, from various other initiatives there, to prop up her pet projects.

I am going to have some pet projects: thinkers in residence, which the shadow minister welcomed before. The film festival was part of our policy. We have different priorities to the former government, although not totally different.

There are whole heaps of things we are prepared to support, such as the Windmill. It was a lot of money and a big add-on to the list, but we will support it. The library development, which is tens of millions of dollars, has now run over budget. We did not find out until straight after I was installed as Minister for the Arts, but they found asbestos there. You would have thought that they would find it when they were doing the original checks, but again that will be significantly over budget. That was one of Diana Laidlaw's pet projects. Are we going to be rigorous? Are we going to make cuts? Yes! Are we going to fund new initiatives? Yes! That is the way it will be.

Membership:

Mrs Hall substituted for the Hon. R.G. Kerin.

Mr HAMILTON-SMITH: As a supplementary question, as the question has not been answered: specifically the funding in the budget line 6.1 for the development of and access to art activities, which appears on page 1.24, clearly indicates that \$3.76 million less is to be spent by this government than was spent last year. Could the minister explain? There may be a perfectly logical explanation—

The Hon. M.D. RANN: I did not want to get political and embarrass—

Mr HAMILTON-SMITH: We are delighted to be embarrassed—just go right ahead.

The Hon. M.D. RANN: Do you know why there was no funding last year? Because of the idiocy involved with the Adelaide festival: \$2 million had to be put into the Adelaide festival because there would not have been one if there had not been an extra injection at the last minute. We had adverts featuring Adolf Hitler selling our state. That accounts for about \$2 million. I did not want to embarrass Diana Laidlaw, as I paid tribute to her. Basically she took her eyes off the prize. She pretended that we had artistic integrity and all the rest of it. She let him do what he liked and he employed so many people and very little was to happen, so at the last minute it had to be propped up with \$2 million. I could wheel out every credit card account in my line and all the blow-ups. I thought this was a Nelson Mandela style reconciliation with the opposition. The 2001-02 expenditure included the \$2 million extra to bail out the Adelaide festival. That is why I decided to put in people like John Ellice-Flint to run the Museum; and Ross Adler, the former head of Santos and the former chair of the Art Gallery, to run the Adelaide festival, so that we do not have this appalling embarrassment we had before.

Mr HAMILTON-SMITH: We still do not have an answer to that question and it sounds as though we are not going to get one. Almost \$4 million less is being spent—the Premier has mentioned only \$2 million. I ask him to take it on notice. Will he come back and explain why almost \$4 million less is being spent this year than last year?

The Hon. M.D. RANN: I will also spell out what went wrong with the Adelaide festival.

Mr HAMILTON-SMITH: My second question has to do with grants to lead agencies and individual grant details. It deals with Output 6.1 in the budget papers. There are about 21 lead agencies, which last year received funding of around \$85 million, and more than 35 grants for arts industry development organisations, which last year received over \$2.5 million, funded by Arts SA. Will the minister identify and itemise all of the areas of expenditure in the Arts SA budget for these recipients? I understand that this question

may have to be taken on notice, but I would like specified which lead agencies and groups that receive grants have had their grant cut in 2002-03 (and beyond) and the amount of the cut in each instance.

The Hon. M.D. RANN: Some of the 2002-03 budget allocations are as follows: the State Library, \$10 279 000; the PLAIN system, \$14 551 000; the Art Gallery of South Australia, \$5 524 000; Carrick Hill, \$628 000; the SA Museum, \$7 152 000 (I have already mentioned the extra money for preservation and other enhancements and solar power); the History Trust, \$3 520 000; Artlab, \$386 000; the Adelaide Festival Centre Trust, \$7 738 500; and the Adelaide Festival of Arts, \$1 469 000. That is a big cut in terms of the blowout in the previous year when people did not turn up. How could you be proud of doubling the amount spent on the Adelaide Festival of Arts and the massive reduction in the number of people who actually fronted for it?

The list continues: Tandanya, \$594 000; Country Arts SA, \$4 628 000; the State Opera of South Australia, \$1 131 150; the State Theatre Company, \$1 597 430; the South Australian Film Corporation, \$4 589 900; the CISA, \$161 000; the DIRC, \$165 000; the Australian Dance Theatre, \$925 153; the Adelaide Symphony Orchestra, \$1 707 850; the South Australian Youth Arts Board, \$2 060 000; the Jam Factory, \$794 545; the Fringe (this is not a Fringe year) \$335 424.

I know the honourable member is interested in this, so I will keep going. Last year, there was a one-off grant for the Tiffany windows of \$400 000. I will try to find some other information that would be helpful to the honourable member. Of course, there was additional funding for the Adelaide Festival Centre Trust; an increase in the grant for WOMAD; and an increase in the operating grant for the Adelaide Festival Centre Trust. Do we have a list of the small organisations and individuals to whom I wrote letters?

Mr HAMILTON-SMITH: That could be incorporated in *Hansard*.

The Hon. M.D. RANN: This is important because it draws a picture, and that picture should be an honest one. I have recently written letters to the following organisations announcing funding grants from the Industry Organisations Fund: Adelaide Baroque Society, \$66 150; Adelaide Chamber Singers, \$27 667; Adelaide Philharmonia Chorus, \$12 100; Art Monthly Australia, \$2 155; ArtLink, \$60 000; Arts In Action, \$72 600; Arts Law Centre, \$3 365; Ausdance, \$85 000; Australian Copyright Council, \$3 365; Australian Network of Art & Technology, \$25 000; Australian String Quartet, \$207 200; Bakehouse Theatre, \$40 000; Barossa Music Festival, \$80 000; Brink Productions, \$200 000; Central Studios, a one-off figure of \$25 000; Co*Opera, \$74 900; Community Arts Network, \$110 000; Contemporary Art Centre of South Australia, \$156 180; Craftsouth, \$110 000; Experimental Art Foundation, \$99 705; Feast, \$50 000; Folk Federation, \$46 800; Friendly Street Poets, \$10 000; Jazz Coordinator, \$36 100; Leigh Warren & Dancers (who are doing a brilliant job), \$230 000; Mainstreet Community Theatre (and Mitch would know about them), \$140 000; May Gibbs Children's Literature Trust, \$20 000; Music House, \$50 000; Musica Viva in Schools, \$15 000; Nexus, \$126 000; Object Magazine, \$4 000; Parallelo (which used to be known as Doppio Teatro), \$137 000; Radio Station 5UV (now called Radio Adelaide), \$19 000; SA Council of Country Music, \$26 660; SA Writers Centre, \$104 000; The Firm, \$20 073; Vitalstatistix, \$189 805; and Wakefield Press, \$66 200. I could go on and on, but I just want to give you a feel for what we are doing in the arts in South Australia.

The ACTING CHAIRMAN: Is this a supplementary or is it the member's third question?

Mr HAMILTON-SMITH: This is my third question. I am happy to ask a supplementary if you like, Mr Acting Chairman, because we would really like that information incorporated in *Hansard*, if that is possible.

The Hon. M.D. RANN: I have just read it into *Hansard*.

Mr HAMILTON-SMITH: Well, not all of it, Premier.

The ACTING CHAIRMAN: It is not possible to have that done.

Mr HAMILTON-SMITH: With respect to regional theatre funding, and I am referring to Budget Paper 5, section 3, page 10, the budget has not provided the \$7.2 million required to fund the refurbishment of four regional theatres in Whyalla, Mount Gambier, Renmark and Port Pirie. Will the minister now confirm that the funding announced on 26 January 2002 by the former government has been slashed, and was he aware or had he received advice when claiming that the former government had not included the upgrade of the theatres in the 2001-02 budget that the amount had been internally funded and dealt with during bilaterals between Treasury and the former department of transport, urban planning and the arts?

By way of explanation, the funding was to be divided as follows: \$1.12 million to the Chaffey Theatre; \$1.88 million to the Middleback Theatre in Whyalla; \$1.27 million to the Sir Robert Helpmann Theatre; \$1.58 million to the Northern Festival Theatre in Port Pirie; and \$1.07 million for back-house equipment. The work is primarily needed for disabled access, occupational health and safety, fire safety, and repairs and the painting of dilapidated buildings so that all country people can enjoy the arts. A check of the DTUPA bilateral submissions would show that the funds were budgeted from 2002 to 2005-06 over a four year program, and I can specify the split. Will the minister confirm that the money will not be provided to those four theatres and, if not, does the government have any plan to help those four theatres with their future needs?

The Hon. M.D. RANN: I will invite the minister assisting to respond. I should explain that, in terms of the division of responsibilities, there are a number of areas which directly report to the minister assisting in the arts. They include, for instance, the History Trust, Country Arts, Windmill, the State Theatre Company, the ASO and the Library, whilst others such as the Art Gallery, the Museum, the Adelaide Festival Trust, the Adelaide Festival, the South Australian Film Corporation and State Opera, etc., report to me.

In answer to the first part of the question, I am afraid that the former government did not make provision in the forward estimates. An announcement was made, for political purposes, during the election campaign. I am responsible for this government's promises; I am not responsible for those of the former government that were quite clearly not meant to be kept, because they were not in the forward estimates. I now invite the minister to respond.

The Hon. J.D. HILL: Over the last month or so, the opposition spokesman has made much of this issue, and it seems to be the only issue in the budget that he wants to pursue. As the Premier has said, the reality is that there were no forward estimates in relation to this provisioning. The former government was in power for 8½ years, but it finally discovered during the election campaign that there was a problem with these theatres. Coincidentally, a couple of these theatres are in areas that were critical to the survival of the former government. So, during the election period, the former

government announced that it would spend about \$7 million in fixing up these theatres. It had eight years but it did nothing to fix up these theatres.

It is true that work does need to be done on the theatres, and the department and I, together with Country Arts and the managers of the individual theatres, are looking at what can be done. I believe that \$125 000 was recently provided to address urgent fire upgrading requirements in the Sir Robert Helpmann Theatre, and we are looking at what else we can do. The approximately \$7 million that was pulled out of a hat during the election period had nothing behind it. There was no provisioning in the forward estimates. There was no provision at all; it was just something that was plucked out to solve a political problem in the middle of an election campaign.

These theatres are all between 17 and 20 years old and they are due for some work to be done and, over time, we will look at how we can help undertake that work. There was certainly no provision in the forward estimates. When we came into government we had to deal not only with the over-commitment by the previous government but also with this government's priorities, and that is what we have done.

Mr HAMILTON-SMITH: As a supplementary question, are the minister and the Premier saying that they have not received any advice from their staff that the former department of urban planning, transport and the arts had provided for this funding from within the department's resources and that that money was in the budget estimates, albeit, perhaps, not specifically set out as for regional theatres? Are they saying that they have not received that advice and that the former government made no funding provision whatsoever for that work?

The Hon. M.D. RANN: The former minister announced the funding pre-election, but my advice is that the dollars were not in the forward estimates. So this was—

Mr Hamilton-Smith interjecting:

The Hon. M.D. RANN: No, hang on. Obviously, if the member wants to be a minister for more than five minutes some time in the future, he should explain to me if it was not in the forward estimates, how it was funded. If it was not in the forward estimates, how come the former government announced it?

It is interesting that the former government did not announce the \$13 million for the Adelaide Oval upgrade. That was in the forward estimates, but we cut it—and did so with relish—because I would rather the money go into health, hospitals and schools—unless the member is trying to tell us that it was actually coming out of the black spots program in transport.

Mr HAMILTON-SMITH: I would stay away from transport if I were you, Premier, after what the budget has done to roads.

The ACTING CHAIRMAN: Order! The member for Norwood.

Ms CICCARELLO: Thank you, Mr Acting Chairman. I would like to congratulate the Premier on his very comprehensive opening statement that covered a lot of areas and, indeed, covered quite a bit about the International Film Festival. Can the Premier comment on the government's commitment to the South Australian film industry as a whole?

The Hon. M.D. RANN: Obviously, we are very committed to the film industry. I have appointed Scott Hicks, an Academy Award winning director, to the Economic Development Board, and, of course, we have an Academy Award

winning cinematographer on the board of the international film festival. The government arts and film policy places high priority on the development of South Australia's film industry, building on the outstanding base established 30 years ago by the Dunstan government through the South Australian Film Corporation. Already the government has announced a major biennial international film festival and has appointed its director and board, and I have mentioned that.

Also, as I developed the concept for the film industry, I had telephone discussions with a number of international film figures and also met with key industry people, especially in the United Kingdom. In London I met with Glenda Jackson, winner of two Academy awards; Lord Richard Attenborough, winner of many Academy awards as a producer, director and actor; and, of course, Lord David Putnam, producer of films such as *Chariots of Fire*, *Midnight Express* and many others, each of whom expressed great enthusiasm for the event. I have invited them to attend the film festival.

In London I also announced that two new South Australian films were to proceed with investment from the South Australian Film Corporation. These films are *Travelling Light* and *Alexandra's Project*, which have been made by acclaimed director Rolf de Heer. A third series of the highly successful television series *McLeod's Daughters* is also to be made in South Australia. That is excellent news for the local industry in terms of jobs and profile. The earlier series resulted in a direct spend of \$6 million into the South Australian economy in return for our investment of \$550 000. I believe that there is a bright future for South Australia as a growing national and international base for independent film making and for television and audiovisual production.

Figures provided by the Australian Film Commission indicate that in 2000-01 the combined direct spend for films into the South Australian economy was \$33 million. Using the ABS multiplier, this translates into \$88 million spent in South Australia. In addition, 627 new jobs were created. At the weekend in Sydney I met with Glenys Rowe who, of course, is the head of SBS Films. We were looking at ways in which we can work with SBS on a range of film and documentary productions. I hope that some more announcements will be made in the area of film. We are keen to generate as much activity here as possible.

We do not want to go the way of the other states: the big Fox studios in Sydney, the Warners studios in Queensland or the way in which Victoria is going. We want a truly independent film industry in South Australia that makes a difference; that is not some kind of transplanted American film industry but is, again, at the forefront of Australian film making.

Ms CICCARELLO: In June this year during your visit to the United Kingdom you secured WOMAD for Adelaide until the year 2009. What will be the benefits for South Australia?

The Hon. M.D. RANN: I first became involved in WOMAD in either 1992 or 1993 when Rob Brookman and others came to see me and said that they had only a day or so in order to secure the event for South Australia. At that stage, from memory (so I might not get this totally 100 per cent correct, although my memory is pretty good), the arts department did not have the funding. My department, State Services (indeed, State Fleet), was able to underwrite WOMAD's first event which, of course, occurred later—in fact, in the time of the Liberal government. WOMAD has been absolutely outstanding for South Australia. Held in a range of countries throughout the world, it introduces world

music and also promotes indigenous music, including local indigenous music, dance and culture. It has grown in terms of its support, with huge numbers of people coming across the borders. Much of it is featured on national television and radio.

Under the terms of the agreement that I signed on 17 June at WOMAD's headquarters, down towards Bath in the west country of England, WOMAdelaide will be an annual rather than a biennial event. I should point out that WOMAD is an organisation that, whilst it is based in England, is headed by Thomas Brooman, and the former Genesis lead singer/songwriter and record producer, Peter Gabriel. Our decision to go annual rather than biennial will bring us into line with other WOMAD events held around the world, and allow Adelaide to be included in an international circuit for WOMAD artists. It now includes Taranaki in New Zealand, formerly known as New Plymouth.

WOMAD is a popular event in the national arts and tourism calendar and attracts huge crowds to hear world music and to attend musicians' workshops in a unique setting in Botanic Park: the WOMAD artists say that it is the best setting in the world. Around 35 per cent of WOMAD audiences come from outside Adelaide. I understand that a large contingent comes from Melbourne. The economic benefit of each WOMAdelaide to South Australia is around \$3.625 million with a multiplier effect giving a second round benefit of over \$9 million.

There are also benefits for the state in terms of employment. WOMAdelaide employs significant numbers of artists, technical crew and support staff. An additional \$150 000 has been allocated to the WOMAdelaide festival under the 2002-03 state budget, to help make it an annual event. I thought it was important to sign the deal while I was in England to secure WOMAD's future in Adelaide until 2009.

Ms CICCARELLO: Can the Premier say why the Adelaide Festival Centre Trust is receiving increased operating funding in the 2002-03 state budget?

The Hon. M.D. RANN: I have addressed this matter to an extent before. Former premiers Don Dunstan and Steele Hall played important roles in the development of the Adelaide Festival Centre. There were some problems a few years ago involving a number of things that the Adelaide Festival Centre Trust was programming. *Crazy For You* was a big problem as was some sort of Madame Tussaud's exhibition. So, it took some risks, as you would expect producers to do, but got burnt in the process. I do not in any way want to criticise the former government: these things happen. An independent review commissioned by the former government determined that state government funding to the Adelaide Festival Centre was insufficient for it to meet its obligations under its own act. The Festival Centre's financial position has been exacerbated by a lack of reserves and working capital, due principally to losses through investments made in 1998-99 on musicals such as *Crazy For You* and the Madame Tussaud's exhibition. Funding for the Adelaide Festival Centre Trust has therefore been reviewed in the 2002-03 state budget process, and additional net funding of \$2 106 000 will be provided, bringing the total grant for 2002-03 to \$7 738 500. The Adelaide Festival Centre has been asked to submit an amended budget for 2002-03 by 31 July this year, based on this final budget grant application. I should say, of course, that there is also major capital upgrading of the Adelaide Festival Centre Trust which was authorised by the former government.

In November 2000, the former government under the leadership of the Hon. Diana Laidlaw approved the release of \$15.45 million of funding for the final stage of works on the Adelaide Festival Centre redevelopment project. Earlier works on the centre totalling \$9.85 million included asbestos removal, building audit works and back of house equipment upgrade. Included in the approved funding for this final phase of works is an additional \$3 million sourced from the Planning and Development Fund of Planning SA to allow the demolition of the sheer concrete wall between the Adelaide Festival Centre and the railway building in preparation for the development of an arts plaza. The Adelaide Festival Centre redevelopment project is due to be completed in late September 2002 and I look forward to inviting members of this committee and, indeed, former ministers to attend.

Mr HAMILTON-SMITH: My question is regarding live music funds, Output Class 6, Budget Paper 3, page 3.3. Has the government supported recent legislation by providing funding committed by the former government to establish a new live music fund with an additional investment of \$200 000 for each of the next four years—\$800 000 in total—on top of the current expenditure for contemporary music projects? I note that the minister has dismissed the funding in Budget Paper 3 with the comment that funding will be assessed against government priorities in the arts, but has not specified what will be done. This funding was to be used for doubling the recording assistance program, launching a statewide live music touring program, supporting Music Business Adelaide, and a range of other purposes.

The Hon. M.D. RANN: We have not continued the funding in that area, mainly because of the budget situation, but what we have done instead is put \$140 000 into Music Business Adelaide for October 2002. It is an industry event, which is very valuable for them.

Mr WILLIAMS: Can the Premier tell the committee what funding is being provided beyond 2002-03 to support options for a new arts event for regional South Australia following the government's decision to cancel the \$200 000 annual funding for the Barossa Music Festival? What, if any, transitional funding has been provided to help the Barossa Music Festival meet outstanding liabilities? Both of those questions come from matters alluded to by the Premier in a press release on 30 April.

The Hon. M.D. RANN: I want to say one thing that is really important for all of us to remember. A few months ago at the cultural ministers' council, one thing that came across to me is that we are clear leaders, not just in how much we spend on the arts but also by having independent assessment panels that make assessments on funding. I have just read out a whole list of organisations that we fund based on assessments made by panels and other groups. People gratefully, and sometimes not so gratefully, receive these funds and think that having independent panels rather than me or Diana Laidlaw imposing our artistic tastes on South Australia is a much better way to go because in that way they are being assessed by their peers.

That all breaks down when they get a knock-back. When the independent assessment panels say, 'No, you are incompetent, you are financially unviable or you are artistically unviable,' the minister gets attacked. That is fine but sometimes you think to yourself, 'Well, if I am going to get blamed for what independent assessment panels do, I might as well make the decision myself.' Some of the comments that have been made about the Barossa Music Festival, quite frankly, have been made silly and demeaning to those who have

made them. All of us are aware of the tremendous problems with the Barossa Music Festival and the relationship between the board and John Russell over a number of years.

And, of course, all of us are aware of the tremendous success, over a number of years, of the wine industry, which has gone from \$30 million or \$40 million in exports up to \$2.8 billion. The state has forked out tens of millions of dollars for the National Wine Centre. Given that the wine industry kept saying how brilliant the Barossa Music Festival was, I thought that it might kick into the tin; and I hope it will. I will go through what happened in terms of the Barossa Music Festival, because some of the things said publicly by Anthony Steele have puzzled me. That is all I will say.

The organisations assessment panel recommended to me, as the new Minister for the Arts, that funding not be provided to the Barossa Music Festival for 2002-03. That same organisations assessment panel would have made the identical recommendation to the person under whose leadership they were appointed—the Hon. Diana Laidlaw. So, I found her statements somewhat curious. Is she saying that we should get rid of independent assessment panels, or is she saying that she would have revoked the decision of the organisations assessment panel?

Let us just go into the details, because I am quite willing to go into the Barossa and explain these facts. Attendances at the Barossa Music Festival had dropped, despite increased government investment in recent years. That investment had increased from \$52 500 in 1996 to \$159 250 in 2001-02. But it also received other assistance, including the South Australian Tourism Commission—

Mr HAMILTON-SMITH: I have a point of order, Mr Chairman. The question related not to the Barossa Music Festival but to alternative events.

The Hon. M.D. RANN: I am just going on to that.

The ACTING CHAIRMAN: Order! What is the member's point of order?

Mr HAMILTON-SMITH: My point of order relates to relevance. I would ask you to bring the Premier to the point of the question so that we can move on.

The ACTING CHAIRMAN: There is no point of order.

The Hon. M.D. RANN: I am getting onto that, but it seems that you do not want to know. You criticise the decision of an organisations assessment panel appointed under your own government. You cannot have it both ways. So, the truth will be told whether the Liberals like it or not. There were serious concerns by the organisations assessment panel and by Arts SA regarding the festival's future financial viability.

The government of South Australia, taxpayers in Salisbury and in Christies Beach, were subsidising each ticket to the amount of \$35.60 per ticket. It was not a subsidy per person attending but a subsidy per ticket to each event. It was extraordinary. I used to go. I used to love it. Everyone was there, it was jolly and everyone had nice drinks around the place, but it was being subsidised by the people of the state at \$35.60 per ticket, with massive increases in government assistance. However, attendances were dropping and there were serious concerns about the festival's future financial viability. But apparently I, as minister, should have done what Diana Laidlaw apparently would have done, which is either sack the organisations assessment panel or reject its recommendation.

So, the government, in partnership with Country Arts SA, is exploring options for a new arts event for regional South Australia in recognition of the importance of festivals and

events to regional arts and tourism. Funding of up to \$80 000 will be provided to the Barossa Music Festival to enable it to manage this change and to meet outstanding liabilities in accordance with existing policy. On 27 May, the Barossa Music Festival board announced that the festival would be cancelled for 2002. That was the board. I understand that John Russell has said other things publicly. It is interesting that the wine industry did not come in and start writing cheques, if it was such a brilliant event for them. Perhaps the wine industry was not prepared to subsidise tickets to the tune of \$35.60 per ticket.

However, I met with Anthony Steel to tell him what had happened and what the organisation's assessment panel had recommended, and then I saw his comments a couple of days later, which I have to say puzzled me. He said that apparently Don Dunstan would not have done this. Apparently Don Dunstan would have inflicted his will and ignored organisations' assessment panels. I think that Diana Laidlaw (the former minister) needs to work out whether she did the right thing in having organisation assessment panels and independent assessment panels, because apparently the deal is that, if they recommend the continuing funding, they are a great thing; whereas if they recommend that something is financially or artistically not viable, they are a bad thing and it is the politician to blame. Why have them if that is the case?

Mrs HALL: My question concerns job cuts and the government's decision to cut up to 600 jobs from the Public Service this financial year. I understand that the Treasurer has said on a number of occasions that no public servant has anything to fear from this new policy. What contribution is the arts sector expected to make to realise this particular broken promise (in my view) in either personnel numbers and/or overall dollar savings? Are all the TVSPs to be offered only within the Arts SA central office or across the cultural institutions and statutory authorities, for example, the Adelaide Festival Centre Trust?

The Hon. M.D. RANN: In terms of broken promises, what part of our announcement during the election campaign that there would be targeted voluntary separation packages under Labor did the Liberals not understand? What part of the difference between cuts of 600 to the public sector through voluntary retrenchments compared with the Liberals 18 000 or 20 000 that they got rid of from the public sector do they not understand? The former minister—the member for Morialta—said that we said public servants have nothing to fear—well, they don't. We are not sacking them, we are not retrenching them: we are offering packages. I have to say that, rather than 1 200 a year, we are offering 600 an opportunity to take the packages if they want to. If they do not want to, they do not have to take the packages; and they do not have to live in fear or have sleepless nights. Let us not play games. In terms of the arts department—

Mrs Hall interjecting:

The ACTING CHAIRMAN: Order!

The Hon. M.D. RANN: Through the whole of government savings strategy, the government requires all departments to contribute towards agreed savings targets. The arts portfolio has developed savings initiatives to achieve its required savings targets of \$3.249 million for 2002-03. In that year, total budget funding, including capital for Arts SA, is \$98 million net of required savings. This represents a 7.1 per cent increase in real terms over total budget funding in 2001-02; that is, \$81.1 million recurrent, 15.6 per cent capital and 1.3 per cent employee entitlements. Excluding capital,

operating funding for Arts SA is \$81.1 million and a 0.6 per cent increase in real terms over 2001-02.

Arts SA's contribution to the whole of government savings strategy has been managed so as to minimise the impact on artists and arts organisations, with Arts SA infrastructure bearing more than 57 per cent of the agreed savings target. Overall operating grants to lead arts agencies in 2002-03 have increased by 2.3 per cent in real terms, with operating grants to small to medium arts companies up by 5.6 per cent in real terms. Minor reorganisation will be undertaken, involving a reduction of Arts SA central office staff by five to six people during 2002-03 and no reduction in services.

Mrs HALL: What about statutory authorities?

The Hon. M.D. RANN: I have no advice on reductions to staff of statutory authorities at this stage.

Ms BEDFORD: Does the Arts Industry Council take an active role in the formulation of arts industry programs?

The Hon. M.D. RANN: I wish I had had some more notice, quite frankly. That sort of approach to questioning from our own side I find reprehensible, but I do have an answer.

The Arts Industry Council is currently reviewing Arts SA's funding programs and their efficacy. This review is due for completion in September-October 2002. The council has produced a discussion paper and Arts SA has provided comment on this to the council. The minister assisting (Hon. John Hill) has met with the Arts Industry Council on two occasions. Arts SA has welcomed the review and is looking forward to working with the council and ensuring that funding programs operate as openly, as transparently and as effectively as possible.

I am taking a particular interest in the question of peer assessment, as you can see from my previous comments. I want to know from the arts community whether they really do want independent peer assessment. That is what I want to hear from them, because you cannot have it both ways: it cannot be a good thing when it gives you a tick, and then a bad thing when it gives you a cross. That is the whole point. With regard to this, there has to be some maturity amongst the arts community.

If the arts community wants me to get rid of peer assessment, it must come and tell me that. But, in the meantime, until I am advised otherwise by the community, I strongly support peer assessment as the best available system. I believe it is the fairest way of assessing performance and having a range of informed views brought to bear on both artistic and financial performance.

The Arts Industry Council executives meet regularly with the executive team at Arts SA. Recent issues raised include status of the Art Smart arts and education strategy, public liability insurance and its impact on the arts and the review of Arts SA funding programs. I hope that the Arts Industry Council will tell me whether or not I should continue with independent peer assessment, because I have seen some of the statements made by people such as Anthony Steel and Diana Laidlaw, and others, and I think that there needs to be a strong dose of maturity as well as reality.

Ms BEDFORD: In asking this next question I acknowledge the Premier's ongoing commitment to the indigenous communities: is the government considering any special projects to support the culture of Aboriginal Australians?

The Hon. M.D. RANN: I went to the cultural ministers' council a few months ago and we talked about a whole range of issues. I asked how we could be serious about discussing

the culture of Australia and its future if we did not look seriously at Aboriginal languages. Languages are the key to culture. The English language is the key to English culture and English-speaking cultures around the world. I find it totally bizarre that each decade in Australia, which originally had, from memory, 300 Aboriginal languages and 600 to 800 dialects, we are allowing languages to become extinct.

We have demonstrations about extinct mosses and fauna. I have demonstrations and protests about the extinction of mammals—quite rightly; about the extinction of native forests—quite rightly; about the need for biodiversity and the preservation of species—quite rightly. But no-one seems to complain about the extinction of Aboriginal languages, so I raised this at the cultural ministers' council. I was quite stunned at the support that I received from ministers such as Clare Martin, the Chief Minister of the Northern Territory; from the Minister for the Arts in Western Australia; and from the Minister for the Arts (Matt Foley) in Queensland, for whom I have a great deal of regard. He is a poet in his own right. In May 2002 at the national cultural ministers' council meeting I proposed the idea of a national Aboriginal languages institute to foster language research, language recording and the reclamation of their languages by Aboriginal communities.

I was delighted that my colleagues were so supportive of the concept and of the development of the idea. A national institute would, in my view, give momentum to this vital work. Arts SA is assisting me in preparing a paper for presentation to the next meeting of the cultural ministers' council in early 2003.

Ms BEDFORD: State Opera will present the first fully Australian production of the complete Wagner *Ring* cycle in 2004. Are there any benefits for South Australia in this?

The Hon. M.D. RANN: The production will take place in the Adelaide Festival Centre in November and December 2004. The production will be directed by German-born Australian Elke Neidhardt, who recently directed *Parsifal* for the State Opera. The new Israel Opera's Music Director, Asher Fisch, will be the conductor. The substantial costs of the *Ring* are being met largely by the commonwealth government as a result of the implementation of the Major Performing Arts Inquiry's funding recommendations. The commonwealth is providing \$450 000 per annum, which is terrific, and the South Australian government through Australian Major Events is providing \$200 000 per annum. State Opera will use the Festival Theatre over an extended period in 2003 and 2004 for technical preparations and rehearsals.

State Opera has recently succeeded in gaining qualification of the *Ring* as an official tourist event with Austrade, so that now it can apply for an export market development grant. State Opera will handle subscription ticket sales; Bass will handle single ticket sales as part of the theatre hire arrangements agreed with the Adelaide Festival Centre Trust. I did not get to attend Adelaide's first *Ring* Cycle in 1998. The former Minister for Tourism attended one performance and I understand that the shadow minister did. There is a certain Wagnerian style about him, actually.

The economic impact of Adelaide's first *Ring* cycle held in 1998 was \$10 million. Last year's production of Wagner's opera *Parsifal* returned an economic benefit of \$2.5 million to the state and generated 42 full-time equivalent jobs. I want to pay tribute to the Adelaide Symphony Orchestra as well as to State Opera. People do not realise how brilliant the ASO is. I know that the General Manager of the Adelaide Sympho-

ny Orchestra (Bob Clark) was travelling on Friday en route to Estonia and then to Salzburg. I understand that the 50 Best Orchestras in the World organisation had invited him and paid for his tickets to Salzburg. Only two Australian orchestra leaders were invited to the Salzburg conference: the leaders of the Sydney Symphony Orchestra and the Adelaide Symphony Orchestra. We have a number of great orchestras in Australia. The Adelaide Symphony Orchestra is up there with the best and is being recognised internationally.

Mr HAMILTON-SMITH: My next question relates to the claimed increase of \$4.4 million in the arts budget. I am dealing with Budget Paper 4, volume 1, page 1.24. I do not think some figures add up. I make the point that, on the page to which I refer, the amount you are spending on the State Library has gone up significantly. It is easy to make the budget look much more generous when you spend an unusually large amount on capital works in a particular year and incorporate it into a larger figure. I have already asked a question about where the \$3.8 million cut in access to art activities has been realised—and we will not go back to that. But could you constitute and explain to the committee who will benefit? Is this \$4.4 million, which you claim is a real increase in the arts' budget and to which you have referred in your budget media kit, a real increase? How is that \$4.4 million real money and a real increase in the arts budget, when you take into account the capital works program? Can you show which budget line has been increased to this extent to prove that the claim of new money is correct?

The Hon. M.D. RANN: I will give an example off the cuff. There is \$500 000 extra new money for the Adelaide International Film Festival. There is an extra couple of million dollars for the Adelaide Festival Centre Trust. There is extra new money of \$850 000 for the South Australian Museum specimen collection. Tim Flannery convinced me of the importance of that collection, which is Mawson items, extinct species, and so on. I mentioned \$2.1 million, which is new money, for the AFCT recurrent budget; \$0.5 million for the film festival; \$0.5 million for 'Thinkers in Residence'; and an extra \$150 000 for WOMAD. All that adds up to \$4.1 million.

Mr HAMILTON-SMITH: Budget Paper 1, Budget at a Glance, spells out at page 10 that the 2002-03 budget makes no allowance for any savings that will arise from a comprehensive review of expenditure in all portfolios to be undertaken this financial year. Has a further expenditure savings target—and I would appreciate your giving the dollars or percentage—already been identified for Arts SA? What criterion has been determined for making the savings? Is the review process simply the subject of an ad hoc style cutting exercise? Is this a hint that there is to be a second round of cuts? Will you guarantee that when this budget estimates process is over there will be no further cuts in the coming 12 months to the arts budget under any circumstances?

The Hon. M.D. RANN: The budget is the budget. I do not know how things worked before. The former Liberal government apparently had massive upgrades to country theatres, which it did not bother to do for 8½ years but which it slipped in during the election campaign to win a few votes, but there was no money budgeted. I do not know how you did things. What is in the budget is in the budget.

Mr HAMILTON-SMITH: There was money budgeted.

The Hon. M.D. RANN: It was a funny money budget. I mean, you sort of rival New Zealand's Social Credit Party for what could only be described as bizarre accounting methods.

Mr HAMILTON-SMITH: So, is that a yes; there will be no further cuts?

The Hon. M.D. RANN: What is in the budget is in the budget.

Mr HAMILTON-SMITH: I have just read out what is in the budget; that there will be—

The Hon. M.D. RANN: The member said that it did not add up. I just added it up to \$4.1 million, and apparently everything glazes over. It adds up because it is in the budget and it is new money.

Mr HAMILTON-SMITH: Mr Chairman, we will not get an answer to that question either, so we will move on to the Film Festival (Output Class 6). What will be the total all inclusive cost of the International Film Festival (I know what has been budgeted) in each of the next three years, and how will you ensure that it does not result in a significant financial loss or drain on the arts budget, given that the Brisbane Film Festival has run at a loss for 10 years and is, in the words of the organisers, 'not even close to making a profit'? I am sure that you have contacted them, and you would know that that film festival has a significant turnover but requires funding of approximately \$400 000 from the Queensland government, \$40 000 from the Australian Film Corporation and \$20 000 from the Brisbane council.

Advice has been received that obtaining sponsorship for an event that is not known at all and does not have a profile is most difficult. In Brisbane, five to six full-time staff are needed to coordinate freight, to organise and print programs and to check the print of incoming films, etc., at a cost of \$600 000 over two years. Last year, insurance costs alone jumped from \$500 to \$30 000. I seek your assurance that the amount budgeted is all the taxpayer will be called upon to provide.

The Hon. M.D. RANN: I find it a bit rich for a minister in a government which oversaw the total debacle of the Adelaide Festival of the Arts—

Mr HAMILTON-SMITH: Just answer the questions.

The Hon. M.D. RANN: No, I will answer the questions the way I want to answer the questions. Quite frankly, you should hang your head in shame. The truth of the matter is that the arts budget will incur \$500 000. The budget for 2003 is still under development. It is expected to be in the order of \$840 000, with \$500 000 from the government, and there will be funding from box office sponsorship and grant income from organisations such as the Australian Film Commission, we hope. I thought it would take about \$1 million of government funding to put on a film festival of this size. I think \$500 000 is a bit conservative, and that is why we have budgeted \$1 million for the 2005 event. But, if there is a requirement for any extra funding, we hope it will come out of sponsorship and box office. It will not come out of the arts department.

Mr CAICA: How will the government implement the promise in its arts and film policy to encourage a closer relationship between tourism and the arts through the joint marketing of tourism, arts and cultural events happening across the state?

The Hon. M.D. RANN: It really is important to have a good relationship between the arts and tourism and the arts and industry. That is why, as I mentioned before, I have appointed someone such as Robert de Crespigny to chair the Economic Development Board. He has a history not only in business but also in the arts. There are other people on the board with a history in the arts, and also Scott Hicks, in terms of the film connection. I know that the former minister for

tourism (Hon. Joan Hall) would recognise that there has been a great deal of work over a number of years to bring arts people and tourism people together. A close relationship between the two industries already has been established.

On 3 July, I launched the Discover Adelaide card, which is the first joint marketing initiative of its kind between the arts and tourism. This new tourism product was initiated by Arts SA and developed with expertise from the Tourism Commission. The Discover Adelaide card is a booklet of passes featuring 12 of Adelaide's tourist attractions, including the Adelaide Festival Centre, the Bradman Collection, the Jam Factory, the Art Gallery of South Australia, the Adelaide Zoo, the Adelaide Central Market tour and others. The Discover Adelaide card is a simple tool for making visitors more aware of attractions, and it will boost visitation to these attractions. The card can be sold directly through retailers, including participating venues, as well as by travel wholesalers, with commission available to the travel trade.

BASS, the ticketing arm of the Adelaide Festival Centre, is the distributor of the card and also provides the financial management services for it. The development of the Discover Adelaide card highlights a new level of government/cross-agency cooperation, resulting in great outcomes for South Australia, and is the first of a raft of innovative cultural tourism strategies to be developed jointly by Arts SA and the South Australian Tourism Commission.

Mr CAICA: How will the government implement the promise in its art and film policy to encourage the arts, as an integral component of the education curriculum, and investigate other initiatives to support increased access to the arts for children and young people in learning environments?

The Hon. M.D. RANN: The honourable member thinks he has caught me by surprise. The government will achieve this promise through the implementation of Arts Smart. Arts Smart is the first strategy for arts education in South Australian schools and other sites for children and young people from birth to year 12. Arts Smart has been developed over a two year period by the Department of Education, Training and Employment, together with Arts SA in consultation with the arts industry and Arts SA. Again, I congratulate the former government for starting the process. Arts Smart aims to achieve three key outcomes: continuing engagement of children and young people in arts education; the development of networks of arts educators and arts practitioners; and arts experiences for life long learning.

A draft Arts Smart strategy was circulated to key stakeholders in the education and arts sector for comment in late 2001. The draft document is now close to being finalised, and a joint Department of Education, Training and Employment and Arts SA working group is developing a plan for implementation of the Arts Smart strategy; there will be launch of the strategy in coming months. I understand that \$100 000 is allocated for it in Arts SA's budget.

Mr CAICA: Are there any plans to build on Adelaide's success in the delivery of the Australian performing arts market?

The Hon. J.D. HILL: I thank the honourable member for his question—I know he has a strong interest in this area. Yes, the Australian Council's fifth Australian performing arts market was held in Adelaide from 25 February to 1 March 2002. The honourable member probably was not able to get there, as he would probably have been campaigning at that stage. This was the third biennial market to be held in Adelaide to coincide with the Adelaide Festival and Fringe.

This year's market attracted a total of 385 delegates—180 international delegates from 26 overseas countries (which is a fantastic response) and 197 from Australia. More than 25 performing art companies were represented by booths in the 'on display' section and 41 spotlight performances were presented as well. Five South Australian companies performed in the spotlight program, namely, the Australian Dance Theatre, Leigh Warren & Dancers, Slack Taxi, Vitalstatix and the Windmill Performing Arts, which the Premier has mentioned. Each has reported international interest in their performances as a result. I indicate to the committee that the Windmill has signed a contract to perform in New York early next year.

The Australia Council has now commenced planning for the sixth Australian performing arts market to be held in 2004, and the South Australian government, through Arts SA, will bid to host the event for a fourth time, building on the success of previous markets and the synergies offered by the Adelaide Festival and Fringe.

Mr HAMILTON-SMITH: The Leader of the Opposition asked some omnibus questions earlier. Will the Premier undertake to also answer those questions for the arts portfolio and the arts budget?

The Hon. M.D. RANN: I will provide those answers.

Mr HAMILTON-SMITH: I refer to Carrick Hill and to output class 5.1, page 1.19. What is the government's future vision for Carrick Hill, and will it continue to implement plans developed by the previous government to establish a \$2.5 million function centre at the site? I understand that the budget notes the current court case with regard to the licence, but is there any likelihood that the government could resolve to subdivide the land at Carrick Hill in order to fund the ongoing maintenance of that facility? Will the Premier rule out the subdivision of land at Carrick Hill?

The Hon. M.D. RANN: I am not sure about this, but am I right in believing that the former government (certainly, the former minister) was considering subdividing the land at Carrick Hill in order to help fund some improvements?

Mr HAMILTON-SMITH: I understand that that was an option not in the last parliament but in the parliament before that, that a different business plan was resolved in around 1996-97 and that Carrick Hill is self-sustaining at present but that that hinged to a large degree on the creation of a new function facility to the south of the main building.

The Hon. M.D. RANN: I understand that carving up some of the land for sale as real estate was being considered by the former government at some stage. I do not know whether the local member supports that.

Mr HAMILTON-SMITH: I am seeking your vision for Carrick Hill.

The Hon. M.D. RANN: I am happy to be bipartisan on this, but if the local member supports it I am happy to hear submissions. Carrick Hill currently operates a functions business from a marquee, under temporary approval from the Development Assessment Commission. The Carrick Hill liquor licence is under threat. The Springfield Estate Residents Association has complained—I do not think that is a Housing Trust group; maybe it is a housing cooperative—for some time about the increase in noise and the disturbance of their quality of life as a result of increased activity at Carrick Hill and it has taken action in the Licensing Court. A hearing date has been set for 20 August 2002. Carrick Hill is now looking to undertake a mediation process with the Springfield Estate Residents Association with a view to reaching

resolution of the issues of noise and traffic and thereby avoiding a court case.

The loss of the functions business would require additional funding of approximately \$80 000 per annum to keep the facility functioning at its current level of operations. Arts SA and Carrick Hill are exploring options to address this potential funding shortfall. So I guess we will have to ask the residents. We want Carrick Hill to be visited. If they do not want it to be visited, maybe we will have to take up the former Liberal government's option of carving it up for real estate. That is the last thing that I want to do. Carrick Hill was left as a gift to the people of South Australia. I do not think it should be carved up, but it should be used and it must be used. If the Liberal Party wants it carved up, then please let me know; we are looking for ideas.

I would like to thank the chairpersons and members of the committee and the opposition for their good humour, which has contributed to my good humour. I particularly want to thank all of the Arts SA and Premier's department personnel for their assistance.

[Sitting suspended from 5.48 to 7 p.m.]

Witness:

The Hon. M.J. Atkinson, Minister for Multicultural Affairs.

Departmental Advisers:

Ms K. Lennon, Chief Executive Officer, Department of Justice.

Ms J. DeLeo, Director, Office of Multicultural Affairs.

Mr S. Everard, Secretary, South Australian Multicultural and Ethnic Affairs Commission.

Membership:

The Hon. R.J. Kerin substituted for Mr Hamilton-Smith.

The ACTING CHAIRMAN: Do you wish to make an opening statement, minister?

The Hon. M.J. ATKINSON: I shall, sir. The portfolio of multicultural affairs, including the Office of Multicultural Affairs, the Interpreting and Translating Service, and the South Australian Multicultural and Ethnic Affairs Commission, has returned to the Attorney-General's Department after many years. I hope to give more time to South Australians of a non-English speaking background than a premier could. I consider that this move will produce many opportunities during the life of the new government and complements my strong personal interest in this area. The Labor Government aims to build on the belief in the benefits of diversity, and it is doing so in a number of ways, including:

- a one-off grant of \$75 000 to the Multicultural Communities Council of South Australia to establish a meeting place for all culturally and linguistically diverse groups, and in particular emerging and newly established groups—and I am sure that the Liberal Party would have honoured the same promise had it been re-elected;
- all government agencies have been asked to comply with a commitment to use multicultural media to inform the public about services and programs where appropriate;
- initiating a discussion paper on possible legislative change to improve methods of assessing skills and qualifications gained overseas, as well as referring this matter to the

commonwealth for development of a national approach; and

- releasing a discussion paper on broadening the scope of equal opportunity laws to address discrimination on the grounds of religious belief and religious vilification.

The government has pledged to improve equality and tolerance in our state and to invite, not impede, fuller participation in society. The government wants to improve the cultural and linguistic diversity of the members of government boards and committees to ensure that they serve effectively all the communities and the public interest by making use of all the skills and expertise available. We are also developing strategies to improve the diversity of other key government appointments and occupations, including the judiciary, our police force, hospital and medical staff, and our teachers. I look forward to serving people from diverse cultural and linguistic backgrounds, and I hope that they will feel that the government in which I serve is their government too.

Membership:

Mr Scalzi substituted for Mr Williams.

The Hon. R.G. KERIN: Just very quickly, because we have limited time: the importance of multicultural affairs is not lost on either side of the house and just how important this portfolio is. There may have been some disappointment that the Premier has not taken it, but I will take the Attorney-General's commitment well and truly on board. It may be a little difficult getting to some of the functions on a bike, but I have no doubt that he will give it his best shot. The role of the Minister for Multicultural Affairs is a broad one.

Within the Department of the Premier and Cabinet we have the Multicultural Services Section, and a number of bodies which flow from that, but also a very important part of the minister's role is to ensure that cabinet decisions in a whole range of portfolio areas do not prejudice in any way the interests of our multicultural communities. As with the Minister for Regional Development, the Minister for Small Business, and the Minister for Social Justice, the role is very much across government. So it is an important role, and certainly the multicultural communities benefit from government support, but they certainly repay us many times in the massive contribution that the general community makes to this state, its economy and its communities.

With that, I now head for the first question. Can the minister advise the committee whether the budget has made provision to fulfil the Premier's pledge to 'fund Cypriots living in South Australia to commence legal action against Turkey in the European Court of Human Rights for compensation for the disposition of their homes and property and the violation of their human rights?' There is an ongoing quest by Cypriot Australians for a peaceful and acceptable resolution to what has become universally known as the Cypriot issue. Since the Turkish invasion up to 200 000 Greek Cypriots have been forced to flee their homes, and over 1 600 have gone missing and thousands have been killed while fighting for freedom. At the Pan Australian Justice for Cyprus Coordinating Committee Conference held in Melbourne in 2001, and again in the *Sunday Mail* of 24 June 2001, the now Premier repeated his government's pledge to provide legal advice and financial support for South Australian Cypriots wishing to pursue their case against Turkey in the European Court of Human Rights.

The Hon. M.J. ATKINSON: And the question is?

The Hon. R.G. KERIN: The question earlier was: can the minister advise the committee whether the budget has made provision to fulfil that pledge?

The Hon. M.J. ATKINSON: You are quite right; you did ask that and I only forgot it in the subsequent discourse. The answer is yes, and the manner of asking the question by the leader tends to indicate that the opposition supports the government's initiative in this area. Of course, when we were in opposition and the Liberal Party was in government it was at pains to communicate with the media, covertly, its disapproval of our promise to provide aid to Cypriot Australians to enforce their rights in the European courts. The initiative by the government is based on a case which has already been heard in the European Court of Human Rights; that is, Titina Loizidou's case against the Republic of Turkey, whereby she recovered the legal right to her property in the diplomatically unrecognised Turkish Republic of Northern Cyprus. That is a right that the Cyprus SA Parliamentary Friendship Group would like followed up for Cypriot Australians so that they can have their lawful rights recognised also if they have left real estate in what is now Turkish controlled Northern Cyprus.

The government is providing \$21 000 in the budget to support its promise. The form in which this would be provided is legal advice to dispossessed Cypriot South Australians wishing to pursue restitution and compensation cases through the European Court of Human Rights. It is intended to meet the cost of lodging a claim in the court, and the government stated that it would be prepared to sponsor seven cases before the European human rights court at \$3 000 per head. Given that the right is recognised in European law, we do not see it as outside the bounds of legitimate government activity to support South Australians of Cypriot origin seeking lawfully to recover their property through an overseas jurisdiction.

The Hon. R.G. KERIN: Will the minister advise the committee of the progress on the government's election commitment to broaden the scope of the equal opportunity and anti-discrimination legislation to outlaw any discrimination on the grounds of religious belief? The Premier, at an event at which he and I attended prior to the election, made a commitment with respect to this. The election policy 'Multiculturalism in South Australia' committed a Labor government to expanding equal opportunity legislation to include discrimination on the grounds of religious belief. Certainly, some exemptions to that policy have been flagged, yet there still seems to be some concern in the community. Could the minister provide an update with respect to that policy?

The Hon. M.J. ATKINSON: I vividly recall that evening. It was the annual meeting of the Multicultural Communities Council and the then premier (now the Leader of the Opposition) spoke and the now Premier (then leader of the opposition) spoke and promised changes to South Australian equal opportunity legislation to outlaw discrimination on the basis of religion. This provision is in the law of most if not all other Australian jurisdictions. As is the case with similar legislation in other states, we are hoping for an absolute exemption for churches, religious organisations and religious and denominational schools so that they can take into account a person's religious convictions when making appointments to these bodies.

We have prepared a discussion paper on the proposal, which we have circulated widely. I would hope that the Leader of the Opposition has a copy of that discussion paper.

I look forward to the opposition's constructive comments on whether this particular provision is necessary in our law. Similar provisions in the United States of America have been used for the purpose of freedom from religion rather than freedom for religion. It is not our intention to go down the American path. There would have to be exemptions for religious institutions so that they are able to employ their own people.

For instance, there should be no discrimination for a denominational school if it favours, in its employment policies, members of that particular religion or Christian religious denomination. I am aware that equivalent legislation in Victoria is at risk of being used in a most divisive way. Recently, an evangelical Christian group asked a Pakistani Christian to give a report on the treatment of Christians in Pakistan. That meeting was attended by a number of people of the Islamic faith and, given that the report on the treatment of Christians in Pakistan was adverse to the Pakistani government, a complaint was lodged that somehow this talk discriminated against people of the Islamic faith in Victoria. It is very unlikely that that claim will succeed.

Nevertheless, it causes some anxiety among Christians in South Australia, so I quite understand that there are mixed feelings among religious people in South Australia about the virtue of the proposal. That is why we are not absolutely committed to it. We are waiting to see what the reaction is. We do not want to impose protection from discrimination on religions that do not want the provision. But, I encourage members of the public to contribute their thoughts on the proposal, and I am extending the period for submissions on the proposal for an additional month, to 30 August this year.

The Hon. R.G. KERIN: Several essential language courses for multicultural communities have been funded by the Adult Community Education Grants program, and some very successful examples include the programs run by the Coordinating Italian Committee. Those programs have been running for over 10 years and provide essential English language skills for mature age Italian migrants. On 1 July, the Coordinating Italian Committee was advised that its application for continued funding for its English language course was unsuccessful. Thirty participants had already enrolled for classes, so members not just of that community but also of other multicultural communities have been turned away from what were existing programs. Can the minister advise the committee whether or not he was consulted, as minister for Multicultural Affairs, before those cuts to these important language programs were made?

The Hon. M.J. ATKINSON: The cut was in the education budget, and I do not recall being consulted about it. Necessary cuts had to be made to government spending owing to the financial situation in which the state found itself and for which, probably, both sides can claim some credit. Cuts therefore had to be made across all portfolios, and my portfolio and that of education certainly were not immune. But, there was an increased number of applications for that particular program and, alas, the Coordinating Italian Committee, coming up against increased competition, was not successful.

The Hon. R.G. KERIN: My point was that you should have had a say or, at least, been told.

Ms CICCARELLO: In its election policies the government claimed that it would greatly increase the level of grants to culturally and linguistically diverse community organisations, as well as other support for ethnic communities. Can the minister advise what action has been taken in this respect?

The Hon. M.J. ATKINSON: As a matter of fact, I can. Since coming to office, the government has taken steps to support community organisations to undertake activities which will ensure that South Australia leads the nation in the building of harmony, understanding and respect across all cultural groups. In 2001-02, 47 grants, with a total value of almost \$65 000, have been approved under the Premier's Multicultural Grants Scheme. The government has included in the 2002-03 budget a total of \$150 000 for the scheme. This is the first significant increase in the grants scheme since 1994 and the first increase since 1997.

The grants scheme assists community organisations to develop projects that improve and enrich relations between the diverse cultural and linguistic groups in the South Australian community; assists ethnic community groups to participate fully in South Australian public life; enhances cross-cultural understanding and supports cultural diversity as a resource that enhances the state's social and cultural life; and assists ethnic organisations to become established and self-sufficient. I know that the member for Hartley and I sometimes attend functions with some of the more newly arrived migrants in South Australia who certainly need that government leg-up early in their time here in South Australia.

Where appropriate, the grants encourage communities to work together. The government continues to support and work closely with the Multicultural Communities Council of South Australia. A grant of \$75 000 to the MCC has been made for it to undertake refurbishment work on the ground floor area of its new headquarters at 113 Gilbert Street, Adelaide. I know that the same commitment was made by the now Leader of the Opposition and I am sure that, had he won the election, he would have honoured his undertaking also, so I think the MCC was quite safe, whatever the outcome of the election, unless there had been some extraordinary upset and perhaps the Democrats had won.

The MCC's headquarters will be freely available, readily accessible and centrally located as a meeting place for culturally and linguistically diverse groups. The government has also increased the funding to the MCC for 2002-03 from \$75 000 to \$100 000. In addition, I should point out that the 2002 National Ethnic Broadcasters Conference is to be held in Adelaide late this year and the government has made a grant of \$20 000 to Ethnic Broadcasters Incorporated, that is EBI FM, in addition to its regular annual grant of \$20 000.

Ms BEDFORD: My question is about Output 3.2. What cooperation does the Office of Multicultural Affairs have with local government?

The Hon. M.J. ATKINSON: A number of local councils have developed a range of programs and practices to respond to the settlement needs of migrants and to the cultural and linguistic diversity of their local constituencies. Other local councils are keen to enhance their services in this area. Even where valuable programs and services are provided by local government, many people are unaware of access to these services. The Office of Multicultural Affairs has discussed this issue with officers from a number of local councils and, in response, the office is undertaking an innovative program that aims to support local government efforts to respond appropriately to culturally and linguistically diverse communities.

OMA held an initial workshop with local government officers from two regional and six metropolitan councils in May this year. Participants at the meeting included representatives from the City of Playford, the City of Port Adelaide Enfield, which has the only local government councillor born

in Vietnam, Councillor Tung Ngo, the member for The Parks ward—

Ms Bedford interjecting:

The Hon. M.J. ATKINSON: Yes, as it happens. Other participants were the City of Holdfast Bay, the City of Onkaparinga, the City of Charles Sturt, the City of Whyalla, the City of Marion and the Rural City of Murray Bridge.

Ms Bedford interjecting:

The Hon. M.J. ATKINSON: No, I do not think Tea Tree Gully attended on this occasion, but it might in the future. It is now intended that these workshops be extended to all councils in the state during the coming year. Participation in the initial workshop identified the need for an ongoing project to identify examples of good practice whereby local government ensures high standards of access and equity in their programs, and high levels of inclusivity and participation in council membership, staffing, consultation and policy development. They should inform community organisations about services and programs that might respond to some of their needs and concerns, share information about examples of good practice across local government authorities, and work with local government authorities to support the development of improved access and equity. The Office of Multicultural Affairs will hold the next workshop meeting in September, so I am hoping that the member for Florey could encourage—

Ms Bedford interjecting:

The Hon. M.J. ATKINSON: I could not say. Perhaps the honourable member could encourage the City of Tea Tree Gully to be involved. Local government will also be invited to join the office's multicultural good practice network and to attend those seminars and workshops.

Mr CAICA: I refer to output 3.1. What is being done to support volunteers in ethnic communities?

The Hon. M.J. ATKINSON: Many migrants, particularly those of non-English-speaking background, are unaware of government and non-government programs and services and how to gain access to them. In response to the need for information, the Office of Multicultural Affairs convenes the Volunteer Migrant Information Officers Network. Under this, bilingual or multilingual volunteers are trained and supported to provide a direct information service to their respective communities. The network is a significant part of the Office of Multicultural Affairs communication strategy, to keep non-English-speaking communities aware of government policies, programs and services.

So, the office ensures that volunteers are provided with accurate and current national, state and local information by guest speakers from key relevant government agencies and non-government organisations. These volunteers are trained and kept up to date with policies, programs and services such as health, education, welfare, law and order, immigration, domestic violence and housing. I was pleased to attend a function in the Pilgrim Uniting Church hall to present certificates to some of the volunteers who had been trained by the Office of Multicultural Affairs and the South Australian Multicultural and Ethnic Affairs Commission, and was pleased to see that some of the newly arrived communities already had (in this case) women trained to serve those communities, including a Somali volunteer coming, of course, from Somalia, on the horn of Africa; a comparatively recent arrival along with Eritreans and Ethiopians.

Mrs HALL: My question to the minister refers to output class 3—multicultural services—with a great list of highlights for 2001-02. With respect to targets for 2002-03, can the minister can give an assurance to the committee that the very

successful *Multicultural Life* magazine will continue? I note that there is no reference to it in targets for 2002-03, but as it is considered to be a highlight of 2001-02 will it continue?

The Hon. M.J. ATKINSON: *Multicultural Life* is indeed budgeted for, and I intend that it will continue to appear at the same rate, although I think the size of the photographs of the minister and references to the minister in *Multicultural Life* will probably be reduced. I think *Multicultural Life* is an important way of getting our values and message across to the public. I have every confidence in the journal. I read it enthusiastically when I was in opposition and there were some outstanding issues produced. I think it would be a pity if *Multicultural Life* did not continue, and it is therefore our intention to continue it at the same rate.

The Hon. R.G. KERIN: I have about half a dozen omnibus questions which the minister can take on notice.

The Hon. M.J. ATKINSON: With the consent of the chairman, I promise to be far more generous in allowing omnibus questions, and answering them more promptly than was the case under your government.

The Hon. R.G. KERIN: Ours will not be in the thousands, and will not cost as much to try to answer.

1. Will the minister advise the committee of the number of positions attracting a total employment cost of \$100 000, with all departments and agencies reporting to the minister as at 30 June 2002, and estimates for 30 June 2003?

2. For each year (2002-03, 2003-04, 2004-05 and 2005-06), and from all departments and agencies reporting to the minister, what is the share of the total \$967 million savings strategy announced by the government, and what is the detail of each saving strategy?

3. For all departments and agencies reporting to the minister, what is the share of the \$322 million underspend in 2001-02 claimed by the government; what is the detail of each proposal and project underspent; and what is the detail of any carry on expenditure to 2002-03 which has been approved?

4. Will the minister advise the committee which initiatives contained within the government's compact with the member for Hammond has been allocated to this portfolio; how much will each of them cost; will these costs be met by new or existing funding?

5. Will the minister advise the committee how many reviews have been undertaken or are scheduled to take place within the portfolio since the government was elected; what matters do these reviews pertain to; what consultant or consultancy organisation has been hired to undertake this work; what is the total cost of these contracts?

6. Will the minister advise the committee how many of the 600 jobs to be cut from the public service will be lost from within this portfolio?

Before the minister finishes, can I thank the people within the department and the commission for the great job they do and the cooperation that I received in my time as minister. I think you do a wonderful job.

The ACTING CHAIRMAN: Does the minister wish to take all those questions on notice?

The Hon. M.J. ATKINSON: I would be happy to take those questions on notice. I am advised that, with one exception, those questions were asked of the Premier, and I imagine it would be the Premier who would be responding, even in the multicultural area, although I would assume responsibility for answering the questions about how many employees earn \$100 000 or more and how many reviews.

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

South Australian Tourism Commission,

\$45 444 000

Minister for Tourism—Other Items, \$10 066 000

Office of Venue Management, \$538 000

Witness:

The Hon. J.D. Lomax-Smith, Minister for Tourism.

Departmental Advisers:

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

Ms P. Del Nin, Chief Executive Officer, Adelaide Entertainment Centre.

Mr B. Craddock, Chief Finance Officer, Adelaide Entertainment Centre.

Mr A. McEvoy, General Manager, Marketing, South Australian Tourism Commission.

Mr C. D'Ortenzio, General Manager, Corporate, South Australian Tourism Commission.

Mr P. van der Hoeven, Chief Executive Officer, Adelaide Convention Centre.

Mr M. Elliott, Finance Controller, Adelaide Convention Centre.

Ms B. Dewhirst, General Manager, Australian Major Events.

Mr A. Wroniak, Accountant, South Australian Tourism Commission.

Mr M. Delgado, Project Director, Major Projects Group, Department for Administrative and Information Services.

Membership:

Mr Hamilton-Smith substituted for the Hon R.G. Kerin.

Mr McFetridge substituted for Mr Scalzi.

Mr Williams substituted for Mrs Hall.

The ACTING CHAIRMAN: Do you wish to make a brief opening statement, minister?

The Hon. J.D. LOMAX-SMITH: I would like to make an opening statement. Tourism is one of the most important industries in our economy. It is growing rapidly and is important in terms of employment. Internationally, tourism has grown from 25 million international travellers in 1950 to 685 million in 2000, which is a 27-fold increase. It is predicted that in Australia the number of tourists will double again by the year 2020.

OECD countries generate 70 per cent of tourism activity, and Australia, with 5 million international visitors, ranks only 20th out of those OECD countries in terms of international visitors received. There is obviously great scope for growth within the overseas tourism market but, in terms of South Australia, the domestic industry is really the backbone of local employment and income generation.

In 1999, the last calendar year for which we have full figures, tourism generated \$3.1 billion in expenditure. The tourism industry in South Australia is clearly linked to small business, of which I am also minister. In our state, 44 000 people are employed within the industry, and direct tourism jobs—namely, in accommodation, food, beverages, air and sea transport, sport and recreation—grew 8.5 times the rate

of total employment in South Australia between November 1990 and November 2001. The industry is clearly an economic driver, and the federal government should be commended for its recognition of tourism and its commitment to long-term planning in its recently released 10-year plan discussion paper.

South Australia is the only state to have consistently maintained a rolling tourism plan since the early 1980s. This is a joint industry and government plan that is currently under review for the next five years. Our key directions, and the ones that we particularly market in our state, are the specialty brand tourism opportunities that promote sustainability and authentic experiences rather than contrived or introduced experiences that one might find in other parts of the world.

In this context, the SATC is primarily about marketing, events production and infrastructure development and, by these means, it seeks to stimulate the tourism industry in our state. Our support for that endeavour, and the social and economic development of South Australia, comes from a wide range of organisations, some within government and some without.

A key generator is the Adelaide Convention Centre, which produced \$16 million of turnover in the 2001-02 year and saw 47 000 members of the public view the new and extended facilities during its opening weekend. Of course, that was not good a year for tourism worldwide but, even so, during the past year there were 630 events at the centre with significant new jobs created—approximately 318 people employed to operate and service the extension.

The Adelaide Entertainment Centre, which is a principal venue for concerts, events and attractions, also attracted 3 500 to 12 000 people but, of course, the entertainment industry has been a very difficult market this year. I have responded to a major decline in bookings and revenue from ticket sales by asking the centre to examine all of its non-core activities with the aim of focusing on its core business of attracting and staging arena events. To this end, too, a scoping study has been commissioned to examine ways of bringing a broader range of users to the entertainment centre precinct.

It is worth noting that the plans by the SATC to promote and develop the infrastructure that will assist in attracting people to South Australia range across a variety of areas. We are involved in strategic infrastructure planning and marketing policies whereby the SATC hopes to invest in tourism infrastructure and to promote South Australia as a quality destination to both national and international markets. We aim in the next year for a major marketing drive through the *Secrets* campaign. Since September 1998, this program has been most successful in attracting Australians to South Australia for a holiday. Indeed, in its first three years, the *Secrets* campaign attracted 85 000 visitors from our target markets of New South Wales, Victoria and South-East Queensland. These people were thought to have spent \$55 million.

This year we intend to give the *Secrets* campaign a major facelift, to keep it fresh and relevant and to target the people most likely to visit South Australia. The aim particularly is to encourage people to stay longer and to spend more. South Australia will be positioned as a major drive-touring destination and as a key destination for people wanting a special fly and drive holiday at a time when tourists are tending to take fewer overseas flights and holidays. Underpinning these initiatives as a strategy to promote people staying longer in South Australia, we have initiated a particular program that

will maximise the yield derived from special events, major events and conferences in Adelaide.

This year we will continue to market South Australia to consumers and national travel trade operators with travel wholesalers, agents, airlines and automobile clubs. Internationally, we divide our market into seven regions: the UK, Central Europe and Southern Europe, the Americas, New Zealand, South-East Asia and North Asia. International visitors represent 5 per cent of total visitors to South Australia, but they stay 18 per cent of total nights, making this a small but vital part of our market. Recognising the value to these tourists of good online communication and marketing, this year we are going to upgrade the SATC's online capacity by putting in an additional \$300 000 to improve the database and the online SATC tourism product, opportunities and experience data bank. The data will feed directly into our web site at southaustralia.com and, over the next 18 months, we hope that South Australia's tourism vision will be positioned more identifiably on our web site and will be globally seen as an innovative and sustainable tourism destination.

Particularly this year, the SATC has continued to work to ensure that our nature-based assets are paramount in infrastructure planning and marketing. For instance, we have budgeted \$200 000 to be spent developing accommodation at Hacks Point adjacent to Coorong National Park. The SATC will also strive to support the National Wine Centre in becoming a viable visitor attraction and to attract visitors into a niche tourism wine area. Obviously, this is a crucial part of our overall marketing positioning. The SATC's event arm (AME) has a strong event and festival strategy that is designed to create a powerful calendar of activity that must be seen as a way of attracting visitors to South Australia. Events, again, will be important in attracting tourists and taking them out into the regions.

This year we will be supporting the SA Water Bay to Birdwood run in September; the Australian University Games in September/October; the Mitsubishi Adelaide International Horse Trials in November; the Jacob's Creek Tour Down Under in January; and WOMAdelaide in March. Marketing arts events will be significant, and we will help to promote the Adelaide International Film Festival to make sure that it gains the exposure it deserves. Overall, the budget will ensure a sound framework and strategy to support and promote a growing sustainable tourism industry in South Australia, and in the coming year we will have opportunities for synergies between tourism and the other parts of my portfolios: small business, training and higher education.

The ACTING CHAIRMAN: I declare the proposed payments open for examination, and call the member for Waite.

Mr HAMILTON-SMITH: The opposition notes the minister's opening remarks and thanks her for them. I take this opportunity to welcome her excellent staff to the committee. I know the minister is well served; it is good to see them all.

I would like to make a couple of points on behalf of the opposition to follow on from the minister's introductory remarks. We feel that it is very important for the state to have sound, overarching, strategic guidance with regard to the way in which it develops its tourist industry. We were disappointed that running into the election the Labor Party—and I acknowledge that the minister was not the shadow minister at the time—really did not have a policy on tourism that was promulgated. There were a few side remarks to tourism in another document, but there was no strategic guidance from

the Labor Party running into the election. We hope that that has now been resolved. We will certainly be asking questions about that during the course of this evening.

We feel that the 10-year plan/discussion paper put out by the federal government provides a very good vehicle to rethink where we fit into the national plan. We look forward to the process of engagement with the federal government on that. Our view is that it is extremely important for South Australia to increase, if you like, its success rate in terms of attracting both international and interstate visitors to the state. I know the minister has alluded to that in her remarks, but the percentage of international visitors, particularly visitor nights, we are able to attract is well below what, arguably, it should be.

We feel that South Australia needs to find its place in the national scheme of things to make itself a more attractive destination so we increase that work rate. The opposition's view is that that has largely to do with marketing. Of course, we started the *Secrets* campaign and we are pleased the government is continuing with that. We also feel that it has a lot to do with product development and infrastructure, and our view is that it has a lot to do with establishing a reason to come to South Australia, rather than necessarily relying only on marketing. Once people get here, they have to have the right quality outcomes and go back with a positive message. We feel that there is work to be done, as there always is, for any destination to improve the products it offers to visitors.

As the minister mentioned in her opening remarks, the industry is comprised of small business people—and we recognise that connection. She also touched on what we feel is a very important point, that is, that South Australia needs to establish some iconic destinations. For instance, Queensland has managed to establish the Great Barrier Reef as an iconic destination, a 'must do' destination, for visitors coming from overseas. Obviously, Sydney has the bridge and the opera house, so Sydney is such a destination. Uluru is also an important destination. Kakadu is another destination. But there is a bit to be said about the way in which those states have packaged their product and marketed it to the world.

It is our view that the outback and Kangaroo Island internationally represent two iconic destination opportunities for this state. We would be very keen to see an effort by the government to further develop those two potential opportunities for the state with fairly significant investment, not only in marketing but also in developing the infrastructure, accommodation and all the other things, to make those things work for South Australia.

We have a concern (and particularly noting the push coming out of the Northern Territory to seize the Outback badge) that, if we do not move swiftly to reinforce the success of the Year of the Outback very substantially and fund it accordingly, we may get left behind by Queensland and the Northern Territory as the Outback destination. We also feel as an opposition that 'where the Outback meets the sea' is the sort of theme that ought to be developed. Our view is that that is largely about infrastructure, and we will be asking questions tonight about expenditure on infrastructure, particularly relating to our concerns about it having been cut. That is all I have by way of introductory remarks, and I think we should move on to the Entertainment Centre, unless the minister wishes to make any remarks.

The ACTING CHAIRMAN: Please proceed with your questions on the Entertainment Centre.

The Hon. J.D. LOMAX-SMITH: I do not know whether the member for Waite wants me to respond to his comments.

The ACTING CHAIRMAN: I am happy to indulge the minister.

The Hon. J.D. LOMAX-SMITH: I would concur about the importance of planning and strategic development, because I was encouraged that the federal government has embraced the idea of tourism being a serious industry. I think that the discussion paper allows us a very important range of opportunities to put the position of a state which is at some distance from its markets, and which is inhibited by a lack of international flights and reduced numbers of internal flights. We have responded in a way that we hope will allow the proponents of the discussion paper to recognise that Australia does not stop at the Blue Mountains. It is very important that, in the strategic planning, the federal plan encompasses the whole country. I am encouraged by the federal minister's understanding and knowledge of the industry in South Australia, and I hope that we have a good outcome from that planning process.

I would concur with the member's comments that we were fortunate that we positioned ourselves in the Year of the Outback as being the only state that embraced those opportunities. The experience that we gained from marketing would suggest that we are ahead in the positioning in that area. But one can never rest on one's laurels. The investment that we have put in place during the next period is the Outback Tourism Development Fund, which is a three year \$6.7 million Outback tourism development fund. It was established in 2001-02 to assist in the development of tourism infrastructure in the Outback, with \$2 million, \$2 million and \$2.7 million split over the three years. To date, 23 projects have been approved under the fund, with a total value of \$1.5 million, and we will continue with that project. We also have invested in some Aboriginal infrastructure projects and in Aboriginal products in the Outback, and I can tell the member more about those later, if he wishes.

Mr HAMILTON-SMITH: I refer to Administered Items, page 1.69, which is essentially the statement of financial performance for the Entertainment Centre. Which of the 10 options for the future proposed by the Entertainment Centre Board has been accepted by the minister and which, if any, has been endorsed by cabinet? What is the government's future vision for the Entertainment Centre and for the site it occupies? Is collocation with the Investigator Science Centre an option that the government is considering? I am really asking an overarching question about your future plans for the centre.

The Hon. J.D. LOMAX-SMITH: As the member knows, the Entertainment Centre experienced a poor year last year. We expect, on predictions at the moment, to be in the range of requiring \$2 million deficit funding in the next year. We recognise that this is not through mismanagement but we understand that, with the September 11 incident, the fall in the dollar and the general down trending of major events, it is very difficult to make a good income out of this line of business.

We looked at the various options available coming from the board, and chose a downsizing option, which was to allow the board and Entertainment Centre to examine all areas of activity and concentrate on core business, namely, promoting and managing events. At the moment there is a slight improvement in the bookings. You would know that Ronan Keating has just been through town. City Muster, A Long Way to the Top and The Man from Snowy River are booked.

Twelve shows have been released for public sale to date this year and another 15 are currently confirmed, but are not as yet available for sale.

The EC board is looking at all its expense areas and concentrating on the high margin core businesses and, if there is an improvement in the Australian dollar, clearly it will be a great advantage, but there are too many ifs and the government, therefore, commissioned a scoping study that looked at the range of opportunities—all the potential collocation opportunities that exist—but in particular looked at ways to make the site active throughout the day and week instead of the relatively small number of times it is booked out. Clearly it is a key location; it is well located, has fabulous parking, is close to good cable connections with the city and the opportunities are several and various, but particularly in other kinds of multi-media activities such as the Investigator Science Museum and a range of smaller and larger business activities around the margins of the site where buildings are currently unoccupied. So far we have put our efforts into researching those opportunities, canvassing the views of other users and potential users and we are still working on that at the moment.

Mr HAMILTON-SMITH: As a supplementary to finish off the question, do I take it then that the current decision is a temporary one and that you are still looking at a long term decision later or is this decision to go for the downsizing and core business options a long term position you would see being in place for four to five years or beyond?

The Hon. J.D. LOMAX-SMITH: I am not sure what is a temporary decision, as opposed to a non-temporary decision. It is an interim position in that we recognise that we cannot do nothing. The do nothing option is not on the cards. We are seriously contemplating other uses for the site and collocations and have asked management to rearrange its strategic plan in the knowledge that the government will not be countenancing deficit budgeting for the next five years.

Mr HAMILTON-SMITH: My next question is on the same subject, page 1.72. The \$2.015 million taken from employee entitlements, supplies and services at the Entertainment Centre in this budget will result I imagine in job losses, the closure of facilities and probably diminished services, supplier contracts and so on. A glance at the budget draws one to the observation that about \$747 000 has been taken from employee entitlements and a significantly larger sum for purchase of supplies and services. Will the minister explain how many staff are likely to be released and how many contractors are likely to have their contracts diminished or suppliers put off?

The Hon. J.D. LOMAX-SMITH: On page 1.72 of Budget Paper 4, Volume 1, 'employee entitlements' covers salaries, wages, leave, payroll tax and superannuation. Those items are forecast to reduce from \$3.038 million in 2001-02 to \$2.291 million in 2002-03 (a reduction of \$747 000). There is a corresponding projected fall in sales of goods and services from \$3.736 million to \$2.761 million. Due to the changing mix of business which the Entertainment Centre has experienced in recent times, I have asked for a plan to be prepared to ensure that the AEC focuses on core business and arena events. It is probable—and, as such, has been accounted for in the 2002-03 budget—that the AEC, whilst focusing on core activities, will engage other contractors to handle specialised function activities. This will result in current staff being employed in this area and engaged by a specialised catering firm. Hence, direct revenue and wages for such activities will be reduced from an AEC point of view. We are

waiting until 1 November to know just how many jobs will be involved in that realignment.

Mr HAMILTON-SMITH: That completes our questions on the Entertainment Centre. We understand the government's position and the reason why the business went through a difficult period.

Ms CICCARELLO: I think the minister has partly answered my question with regard to how the changes in the international market have affected the Adelaide Entertainment Centre's operations, but will the minister expand on her plans to ensure that the Entertainment Centre meets its budget targets?

The Hon. J.D. LOMAX-SMITH: It is interesting that this kind of arena event management is mainly an import business. As I suggested earlier, the low Australian dollar has made it very difficult to make a living in this area. The harsh impact of 11 September means that, essentially, we lost \$2 million worth of events. Traditionally, 80 per cent of AEC income is driven by those events and, due to these difficulties, the income stream now contributes only 60 to 70 per cent of revenue. The AEC has responded to this downturn by looking at other income streams such as functions and self-entrepreneuried events. These events are undertaken only where the risk is relatively low and the costs and overheads do not put the organisation at risk.

The centre has managed to maintain revenue at the same level over the past very difficult two years despite the loss of event income. However, with the change in the mix of the AEC income, the margins have gone down, and that is why the overheads have risen so dramatically. Prior to 2000, the great majority of AEC income came from events where all costs were recovered and the margins were very good. Functions and self-entrepreneuried events tend to have very much smaller margins. It has now become apparent that the AEC has reached the limit of what could be generated by non-event income streams and, unless the number of shows touring Australia and Adelaide improves, the centre will require increasing appropriation.

We believe that the 2002-03 budget is achievable because the board is working actively towards these outcomes. An indication of the number of events for the first half of the financial year is greater than predicted when the budget was submitted. This is probably largely because the dollar has risen higher than expected. If this trend is reflected in the second half, income projections will have improved markedly, but we cannot expect the budget to be balanced at this level in ongoing years.

The ACTING CHAIRMAN: We shall proceed to the questions on the Adelaide Convention Centre.

Additional Departmental Adviser:

Mr M. Elliott, Financial Controller, Adelaide Convention Centre.

Mr HAMILTON-SMITH: I do not have any questions on this matter, but I might just ask the minister if she would be good enough to explain her vision for the future for the Convention Centre, and that for the Riverbank project as it relates to the Convention Centre, and whether—

The Hon. JANE LOMAX-SMITH: Does the question relate to a particular budget line?

Mr HAMILTON-SMITH: No, simply the Convention Centre financials in the papers on pages 1.66 to 1.68. By way of explanation, I should say that the opposition understands fully the background to the Convention Centre, of course,

because we were involved in its conception. We recognise that the project was a very high risk one. The state has made a very substantial commitment in building a world-class facility. The former government also, as the minister would be well aware, committed to the Riverbank project which goes together with the Festival Centre redevelopment. They all go together.

We understand that it is early in the Convention Centre's new life and that there is a limited financial performance history to show for the centre as it is presently configured. So, we appreciate that it is still early days. We also appreciate that the minister has excellent management in place. Given the financials in the budget paper, could the minister give us her view as to what lies ahead in the coming year for the centre?

Ms CICCARELLO: On a point of order, Mr Acting Chairman, I am not sure that that is a legitimate question.

The ACTING CHAIRMAN: I was just about to raise that point myself. The member has to be a little more specific than just asking the minister for a general outline of the portfolio or of the matters we are examining. Does the member have any specific questions to ask?

Mr HAMILTON-SMITH: No. I spoke to the minister prior to the session and indicated we would not have any detailed questioning on the Convention Centre but that, if she wanted to highlight anything in the figures provided, that would be fine. If not, we are happy to move on.

The ACTING CHAIRMAN: I will allow the minister the discretion—

Members interjecting:

The ACTING CHAIRMAN: Order! I will allow the minister to respond, but I ask her to keep in mind that, although opposition members have no questions to ask, other members do have questions to ask.

The Hon. J.D. LOMAX-SMITH: I also point out that the Adelaide Convention Centre has experienced a difficult 12 months in that 11 September has clearly impacted on the convention trade. As the building was out of commission for some months, there was a flow-on effect from which it will take some time to recover.

In 2002-03, the Adelaide Convention Centre originally thought there might be a requirement for \$3 million in deficit funding. However, the management has worked assiduously to reduce this operating deficit, and it is unlikely that there will be a requirement for more than \$2 million in the next year. As the member for Waite suggested, the savings were brought about by good management procedures. The convention trade is very important to our economy, but it is sometimes forgotten that conventions bring people into the state for one event only, and their visits need to be leveraged to longer periods of stay in order to bring greater economic benefit to the state. So, in the next year, our focus in the convention industry will be to make sure that visitors do not just come for a five-day convention but stay for two weeks to enjoy some of the other destinations we have on offer.

Ms BEDFORD: Can the minister advise the number of bookings made with the Convention Centre since the opening, and also an indication of how they are holding up?

Mr WILLIAMS: I rise on a point of order, Mr Acting Chairman. Can the member indicate to which line of the budget that question refers?

The ACTING CHAIRMAN: I have been pretty indulgent with opposition members, but if they want to start this game I am happy to go down that path.

Mr HAMILTON-SMITH: I rise on a point of order, Mr Acting Chairman. You have made some fairly threatening remarks, sir. The minister has pulled me up on every question so far and insisted on knowing the exact page, and so on. So if you want to be pedantic, Mr Acting Chairman—

The ACTING CHAIRMAN: We can be pedantic or we can use this time as productively as possible. I ask the minister to answer the question put to her by the member for Florey.

The Hon. J.D. LOMAX-SMITH: Since 1987, there have been 9 300 bookings made with the Convention Centre. The centre has repeat business of approximately 60 per cent, and 39 per cent of convention visitors come back as tourists. There were 630 events held in 2001-02, which was 72 more than in the previous financial year, and this equates to the centre being booked for 234 days, even though the centre was fully operational for only nine months during that financial year. The increase in the number of events is the outcome of a new direct marketing strategy and compared to the previous year there were 16 more events, attended by more than 1 000 delegates, significantly increasing the economic benefits to the state.

Looking ahead, there are 3 000 bookings to date, some of which are up to 10 years in advance. It is expected that the level of international and national events held at the centre will only continue to increase given the proximity of the leading hotels to the centre itself, the quality of the food and wine, and the quality and experience of the management enjoyed by the visitors. The overall cost structure in South Australia is highly competitive and makes this a very good destination for overseas visitors. Our aim over the next five years is to maintain the asset, increase and improve marketing opportunities and leverage the best opportunities for the state.

Ms BEDFORD: I must say that the banquet for the Governor, Marjorie Jackson-Nelson, was the most exquisite occasion I have had the pleasure to attend in my entire five years as a member of this house. Full compliments to the centre for that. This question relates to the same budget line. Will the minister advise how a convention delegate's spending is broken down into the various categories that form part of the economic benefits generated to the state?

The Hon. J.D. LOMAX-SMITH: Various studies have been completed for the Australian Convention and Visitors Bureau and this provides a guide as to how the average delegate dollar is spent. The average delegate dollar is spent in a variety of ways, but only 10 per cent is spent within the convention venue. The remaining 90 per cent is spent outside on food, wine, clothes, gifts and museum entrances. The convention delegate spends approximately five times that of the average tourist during their stay, due to either payment of the major part of their expenses by the employer leaving more expendable dollars for personal use or tax concessions for private business allowing for more expendable personal dollars.

The breakdown of how a delegate spends in the categories is as follows: 9.6 per cent entertainment; 16.5 per cent restaurants; 19 per cent shopping; 39.6 per cent accommodation; and 15.3 per cent on touring and other activities. Clearly, we would hope to promote touring opportunities in the next year.

Mr CAICA: Will the minister advise what economic benefits the Adelaide Convention Centre has generated to the state's economy since its opening?

The Hon. J.D. LOMAX-SMITH: The economic benefits generated by convention delegates who come to Adelaide

from overseas and interstate are calculated on the basis of room nights booked by those delegates. A formula has been developed by the Bureau of Industry Economics, which takes account of average spending of a delegate based on surveys conducted and a multiplier effect which is a measure of the spin-off to those who benefit from servicing tourists. The economic benefits to the state are based purely on interstate and international visitors and do not include any local or intrastate functions.

The hotel room nights booked directly attributed to events conducted at the Adelaide Convention Centre range from \$25 000 to \$40 000 per annum. To this there must be added the unknown element of independent bookings and pre and post-event tourism which, at the moment, we are not measuring and therefore cannot improve as easily as we might hope. However, estimate has to be that probably double the formerly arranged bookings occur with people staying longer in the state. Currently, the bookings we have are in excess of \$120 million in economic benefits directly attributable to the extension since it opened; this is in terms of return on the capital invested and will result in the cost of the extension being fully repaid within four to five years.

The economic benefits to the state are the room nights booked for delegates since opening, \$517 640; income to hotels, \$84.72 million; and the delegate spending, which was the delegate dollar I mentioned earlier, \$79.53 million. The multiplier effect is 1.6 times \$164.25 million, which is \$262.8 million. The total revenue for the state has been calculated at \$427.05 million.

The ACTING CHAIRMAN: Its being the wish of the committee, we will proceed straight to the examination of the South Australian Tourism Commission.

Mr HAMILTON-SMITH: Thank you, Mr Acting Chairman. I begin with a question on the Tourism Business Development Fund. For last year's budget, 2001-02, Budget Paper 5, Vol. 1, includes an Output Class 2.1, Tourism Business Development, of \$4.131 million. In this year's Budget Paper 4, Vol. 1, page 1.58 Outputs, we see that that output class and budget line has vanished and is not funded this year. Can the minister explain why the money that was provided last year is not being provided this year, and how many businesses may lose funding or support as a consequence of the decision? I should add that the money provided by the previous government was used to assist 745 businesses to improve new product strategies. The average cost per business assisted was about \$650, and the funds focused on wine tourism, planning, themed drive trails, nature/ecotourism projects, cruise, drive and indigenous tourism. The money seems to have vanished completely from this year's budget.

The Hon. J.D. LOMAX-SMITH: I can understand the difficulty in interpreting those budget lines but I think they are quite easily explained. An internal restructure has resulted in the Business Development Output being combined with the Tourism Marketing Output for the 2002-03 budget papers. Subsequent to the publishing of budget papers the budgets and objectives for this output have been established. In 2001-02, this output class totalled \$4.131 million, as you correctly note. This comprised three main groups. The first was Business Development at \$1.108 million and the second was Product Development at \$1.255 million, which combined comes to \$2.363 million. The third output was Corporate Sponsorship and Other Financial Assistance, amounting to \$1.767 million. In 2002-03, the Business Development and Product Development units were combined. The total

Business Development Output totals \$3.716 million, comprising Industry Development of \$2.351 million and Corporate Sponsorship and Other Financial Assistance of \$1.365 million.

The new Industry Development Unit has eliminated duplication of resources that were provided by both individual units, allowing more effective use of the budgeted funds. Savings in budget and the introduction of improved financial management is now directly aligned to performance criteria that were not considered or available in the previous reporting structure. In 2000-01 the Business Development and Product Development units dealt with 758 inquiries, of which 603 were related to new business assistance. In 2001-02 the Business Development and Product Development units have dealt with 528 inquiries, of which 353 were related to new business assistance. The newly formed Industry Development Unit has undertaken a review of the state's tourism industry and developed a 3000-plus industry database, amalgamated from several existing databases within the SATC. In 2002-03 the Industry Development Unit budget of \$2.351 million will support the audit and visitation in the field and deliver practical business and product development advice to the 3000-plus listed organisations in the database. I hope that explains it.

Mr HAMILTON-SMITH: Not really, minister. If I hear you correctly, you are saying that that budget line has been combined with marketing. Then let us look at marketing. I refer to Output 3.1, Outputs Net Expenditure Summary, on page 1.58, which deals with tourism marketing. Why have you decided to cut \$3.6 million from the tourism marketing budget, and upon which programs and which suppliers will the axe fall? Last year, minister, the former government spent \$31.7 million net expenses on marketing, but your budget provides for net expenses of only \$28.06 million, a significant cut of almost 13 per cent. You have just explained that you have rolled in \$4.1 million of business development. My maths tells me that, if \$4.1 million from business development and \$3.6 million in marketing has gone, that means that you have cut nearly \$8 million out of the tourism budget in marketing and business development. Would you mind explaining, please?

The Hon. J.D. LOMAX-SMITH: The member for Waite has asked me this question in a variety of guises over the past few weeks. The question seems to vary but the answer is very similar because the tourism marketing expenditure depended on several one-off or biennial events. In particular, the Year of the Outback occurred in the past year, so we cannot fund it again in a year that it does not exist. So, \$1.2 million in 2002 for the Year of the Outback was a one-off project and is not reflected in the 2002-03 expenditure. The biennial sponsorship for the Adelaide Fringe Festival is not required in an off year and various corporate sponsorships have been reduced. So there are a range of activities that do not happen in off years and therefore do not occur within the budget line.

Mr HAMILTON-SMITH: Minister, I find that very surprising. You are telling us that you have rolled \$4.1 million from last year into marketing, so I would expect \$4.1 million more to be spent than last year, if that is correct. Instead, I find that you are spending \$3.6 million less in that budget line, and you explained only \$1.2 million of it. I am trying to fit your \$1.2 million into \$8 million. I would be most grateful if the minister would reflect on that and perhaps come back later in the evening or at another time and clarify that point for the tourist industry.

The ACTING CHAIRMAN: If the minister wishes to respond, I will give her that opportunity.

The Hon. J.D. LOMAX-SMITH: As I said, \$1.2 million was not required because the Year of the Outback did not occur in this year. There was \$500 000 from an intrastate and international marketing campaign, which was part of a two-year project. There was \$1.125 million for AME and, again, I am talking about the biennial or once-off events, and Tasting Australia and the World Solar Challenge are not staged in 2002-03. In particular, Encounter 2002 cannot be celebrated in 2003 because it would be a year out of date. As well, I did not mention the once-off \$415 000 sponsorship for the Adelaide Festival of Arts and, in particular, one of the large sums of money is the \$1.95 million due to a change in the government agency responsible for the administration and appropriation of the South Australian Motorsport Board.

Mr HAMILTON-SMITH: That is the events budget.

The Hon. J.D. LOMAX-SMITH: This is marketing and events, in general, which decreases. I am trying to explain why there was a reduction. I am trying to clarify it for you.

Members interjecting:

The ACTING CHAIRMAN: Order! Has the minister completed her answer?

The Hon. J.D. LOMAX-SMITH: I do not believe that the member for Waite is satisfied, but I am not sure what we can do to satisfy him.

Mr HAMILTON-SMITH: It is very simple, minister: just provide some logical figures. I will move on because we are not going to get anywhere. We just jumped all around between the events budget, the infrastructure budget and the marketing budget. We will move on to the next question on tourism infrastructure, Output 2.1. Why did the government hold back, cut or underspend \$3 million on tourism infrastructure in the year just ended? Will it be providing \$4.8 million less to such infrastructure in the current year 2002-03, a total of \$7.7 million over the last 12 months? Budget papers for 2001-02 and for 2002-03 show that of \$9.4 million net expenses budgeted in the year just ended, only \$6.497 million was allocated and spent. On top of this, page 1.74 of the Budget Paper 4, volume 1, shows that tourism infrastructure is to receive \$4.8 million less than in the current year.

Tourism infrastructure development is vital to the tourism industry which, as you know, supports 36 000 full-time jobs and generates \$3.1 billion of expenditure annually, providing 10 per cent of the state's economic growth. So, minister, we have lost \$4.1 million which we cannot find from business development and which you say is rolled into marketing; we are still short in the marketing area; and now there is about \$7 million here, that is a bit mysterious, in the infrastructure area. So, could you please explain why we underspent last year and why are we spending, according to the black and white words in the budget papers, \$4.8 million less this year than last on infrastructure?

The Hon. J.D. LOMAX-SMITH: I have explained this previously. There was a major Kangaroo Island infrastructure funding program which reached the end of its cycle in June 2002. Having spent that money on Kangaroo Island, we cannot extend it and spend it again. The government's funding for infrastructure projects will decrease, partly because of the end of that project. It will decrease by \$4.845 million from \$9.395 million in 2001-02 to \$4.55 million in 2002-03, and that is because the \$3 million funding for the Kangaroo Island infrastructure fund finished at the end of the 2001-02 year. There is a one-off payment of \$800 000

for infrastructure upgrades at the Head of the Bight and a \$700 000 reduction in the general infrastructure fund, which was a project funded over two years—that was \$2.3 million in 2001-02 and \$1.6 million in 2002-03.

In addition, there was an offset of \$200 000 for an upgrading to infrastructure at Hacks Point, within the Coorong, and there was a reduction of \$545 000 in the tourist road grant program because a decision was made that the Department of Tourism should not be in the business of building roads and that roads should be built by Transport SA.

In 2002-03, expenditure will include \$4.476 million of carried-over infrastructure funds, in addition to \$4.55 million of existing government funding. Therefore, the net expenditure for the tourism infrastructure development output is expected to increase from the 2001-02 estimated result of \$6.497 million to \$10.38 million in 2002-03. The projects which we intend to be undertaken and carried forward into 2002-03 include the Head of the Bight, \$795 000; the Penneshaw and Cape Jervis ports, \$400 000; the development of the Fleurieu artificial reef project, \$876 000; a continuation of Kangaroo Island infrastructure investment of \$1 million; minor infrastructure projects amounting to \$850 000; general infrastructure of \$2.405 million; and Outback infrastructure of \$2.5 million.

Mr HAMILTON-SMITH: Well, we will go over that *Hansard* report at a later stage and try to make more sense out of the infrastructure budget. But I make the point, minister, that we have talked about the importance of Kangaroo Island as an iconic destination, yet infrastructure redevelopment there has mysteriously been stopped. However, I will move onto events.

The Hon. J.D. LOMAX-SMITH: I am sorry, I did not hear the question

Mr HAMILTON-SMITH: You are stopping infrastructure development on Kangaroo Island. We will not have a discussion: I will move onto the next question, which deals with cuts in relation to events. Output Class 3 raises the question of whether or not the government has cut tourism event development in the current year by \$4.027 million. The minister has partly explained that \$2 million of that is a transfer of the motor sport board to the Treasurer, but which events will go and is the budget correct in forecasting a drop in economic activity impact benefit to the state of \$36 million as a consequence?

What the budget papers show is that in the year 2001-02 government net expenses were \$13.5 million. However, the Labor government intends to cut this to \$9.4 million in the current year. The budget papers show, as I said, that the impact will be a drop in turnover and benefit to the state of \$86 million in 2000-01 to the current year, \$50 million. That is \$36 million less business for South Australia. Some of the reduction, as you and I have both mentioned, is explained by the mysterious decision to transfer the Clipsal 500 and the motor sport board to the Treasurer—whatever he is doing running the event we can only wonder about.

However, events that are potentially threatened by your decision to cut this events funding include the Adelaide Rose Festival—I note that is biennial—Classic Adelaide, Tasting Australia (which I note is biennial), the World Solar Challenge, the tennis championships, the Jacobs Creek golf, the Glenelg Jazz Festival, the Australian Masters, Wagner's *Ring* cycle, bids for World Police and Firemen Games, Barossa Under the Stars, Golden Oldies Rugby and the World Aerobics Championships. I note that some of the events the

minister has mentioned are secured, but I ask which ones will not be funded and what will the impact be of this cut to events?

The Hon. J.D. LOMAX-SMITH: I find the assertions extraordinary. I have explained that there is a \$1.95 million reduction by the SA motor sport board's being transferred to the Treasurer, and the reduction in events funding is a direct result of one-off or biennial events: Encounter 2002, \$838 000; Tasting Australia, \$647 000; the World Solar Challenge, \$119 000; and the Adelaide Festival of Arts, \$415 000. The honourable member will appreciate that the one-off events such as the Year of the Outback were not funded by AME. These events are not under threat. Encounter 2002 cannot be re-created, but Tasting Australia is still planned in the out years, as is the World Solar Challenge and the Festival of Arts. I am at a loss to explain why the honourable member believes that these events are being cancelled.

Ms CICCARELLO: Will the minister explain what the South Australian Tourism Commission is doing to plan for the 2002 total solar eclipse and the expected influx of visitors to Eyre Peninsula, the Flinders Ranges and the outback?

The Hon. J.D. LOMAX-SMITH: The South Australian Tourism Commission has been aware of the 2002 total eclipse (which occurs in December) for some years. Planning has occurred throughout this year for the expected influx of people to Outback towns and communities. The planning began in August 2000. In the past, the SATC has worked with the Astronomical Society of South Australia to gather information on the total eclipse for the Year of the Outback brochures and the web site promotion that has been undertaken throughout this year.

The Tourism Commission's Australian major events division has provided planning advice and assistance to the Outback towns and communities involved with the eclipse and as to where the view will be the most exciting. Reports were produced and presentations made to the Department of Human Services and the Northern Region Emergency Services Planning Group in order to plan safely for the numbers of tourists expected to attend.

The District Council of Ceduna took up the challenge and contracted an events coordinator in January with financial assistance from the SA government. The coordinator has been working closely with key stakeholders, including the police and emergency services. Since February, an events coordinator has also been appointed to assist with planning for the Flinders and Outback regions and a considerable amount of quality planning work and community liaison has been carried out.

An infrastructure and emergency services committee was established in Ceduna nearly five months ago. The committee chairman is Senior Sergeant Kym Thomas, Officer in Charge, from SA Police in Ceduna. The committee comprises members of SA Police and emergency services agencies and other key stakeholders. A detailed risk assessment has been carried out for Ceduna and an emergency response plan has been developed and is near completion.

An infrastructure emergency services committee is in the process of being established for the Flinders and Outback regions, and it is expected to meet on 7 August in Port Augusta. Organisers are currently developing a public information program, including a detailed brochure and a dedicated web site. A report has been presented to the Year of the Outback steering committee with a view to taking care of the temporary infrastructure requirements. The report was

presented on 19 July and included requests from Ceduna. Individual agencies will now consider their position and liaise directly with the relevant communities. The issues of infrastructure investment have been taken seriously, but some time is required to maintain the infrastructure and to put it in place. Communities are organising an exciting array of festivals and events with food and music to celebrate the total eclipse, which occurs at the end of the afternoon before the evening's festivities.

Regrettably, it is not possible to say exactly how many people will descend upon our Outback areas and Ceduna for this day, but the planning process is well under way and organisers have gone to great lengths to find out as much as possible about the numbers of visitors coming, where they are staying and for how long. Much of the tourism accommodation has already been booked, and an effort is being made to install extra camping sites and caravan parks for the big day.

Ms CICCARELLO: Can the minister provide an update on the rationale for the regional festivals and events program and the funding allocations for 2002-03?

The Hon. J.D. LOMAX-SMITH: This refers to Budget Paper 4, volume 1, page 1.57. We have more than 500 events and festivals each year, and it is no surprise that we are known as the Festival State. These events range from small craft fairs in country towns to internationally renowned cultural festivals staged in the city. These events make a huge contribution to the quality of life and ambience of the state. They also have a significant effect on our state's economy, drawing interstate visitors and visitors from outside the town or region where the event occurs, encouraging repeat visits to South Australia's regional centres.

As you will be aware, the issue of public liability insurance is a major concern to event organisers, and the insurance price hikes have made it even more difficult for organisers to run their programs and budget carefully. As a result of the rise in costs and limited funds, the vitally important area of promotion is often overlooked by event organisers, so the Tourism Commission has set up a fund to address this issue using the regional events and festivals program. It is administered through the SATC's marketing department.

The program provides funding to events and festivals that generate tourism activity in their region and lift the profile of our state's tourism regions. The funding is provided strictly for marketing purposes, which includes public relations activities, advertising, brochure production, web site developments and poster production. To ensure that all events are evaluated on an equal basis, there is only one annual intake for this program, with applications closing at the end of March. All applicants are assessed against set criteria which are laid out in the program's guidelines and criteria forms.

In terms of funding allocation for 2002-03, 71 applications were received requesting total funds of more than \$1 million; of these 71, 43 were recommended for funding and allocated \$419 270. These applicants came from each of the 12 state tourism regions. Furthermore, the Wooden Boat Festival at Goolwa will receive \$12 500 as the second instalment of funding committed throughout this program in 2001-02. In addition to financial support, all events will also be offered in-kind support through the SATC. This support includes participation in risk management workshops, inclusion in a range of SATC publications, distribution of brochures through the South Australian Visitor and Travel Centre, and inclusion on the www.southaustralia.com web site as well as some public relations assistance. I am confident that the 2002-03 program will continue in its good tradition, with the

ultimate result being the continued growth of our state's tourism industry and the creation of more jobs in both urban and rural South Australia.

Ms CICCARELLO: What is the government doing to maximise the contribution to the state's economy of interstate and overseas conference delegates?

The Hon. J.D. LOMAX-SMITH: We have developed a new initiative this year to target key conferences being held in Adelaide. This initiative is called Stay Another Day and is being formulated in conjunction with a range of partners. It was apparent after the World Congress of IT that many of the delegates flew in and flew out without availing themselves of other tourism opportunities. Clearly, delegates cannot arrange to stay an extra week once their return flights are booked, so we have developed a program working with the Adelaide Convention and Tourism Authority as well as professional conference organisers, travel industry partners and the commission. The aim of the concept is to maximise the yield derived from conferences held in Adelaide.

The program is designed to encourage and provide real reasons for delegates to extend their stay in South Australia and to generate better returns to the economy. The Stay Another Day initiative will be managed by the SATC in conjunction with ACTA. A coordinator will identify appropriate conferences from the ACTA database during a targeted period, usually within a two year lead time, in order to make sure that the flights booked by the overseas delegates will include extra days. We will run a pilot program in the latter half of this year, which will consist of a message from the Minister for Tourism endorsing a targeted conference and making a special offer to potential registrants for that conference. The offer will be redeemable if the delegate chooses to stay longer in South Australia than the normal conference duration.

The process will require liaison between the coordinator and the professional conference organiser responsible for the targeted conference, and will include discussing timing of the dispatch of information to potential delegates, discussing the offer to be made to the delegates and ensuring that it is relevant and of value to the target audience. The message to be sent to potential delegates will include a welcome message and an endorsement, with a special tailor-made benefit package that will be marketed through the conference organisers and through the southaustralia.com web site. The selected conferences will be considered for their suitability by the type of conference, the goals and values of the conference, the demographics of the potential delegates, the length of conference stay and the timing.

Obviously, it would be preferable for us to target those events that occur during non-peak times of our calendar. The criteria will be that the PCO would have to be a member of ACTA and that the expected conference attendance should exceed 200 and preferably be in the 1 000 delegate range. We would particularly look for those conferences with a high international to domestic ratio, with at least 50 per cent of delegates being international. We would also expect the PCO not to be able to handle the tour and travel bookings unless they were a licensed travel agent. International delegates to key conferences, those very people who are the highest spenders when compared to other categories of visitor to South Australia, will be the ones we will target to stay longer, extending their stay but actually booking their return flight at a later date. The cost of this program will be in the range of \$25 000 and we expect, for a relatively modest investment,

to substantially produce ongoing tourism benefits for South Australia.

Mr HAMILTON-SMITH: In relation to events, I intend to ask the minister for some more financial information, but I am sure that she would acknowledge, if she has received the same advice that I did when I was in her chair, that even in the off-year of a biennial event there is often a funding requirement. For example, the minister has probably had advice that with Tasting Australia a substantial financial requirement is needed in the off-year (about \$500 000 or so) and a much larger budget requirement (about \$1 million) is needed in the on-year. It is simplistic to say, 'These are biennial events and we don't have a single dollar to pay in the off-year and we have only a dollar to pay in the on-year.' If the minister disagrees with me, I invite her to say so. I would be very interested to know whether the minister has decided to cancel funding for the rose festival—but we will get to that in a minute.

I seek the minister's advice on base funding for AME. In relation to Output Class 3.2, what funding and what restructuring does the minister have planned for AME? What base funding, additional funding and total expenditure will be provided to AME for each of the years 2002-03, 2003-04 and 2004-05? What significant reorganisational staff cuts and other changes will take place within AME during that period?

I know the minister will have a thorough table that neatly lists these things, so it is easy to get hold of. In addition to base funding—and I am happy to have this in table form; we can talk about that in a minute—additional funding and total expenditure, what funding will be provided to each of the following events in the years 2002-03, 2003-04 and 2004-05:

- World Police and Fire Games
- *Ring* cycle opera
- group support and event marketing and bid/activities event development
- Christmas pageant
- Adelaide Rose Festival
- Classic Adelaide
- International Horse Trials
- Tasting Australia
- Jacobs Creek Tour Down Under
- World Solar Challenge
- AAPT Tennis Championships
- Jacobs Creek Open Golf Championships
- 2002, 2003 and 2006 University Games
- Australian Decathlon Championships
- Glenelg Jazz Festival
- Australian and New Zealand Police Games
- 2003, 2004 and 2005 Australian BMX Championships
- Fleurieu Biennial
- Australian Masters Games
- Bay to Birdwood Classic
- Barossa Under the Stars
- Golden Oldies Rugby
- World Aerobics Championships
- World Cup Rugby
- WomAdelaide
- any other event?

I have asked for a lot of information, and I am happy for it to be either incorporated into *Hansard* separately from a table the minister has at present or for it to be provided to me later. The minister might be able to answer the question now, with further information to follow as she sees fit.

The Hon. J.D. LOMAX-SMITH: I think the breadth of the question is so extensive that we should take it on notice

and give the answer in written form in a tabulated list. I understand the honourable member's point about the off-years not requiring zero budgeting; they are budgeted at a lesser level. In our event funding we tend to give the lion's share of the money in the year in which the event occurs. Of course, with the one-off events, even they tend to have a lead time. For instance, the Year of the Outback, when it was not the Year of the Outback, and the World Police and Fire Games, have money going into the project for several years ahead of the actual event, but that is all within the forward budgets and we will provide those figures in detail in a tabulated form, if that is what the honourable member wishes.

Mr WILLIAMS: It is interesting information that has been coming forth. It seems that there have been substantial cuts in the minister's portfolio area from the last few years. It was reported in the *Advertiser* of 24 July this year that the 2002-03 figures indicate that the Limestone Coast received 20 per cent of the Regional Events and Festivals Program funding which, as the minister has just said, was a total of \$419 270 allocated to 43 events. A lot was made of these funding grants. Can the minister confirm that this is, indeed, a cut in this program compared to what the events throughout the regions have received over the last three years?

The Hon. J.D. LOMAX-SMITH: I do not know that I can respond to the *Advertiser* article of 24 July, because I do not have it in front of me and I am not aware of the details. The SATC's—

Mr Williams interjecting:

The ACTING CHAIRMAN: Order!

The Hon. J.D. LOMAX-SMITH: No, I think some of the regions did their own calculations. The SATC's Regional Events and Festivals Program provides funding to events and festivals that generate tourism activity throughout the state. The SATC is a marketing-oriented organisation, and all funding is strictly tailored towards event promotion, media and marketing activities. The 2002-03 program had 71 applicants, as I said earlier, and 43 events were recommended for funding. They have all been ratified by me, having been selected by the board. The successful applicants have been advised, and the 43 events amount—

Mr WILLIAMS: Mr Acting Chairman, I wish to raise a point of order. We have already had this information. My question was: can the minister confirm that this is, in fact, a cut in this program?

The ACTING CHAIRMAN: The minister is able to respond in any way she sees fit. I am not able to direct the minister to answer the question in a way that the member for MacKillop may desire. I will ask the minister to continue with her answer.

The Hon. J.D. LOMAX-SMITH: I am very happy to respond that the estimated end of year expenditure for 2001-02 was \$446 000, and for 2002-03 we have budgeted \$541 000. So, there has not been a cut from the actual expenditure to the projected expenditure budgeted next year. However, it is true to say that all the funds were not expended last year.

Mr HAMILTON-SMITH: I refer to Output Class 2, 'Minor and Major Infrastructure Projects'. How many small businesses, local councils and other tourism agencies have had their applications to the Tourism Development Fund for minor or major infrastructure projects revoked, refused or otherwise not supported since Labor formed government until the end of the last financial year on 30 June 2002? How many projects were approved, and what was the total amount expended? Did the expenditure come over or under budget?

It seems to the opposition that there has been underspending in this area right across tourism since the ALP came to office. It is very easy to make it look as though you are spending a lot more, when you actually held back spending in the last four or five months of the financial year and then suddenly re-released the money.

In May 1999, the former government established a tourism development fund particularly for tourism infrastructure development. As you know, minor infrastructure projects are up to \$50 000, and major infrastructure projects greater than \$50 000 drew \$2.3 million, which was made available to the SATC. Some 54 applications were received in the 28 September round, but there was a further round which closed on 29 March, for consideration in April and May. I am interested to know how many of those applications you funded. I am also interested to know whether this particular output class is to be cut this financial year, 2002-03, compared with last year.

The Hon. J.D. LOMAX-SMITH: It is a preposterous suggestion that we could have spent the past three months purposely not spending money. Had the member for Waite had experience running major infrastructure investments or public works, which I understand he has not had in his career, he would understand that engineering projects tend not to come to fruition when one expects them to. So, many projects fail to reach agreement with private-public partnerships. There are occasions when councils fail to give approvals. There are times when dollar for dollar subsidies are not matched and there are always problems in infrastructure investment—I would have thought that it was fairly common.

Mr Hamilton-Smith interjecting:

The ACTING CHAIRMAN: Order!

The Hon. J.D. LOMAX-SMITH: We will have to take the question on notice. I cannot precisely answer how many were not completed and had carry-overs at the end of the year.

Ms BEDFORD: Given the events of September 2001 and the resulting detrimental effect on tourism globally, what initiatives are planned by the South Australian government to grow international visitation to South Australia in the year 2002-03?

The Hon. J.D. LOMAX-SMITH: I am pleased to respond to the member for Florey in that the South Australian government, through the SATC, has a number of initiatives planned to capitalise on the opportunities that arose earlier in 2002, most notably through the Year of the Outback. We aim from this base to grow international visitation to those special eco and environmental experiences that overseas visitors enjoy so much. The most exciting initiative we have pursued was the opportunity to be involved in an elevated status in the United States \$3.6 million Qantas campaign. The ATC is a major partner in the campaign and both the Australian Tourism Commission and Qantas have doubled their financial commitment to the 2002-03 campaign compared with the previous year.

The strategy for the Qantas campaign is to heavily promote a lead-in package for 12 nights in Australia at an attractive price. In the past, the 12 nights have been allocated to three east coast destinations—Melbourne, Sydney and Cairns—with optional add-ons to other destinations such as Adelaide. The majority of the promotion is given to the lead package. However, in 2002-03 there will be two lead packages and Adelaide and Kangaroo Island will be substituted for Melbourne in 25 per cent of the advertising. It is the first time that South Australia has been included in the lead

package and it will enjoy substantial promotion both by Qantas and the ATC on television and in print. It has been made possible with the support of Qantas in a common rating of the airfare specifically for the campaign to ensure that the package price featuring South Australia matches the prices on the east coast. The tour wholesalers in the United States have been supportive of including South Australia in the lead package and the South Australian tourism operators have offered extremely good rates to assist in matching the Melbourne package price.

The campaign will feature two bursts of advertising: one from September to November 2002 and the second from January to May 2003. Going by previous results, the number of visitors generated by this campaign is expected to exceed 8 000. South Australia is hoping to attract at least 25 per cent of that number. Our investment has been \$45 000. The Year of the Outback has enabled South Australia to improve the profile of the Outback and to position Adelaide as the gateway to Australia's outback experience. South Australia will continue to promote the outback experience as part of the Explorer Highway journey that travels from Adelaide to Darwin, a concept that was introduced to the market in partnership with the Northern Territory about three years ago.

The SATC will maintain almost a singular focus in European markets over a number of years in order to reinforce the message to the consumer. To support the activities undertaken in Europe, foreign language web sites in French, Italian and German will be operational by September and will feature detailed information related to Adelaide and all of South Australia's regions as well as the promotion of the Explorer Highway concept.

In the UK, a successful promotion entitled Discover the Other Oz will be continued in 2003. Introduced for the first time in January this year, it has been the largest consumer campaign ever undertaken by the SATC in the UK. South Australia will also identify opportunities to work in partnership with the wine industry given the considerable exposure that South Australia's wines enjoy in the UK. The backpacker market is also an important one for South Australia. We intend to be represented at the World Youth Student Travel Conference (WYSTC) in October to enhance the presence of South Australian tourism operators at the conference and trade fair.

New Zealand is a market that offers significant tourism potential for South Australia, and the South Australian government is supporting current and future initiatives taken by the Adelaide Airport to achieve the introduction of direct flights from Auckland to Adelaide. In 2001-02, we introduced the Good Living campaign to the New Zealand market, and this will be continued this year.

China will also be a focus for South Australia in the coming year as we capitalise on an excellent media opportunity presented to us in early 2002 when GDTV, China's largest TV network, visited South Australia with two Chinese celebrities (Olympic gold medal divers). It was an excellent opportunity to communicate our experiences and activities through the eyes of the celebrities to 650 million viewers throughout China.

In addition, China offers South Australia huge potential in the edu-tourism market, and the education and tourism sectors are working closely together to maximise this opportunity, for instance, packaging longer and short-term courses with add-on tours. Tour operators and agents who promote edu-tourism packages to schools have already been

identified and will be equipped with the appropriate tools and knowledge to package and promote South Australia.

In addition, we have developed a Recorded Guides project for the Japanese market. South Australia has some unique ecotourism products that are not fully accessible to some language groups and foreign tourists. To address this problem, the SATC will record in Japanese a master CD of various tour explanations starting with Kangaroo Island tours. The CDs will be given away free of charge to both tourists visiting South Australia and potential visitors as travel promotion items.

The Japanese market has seen considerable growth in education following the events of 11 September with over 2 500 participants presently visiting South Australia. These Japan initiatives will take place despite a reduced SATC presence in Tokyo with marketing activities being serviced from regular visits out of Adelaide by working closely with the Department of Industry and Trade, which also maintains a Tokyo office.

Ms BEDFORD: I am grateful for the information on backpacking, because I believe that is an area where we could do a great deal of work. I was going to ask a supplementary question about John Travolta's visit to Kangaroo Island, but I have decided not to ask that now. Budget Paper 3, Chapter 3—Expenditure, refers to an amount of \$300 000 to replace the South Australian Tourism Commission's electronic information system. Will the minister explain what the new system will do and how it will benefit tourists and the travel industry in South Australia?

The Hon. J.D. LOMAX-SMITH: This system is an essential business tool for the work of the Tourism Commission, as it is a repository of tourism information about accommodation, events, attractions and tour operators in the state. This information is used by staff at the Visitor and Travel Centre in King William Street to make bookings and provide accurate tourism information to clients. However, the current system has been in place for 15 years and is nearly at the end of its useful life. During that time there have been major improvements in technology and decreases in operating costs.

An important benefit of the new system is that it will make it easier and quicker for South Australian Visitor and Travel Centre staff to organise holidays for their clients. It will also encourage tourism industry participation by allowing tourism providers to enter and maintain their own information in the system. The new system will better complement the SATC web site, meaning that visitors to the site will be able to access the same comprehensive information as the Visitor and Travel Centre offers, and plan and book their own holidays online. Currently the brochures, which are the backbone of our SATC, are not available, neither are comprehensive maps that can be downloaded from the site.

The upgrading will also mean that even a small tourism operator will have an opportunity to promote their product and compete in the global marketplace. The new system will send information to the Australian Tourism Data Warehouse, which is a joint state, territory and federally funded project to provide a comprehensive database for Australian tourist information. In summary, the new system will make it easier for the South Australian tourism industry to promote its services and for customers to discover information about South Australia and book their holidays here from anywhere in the world.

Ms BEDFORD: Can the minister please advise what provision the government has made in this budget to improve visitor information services in South Australia?

The Hon. J.D. LOMAX-SMITH: A Visitor Information Centre (VIC) is probably best viewed as an integral component of the overall tourism infrastructure of a regional or local area. The VICs are also an essential part of a marketing chain. A key role is to ensure that visitor needs are met when they are seeking detailed information on facilities, services and attractions of a particular region. The network of VICs throughout the state not only service inquiries on their particular area but also provide advice and assistance to visitors who are planning to travel to adjoining regions and areas. This valuable networking function plays an important role in developing customer satisfaction and ensures that their visit to South Australia and its regions is a positive and enjoyable experience.

The SATC is working closely with local governments, industry organisations and associations who are responsible for the operations of the Visitor Information Centres across South Australia. The aim is to improve the viability of the centres and to assist communities to consolidate the resources that are being directed at the provision of information. In support of the network, 40 accredited Visitor Information Centres in South Australia have been developed, and there is provision for annual funding assistance of \$6 000 per centre, totalling \$240 000 this financial year. The funding will enable the centres to undertake in-house training of staff and volunteers, to undertake training on local and regional product, to purchase new or upgrade existing information display equipment or fittings for the VICs, and to facilitate the production of information literature that assists visitors. They will also have an opportunity to purchase new or upgrade older computer hardware and/or software that is used for the provision of their services, or they might improve access for people with disabilities, or signage, or undertake improvements to the general appearance of the Visitor Information Centre.

Further funds of \$15 000 have been allocated to run the annual visitor information officer seminar which provides a forum to update and train VIC management staff and volunteers on issues relating to the provision of a professional visitor information service for South Australia. This forum is being strongly supported by the network of visitor information offices and attendance at this seminar is growing each year. Over 90 delegates attended the recent two-day seminar held at Bordertown. Additionally, a two-year \$1 million Visitor Information Centre infrastructure fund has been established to assist in the physical upgrading of Visitor Information Centres throughout the state. The upgrades involve building refurbishment that would be modelled to complement regional marketing campaigns, and the introduction of computer technology to facilitate internet booking systems, video information and computer linkages with other visitor centres. Visitor Information Centres are a key mechanism in providing visitor information on tourist regions in the state.

The upgrades will ensure that there is quality provision of advice and service to visitors. Since the inception of the fund, seven visitor information centres have been upgraded: that is, at Roxby, Hahndorf, Minlaton, Beachport, Mannum, Berri and Stansbury. Planning is currently under way for a major redevelopment at Kapunda, for which \$175 000 has been allocated. A proposal is currently being investigated to develop a new regional visitor information centre at Clare to

replace the existing one in the town hall, and investigations are under way to upgrade the visitor information facilities located at Naracoorte. A future strategy plan for VICs in South Australia is to be reviewed during the current year. This will provide a clear direction for the development and improvement of visitor services in the future.

Dr McFETRIDGE: I know that the Mayor of Holdfast Bay would be rather pleased if I correctly interpreted what you said earlier; that is, that the funding for the jazz festival is secure to 2005. That is one festival that is doing very well. In relation to tourist numbers, the minister has already mentioned the Convention Centre and the Entertainment Centre being down in numbers, given 11 September and the low Aussie dollar, and we understand that. The minister said that arrangements are being put in place to inform visitors once they are here and that Qantas and ABS are spending money on getting visitors here. She also said that she is developing web sites and using media opportunities. But how does the minister plan to fund the response to ABS figures announced last week that show a 6.45 per cent fall in tourism visitors to Australia—a total of 400 000 fewer visitors over the previous year, representing a \$1 billion to \$1.5 billion loss over the next 12 months? What has been the decrease, if any, in tourist numbers in 2001-02 compared to 2000-01, and what is the economic impact of that loss?

The Hon. J.D. LOMAX-SMITH: Up-to-date figures are not available for the end of the 2001-02 year. The September quarter is the first quarter of that year to be broken down according to state, otherwise it is an Australia-wide number. Clearly, there has been a fall in flights and international travel. Our response is to look at it in two ways. First, to make sure that no international travel opportunity is allowed to go unexploited so that every major event leverages more tourism opportunities and works as a tourism attraction and not just a one-off event.

This year, Australia Major Events is working assiduously to bring visitors to the Jacobs Creek Tour Down Under as well as the International Rose Festival. That program will work with the Stay a Longer Day program to make sure that people coming to conventions stay longer, because the challenge is to get people to the country and to get them to the state. Once they are here, we should not let them go too easily.

The second thread of our response to the decreased inbound tourism number will be to work hard on the drive holiday market. In difficult world arenas, residents tend to take local holidays. So we are promoting intra and interstate travel and marketing the Secrets campaign in a revamped form. We recently released a wine tourism brochure, and we will be working harder on attracting local visitors. But we acknowledge that this year has not been easy for the travel industry. We must expect that, if world events take a downward turn, we will have to work harder to maintain our economic base.

Dr McFETRIDGE: Can I take it then that there is no contingency fund? The government has no budget line to allow for what I think was a fairly predictable downturn? There is no extra funding for extra promotion?

The Hon. J.D. LOMAX-SMITH: No; I explained that we are refocusing our marketing activity, but the state of the budget, when we took office, was not such that we could pour a large sum of money into tourism.

Mr WILLIAMS: I was very interested in the minister's answer in relation to the drive holiday market: attracting people into the country, getting them to stay and to partake

of drive holidays. On the South Australian Tourism Commission web site, the minister states:

High quality infrastructure will entice more intrastate, interstate and international tourists to journey beyond Adelaide, stay longer and invest in the state's regional and rural communities.

Given all that, will the minister explain to the committee why the government has cut the tourism road grants program by \$545 000? This program has been used to induce councils to match that funding to provide tourism infrastructure, namely, roads in regional areas. What will now induce rural councils to invest in upgrading and maintaining roads in their districts to places which are of interest to tourists but of little interest to local ratepayers in those council areas, and has the money been transferred to the Department of Transport to offset this cut?

The Hon. J.D. LOMAX-SMITH: In the past the program to which the honourable member alludes has involved sums in the range of \$500 000 a year. Previously a 'tourism road' was defined as a surveyed road leading to a tourism destination, a significant tourism feature or within a recognised tourism destination and used predominantly by visitors to the destination or area. In the year 2002-03 we will not be spending money on road grants because it is an area of activity that I felt was best managed by Transport SA. It seems illogical for us to be involved in minor road developments rather than leaving it to the experts who have a core interest in this area. It was more logical to have a holistic view of the state's infrastructure development. I think the asset management and road building strategy for the state should rightly be controlled by Transport SA.

Mr WILLIAMS: Do you give that department the money?

The Hon. J.D. LOMAX-SMITH: It can incorporate that upgrading in its own budget.

Mr WILLIAMS: So, it is actually a cut.

The ACTING CHAIRMAN: Order! I am happy to grant the member for MacKillop a supplementary question.

Mr WILLIAMS: The South Australian Tourism Commission has taken this on board because Transport SA is involved in major transport in terms of people getting forward to and back places. Local government is involved in local transport for its ratepayers and, all over the state, you have little tourism sites of interest into which no-one was prepared to put any money. By putting in a small amount of money you could induce the local government to match that funding; you also then get a reasonable amount of money to build roads.

I know that this has happened right across my electorate. We had potholed, bumpy tracks that no-one, particularly a tourist, would go near. Suddenly, we are starting to get some sealed roads and decent signage to attract tourists to these places. Can I take it from the minister's answer that the program has been cut, the money has disappeared and that it has not turned up in the Transport SA budget? A yes or no answer will do.

Members interjecting:

The ACTING CHAIRMAN: Order!

The Hon. J.D. LOMAX-SMITH: The tourist road grant program is no longer part of our budget. It has been cut from our budget. The whole responsibility for road building, road upgrading, asset management and infrastructure now resides with Transport SA.

Ms CICCARELLO: As it should.

Mr WILLIAMS: Provided the money is there.

The ACTING CHAIRMAN: Order! The member for Waite.

Mr HAMILTON-SMITH: Minister, in answering my last question, you made a remark about infrastructure and how I knew nothing about infrastructure, and you implied that you did. Before I go on, I just want to get it on record that I think that that was a bit uncalled for.

With regard to marketing and advertising, what we have got so far is that you cannot explain where the \$4.1 million from Tourism Development has gone, other than to say it has gone into marketing, but you cannot show us the figure. You cannot really explain where the \$3.6 million in marketing or the \$4.8 million in tourism infrastructure has gone, except to say that something the previous government planned has come to an end, so the money is not needed any more.

Minister, the news for you is that what the previous government did is think of new things to do: it came up with new events; it came up with new projects; it came up with new ways to invest in infrastructure and to invest in marketing—new ways to spend the money. Your explanation of that money vanishing is to say that the project that it was earmarked for has come to a close. I do hope that the whole of the previous government's effort in tourism will not just come to a close. In particular, in your own Budget Paper—

The ACTING CHAIRMAN: Does the member for Waite have a question?

Mr HAMILTON-SMITH: Yes, I am leading up to the question. This is the explanation, Mr Chairman. Thank you for your guidance.

The ACTING CHAIRMAN: It was more like a statement, I think, but I am looking forward to the member for Waite's question, if he would like to get to it.

Mr HAMILTON-SMITH: In Output Class 3.1, and elsewhere in the Budget Paper, the government acknowledges that the economic turnover, as a consequence of these cuts, is going to be \$36 million down; that is \$36 million less in the economy as a consequence of the cuts you have made. My question to the minister is: given that you are spending so much less money than we spent last year—let's forget for the moment that we kept thinking about new things to do and your government does not seem to have any ideas about new things to do—who is going to have a contract cancelled? Who is going to have their suppliers' arrangements terminated? Which advertising company is no longer going to have money spent with it? Could you explain to us the impact of the reduced spending—irrespective of the reason: the fact that there is nothing new coming along the pipeline—

The ACTING CHAIRMAN: I think the minister has the gist of the question.

The Hon. J.D. LOMAX-SMITH: I think that the member for Waite might realise that for some people visions equal delusions, and, if spending money on the Hindmarsh stadium and the Wine Centre and other loss leaders is a good way to invest the state's money, then thank goodness we have a new government.

Mr HAMILTON-SMITH: Yes, I'm sure that the whole tourism industry will be saying that in the next 12 months.

The ACTING CHAIRMAN: Order!

The Hon. J.D. LOMAX-SMITH: It is quite apparent that member for Waite is unable to listen to facts when they are clearly enunciated. It is quite clear that he has been unable to read the budget papers and interpret their meaning, and it is also quite clear that in his short—though I am sure exciting—period as the minister for tourism, he did not read the documentation that relates to the income that was thought to

be generated—and calculated to be generated—as an outcome, or an output, from each major event. If he had bothered to read those documents he might have realised that in a good year, when there is a festival or—

Mr HAMILTON-SMITH: I take a point of order. The minister is making some very arrogant and aloof remarks about what I did or did not read. I do not think she has any knowledge of that. I would ask her to withdraw, please, and to stick to the facts.

The ACTING CHAIRMAN: There is no point of order, and, given the hour, I would ask that the member for Waite restrain himself. Minister, would you like to complete your answer.

The Hon. J.D. LOMAX-SMITH: I think it is quite apparent, in drilling back through the economic impact of major events over the last few years, that there are high yield years and low yield years. This is a cyclical event that depends on the nature and timing of the major events. For instance, when we have the veterans games or the fire and police games, there will be stunning years with extraordinary numbers of visitors, but there are off years where there are quieter events, and I would interpret the fluctuation of return on investment and economic benefit as being a cycle. For instance, the 1999-2000 year produced an AME economic benefit of \$113.5 million. In the following year, 2000-01, the economic benefit was down to \$48.8 million. Last year it was up to \$57.8 million. There are cycles.

I would hope that, when we have the major sporting events, we will go back up to the \$100 million rate, but if we look back at what happened in 1999-2000 that made it such a stellar year, it is obvious that one of the major drivers was the Australian Masters Games, the Golden Oldies Rugby Festival, when there were about 12 000 visitors, as well as the usual smorgasbord of smaller events. In a year where we had the Adelaide Festival, the Golden Oldies Rugby Festival and the 7th Australian Masters Games, it stands to reason that the outputs would be stellar. Regrettably, every year cannot be one of those stellar years for bookings. It would be good if we could iron out the peaks and troughs in the simplistic manner that the member for Waite would like us to, but the reality is that the calendar of events does not allow that outcome.

Mr CAICA: Can the minister provide an update specifically on recent developments and any upcoming initiatives, specifically the \$200 000 that was allocated to Hacks Point, that will help to maximise the potential of Aboriginal tourism in South Australia?

The Hon. J.D. LOMAX-SMITH: The member for Colton quite rightly alludes to the fascination that international tourists have with Aboriginal culture and experiences. Research indicates that those people coming to South Australia particularly want to have an authentic experience and meet indigenous people. A recent national survey of indigenous tourism commissioned by the state and federal governments found that 80 per cent of overseas tourists wanted to visit an Aboriginal based attraction when they came to Australia, but only about 37 per cent leave the country satisfied that they have participated in an Aboriginal experience.

According to the survey, the Aboriginal tourism activity with the highest level of participation was purchasing crafts, arts and cultural items. The other most popular activities were visiting a museum or gallery with Aboriginal culture, or a guided tour with a focus on Aboriginal culture. Visitors who indicated a willingness to experience additional Aboriginal

cultural experiences said that these should include learning about an Aboriginal lifestyle today, meeting and talking to Aboriginal people, visiting Aboriginal communities, seeing rock art sites and going to an indigenous performance.

With these findings in mind, the government is developing a range of Aboriginal tourism initiatives across South Australia to ensure that visitors have greater opportunities to take part in indigenous tourism ventures. These initiatives include supporting the Iga Warta Flinders Ranges, the Hacks Point development, the Head of the Bight (Yalata Aboriginal community), and the Warraparinga site in metropolitan Marion. The SATC works with indigenous operators to strengthen tourism business and marketing opportunities, with recent promotions including projects such as the dreaming trail in the Flinders Ranges and Outback region, as well as contributing infrastructure funds to the local industry to ensure that products and services are of an international standard.

South Australia is particularly fortunate to have an enhanced Aboriginal presence at the Australian Aboriginal Cultures Gallery, which forms an integral part of the \$20 million redevelopment of the South Australian Museum. The gallery lifts the profile of Aboriginal culture and will benefit a wide range of indigenous tourism experiences in the state. As you know, the Museum has a huge collection of over two million pieces of Aboriginal artefacts. Three thousand of these are currently on display in the two-storey gallery along with 1 500 images from the Australian Archives. In addition to this, we have the Tandanya National Aboriginal Cultural Institute in the East End, which acts as a site for regular exhibitions of traditional and contemporary Aboriginal art, and has developed a referrals network to direct tourists to a wider range of Aboriginal cultural activities throughout South Australia.

The government is also committed to exploring joint business venture opportunities across several state government agencies, including CIBM, DOSAA, SATC and DEH to ensure greater collaboration and better business development of Aboriginal business programs. A good example of this level of partnership includes the recent initiative by SATC with Arts SA and the Department of Industry and Trade in Europe as part of the South Australian Aboriginal European Road Show. The SATC's work in this field and support for companies such as the Coorong Wilderness Lodge, Iga Warta and other tourism ventures is clear evidence of the government's commitment to indigenous tourism and building visitor numbers in this sector.

The SATC, in conjunction with the operators of the facility at Hacks Point, will invest \$200 000 in the 2002-03 budget to assist in the provision of:

1. Power (both fixed-line and by wind);
2. Road access and signage;
3. Accommodation with eco-cabins and caravan/camping areas;
4. Waterway access; and
5. Waste water and bio-waste management program.

The SATC is dedicating specific resources within the agency to ensure that we develop South Australia as Australia's main focus of authentic indigenous tourism experiences.

Ms CICCARELLO: My question relates to cycling. In the last couple of weeks we have been watching the Tour de France and last night saw the final in which an Australian competitor was successful in winning the green jersey. Can the minister advise what the government is now doing to ensure that the Jacobs Creek Tour Down Under event, which

we all know is very popular within the South Australian community, attracts a greater number of national and international visitors to the state?

The Hon. J.D. LOMAX-SMITH: I thank the member for Norwood. I know of her intense interest in cycling and tourism. The Jacobs Creek Tour Down Under continues to grow in popularity locally but has, to date, not been used as a major marketing opportunity to bring tourists into South Australia. This year we have announced a new event marketing program, with a range of initiatives including the race routes which will ensure that the popularity of this event increases and generates greater tourism revenue for the state. A very important focus will be to ensure that the Tour Down Under attracts significant international visitors, especially from New Zealand, UK, France, Germany, Belgium, Italy and Holland. These countries share the member for Norwood's serious passion for the sport of cycling.

The SA Tourism Commission's new Secrets Drive campaign will be utilised to attract significantly increased numbers of tourists for the event from within Australia. In particular, the new marketing initiatives announced at the launch of the routes for the 2003 Jacobs Tour Down Under include:

1. The development of travel packages aimed at the European cycling tourism market;
2. The creation of Club Tour whereby the serious cyclist can purchase an exclusive package of hospitality benefits around the race;
3. The promotion of a Breakaway Tour, which offers recreational cyclists an opportunity to ride Stage 2 of the race through Rowlands Flat to Kapunda in advance of the race competitors; and
4. The introduction of the classic veterans race series in which veteran cyclists (by which I mean anyone over the age of 35) will be able to compete in a series of three races.

Veteran cycling has large numbers of followers in the eastern states, many of whom will be attracted to South Australia for the duration of the Tour Down Under next year as a result of the creation of this race series. In addition we are offering tailored corporate hospitality packages, and we have upgraded the Jacobs Creek Tour Down Under web site. The Adelaide City Council has cooperated and is allowing us to set up the Tour Down Under Village in Victoria Square and, as our special Tour Down Under Ambassador, we are once again using the services of Adelaide's own Stuart O'Grady.

In terms of television, the Tour Down Under will receive improved television coverage next year. Each day a 30 minute highlights package will be screened on Channel 7 within South Australia in prime time. A 90 minute package of the entire race will be screened nationally within two weeks of the finish of the event. The world's largest supplier of sports television programs, Trans World International, will deliver highlight packages into Europe, the Asia-Pacific, the United States of America and South Africa. Potentially, this will give us an audience coverage of 150 million households in 77 countries.

A program has been developed to ensure that key journalists representing six leading international cycling magazines and all mainstream Australian cycling publications are attracted to Adelaide for the 2003 Jacobs Creek Tour Down Under. This strategy will result in the most comprehensive print coverage the event has had thus far. The end result of these initiatives will be a greater awareness of the Tour Down Under than ever before and the attraction should attract

significantly more tourists than have ever come to South Australia for this event in the past.

Mr CAICA: Recently, the federal government released a discussion paper on the future of the Australian tourism industry with a view to preparing a national 10 year tourism plan. What is the government doing to help provide purpose and direction for the South Australian tourism industry to ensure that this state addresses the challenges and benefits from the considerable opportunities in tourism?

The Hon. J.D. LOMAX-SMITH: South Australia has an enviable record of consistently maintaining and reviewing a joint industry government strategic plan for tourism. It has performed this role since the 1980s. The previous state tourism plans have been prepared under both governments, and within this context South Australia has developed a bipartisan approach for tourism. Successive tourism plans, particularly 'Tourism Means Business' for 1996 to 2001, have provided a sound platform for sustainable tourism growth. This plan was particularly valuable in identifying and encouraging partnerships within the industry.

An extensive process for reviewing the current plan 'Tourism Means Business' 1996 to 2001 commenced last year. I am pleased to report that the issues coming out of the state's consultation process are congruent with those raised in the federal discussion paper but, of course, have a greater South Australian application of relevance. The member is correct in highlighting the considerable opportunities and challenges that tourism faces. It is a young industry in comparison with traditional sectors of agriculture, mining and manufacturing, yet it has had to grow up very fast in only a few decades.

World wide tourism has grown dramatically and we expect our own local tourism to double by 2020. The tourism industry is indisputably a major economic driver, with national tourism satellite accounts showing that tourism is driving 11.2 per cent of Australia's exports, whilst the Bureau of Tourism research estimates that tourism (directly or indirectly) accounts for 10 per cent of employed persons in Australia. The tourism industry, particularly in South Australia, comprises predominantly small businesses with a large number of owner operated businesses, particularly in the accommodation, cafe and restaurant sector.

The comparative study of tourism's contribution to the South Australian economy has demonstrated that tourism is driving 10 per cent of the state's economic growth through the exports it generates, and as a labour intensive service industry it is one of the state's key prospects for future job creation. Tourism is relatively resilient and has had to contend with external pressures and challenges, but recovery appears to be under way, although prospects may remain fragile. The Australian tourism industry is expected to be back on track by the second half of this year. To fully realise tourism's potential as a driver of economic growth and an environmentally sustainable industry, there is a need for a strategic plan to capture opportunities and to deal with the challenges.

This was recognised by the federal government in the recently released 10 year tourism plan discussion paper for stakeholder comment—and I would commend the federal minister, Joe Hockey, in the preparation of this project. Subsequently, a draft plan will be released for stakeholder consultation and a final plan is expected before the end of the year. The federal government discussion paper provides an overview of all the issues which face the industry and which are likely to occur within the next 10 years and beyond.

However, as we know too well, in the past federal government initiatives such as this tend to be eastern seaboard centred, and this government is working hard to ensure that the federal 10 year tourism plan addresses the needs of South Australia.

A submission commenting on the plan was made by the SATC earlier in the month. The release of its discussion paper was timely, coinciding with South Australia's own initiatives in strategic planning for the tourism industry. South Australia is the only state that has consistently produced a tourism plan, and the new plan will build on previous plans and also should produce synergies with the commonwealth plan.

The key directions that we have identified are that SA should be marketed and developed as a specialty brand, rather like a boutique shop rather than a department store. SA appeals to the discerning market segments and niches and we should, therefore, target these niches—the niches that are particularly interested in ecotourism, cultural tourism and wine opportunities.

We will not try to be like other tourism destinations but will create memorable and unique experiences. In fact, South Australia's draft tourism vision is to position itself globally as a leader in innovative and sustainable tourism. Strategically, we will aim not to be derivative but to have authentic and sustainable opportunities. When we undertake development or redevelopment, we will do so to improve the lifestyle of South Australians in the first instance and to create vibrancy, a unique cultural flavour and an overall sense of place. We will tend to aim to share these authentic experiences in a natural landscape with our visitors.

The growth of Australia's wine industry is a major opportunity. Given the spectacular growth in wine exports, wine is perhaps Australia's, and South Australia's, best iconic global brand. The opportunity for wine tourism to develop a value-added link with Food for the Future initiatives will help sustain and position South Australia as a gourmet destination in the literal and wider sense.

A key part of this positioning will be to set cultural and lifestyle experiences, as well as special events, within contemporary themes, such as heritage, special places, arts and culture. We will also use nature-based tourism as a key theme with our interest in the environment, our world heritage listed site at Naracoorte and our stewardship and the maintenance for our environment. Special events and festivals will be a key part of the tourism strategy, while South Australia's fully independent drive markets will target holidays that appeal to a growing and adventurous mature age segment of interstate travellers.

Research has revealed that South Australia's target markets are avid consumers of information and enjoy online information gathering. This is the rationale behind SA's series of *Secrets* books, which describe the authentic SA experience, and is also why we are working harder on our online and web-based marketing. The growth of technology through internet usage will have profound impacts on the industry and we must be e-ready and online engaged to embrace that market.

The importance of partnerships and business relationships in ensuring that plans become a reality will be a key driver in our working with the industry. That is why we must be not only innovative in our outcomes but also consultative and collaborative in achieving them, working together with the South Australian tourism industry.

Mr HAMILTON-SMITH: Regarding the Pichi Richi Railway, Output Class 2, has the minister, or her officers, made any arrangement for the SATC to fund or make funds available to the Pichi Richi Railway to enable it to offset or provide financial support for indemnity insurance costs? Is the minister, or any of her officers, aware of any arrangements by any government minister to make government funding available to the Pichi Richi Railway to meet the costs of indemnity insurance, either directly or indirectly?

The Hon. J.D. LOMAX-SMITH: No.

Mr HAMILTON-SMITH: As a supplementary, is the minister aware of any arrangement by any minister or any officer that may have indirectly, through another agency or third party, have resulted in funds being made available to the Pichi Richi Railway for indemnity insurance purposes?

The Hon. J.D. LOMAX-SMITH: The matter of the Pichi Richi public liability costs was first discussed with us and the Port Augusta Council, so that we were involved in assisting the Port Augusta Council by nominating potential sources of income for it. I believe that officers within my department suggested local businesses that might sponsor the public liability insurance. So, we were involved in finding ways to help the proponents fund their public liability costs.

Mr HAMILTON-SMITH: Would that assistance have involved any financial contribution to a third party to encourage them to support?

The Hon. J.D. LOMAX-SMITH: Are you suggesting that my officers bribed someone or gave them a tip?

Mr HAMILTON-SMITH: I am just asking a question, Minister. I am asking you whether the government might have provided any financial assistance to a third party on the understanding that they would provide financial assistance to the Pichi Richi railway, or something like that—some convoluted arrangement whereby—

The Hon. J.D. LOMAX-SMITH: I am sorry, we do not engage in convoluted arrangements.

Mr HAMILTON-SMITH: So, the answer is no.

The Hon. J.D. LOMAX-SMITH: Unlike the previous government, that is not our modus operandi.

Mr HAMILTON-SMITH: So, the answer is no?

The Hon. J.D. LOMAX-SMITH: I do not know how many more times I can say no.

Mr HAMILTON-SMITH: My next question relates to Output Class 2 and the Central Bus Station. Given that 30 per cent of tourists to Adelaide are backpackers and many of them arrive through the Adelaide bus station, which is, as you would know, in urgent need of an upgrade, what is the government's vision or the tourism portfolio's vision for the redevelopment of the Central Bus Station and what funds in which financial years have been earmarked for the purpose of upgrading the bus station?

The Hon. J.D. LOMAX-SMITH: I am afraid that I cannot find the reference that the member for Waite listed. Would he like to explain where this reference was? Does he have the same documents as I have?

Mr HAMILTON-SMITH: I do not think smart remarks are appropriate, Mr Chairman. Output Class 2 on page 1.58 is 'Tourism infrastructure development', and I am putting to you that the bus station is an important piece of tourism infrastructure, since 30 per cent of tourists to this state are backpackers. I am asking whether your portfolio or government anywhere has made any provision for upgrading that infrastructure in any way.

The Hon. J.D. LOMAX-SMITH: There are several inaccuracies in the honourable member's assertions. First, I

am led to believe that 7 per cent, not 30 per cent, of inbound tourists come through the bus station.

Mr HAMILTON-SMITH: I said about 30 per cent of tourists to Adelaide are backpackers. I believe that might be correct. I did not say 30 per cent of visitors to Adelaide.

The Hon. J.D. LOMAX-SMITH: But they do not use the bus depot.

Members interjecting:

The ACTING CHAIRMAN: Order!

Mr HAMILTON-SMITH: I said 'many of whom arrive and leave through the bus station'. Minister, why do you not answer the question?

The Hon. J.D. LOMAX-SMITH: I think that 30 per cent of international tourists are backpackers, not 30 per cent of tourists to the state.

Mr HAMILTON-SMITH: Let's just proceed; as long as I get an answer I will be delighted.

The Hon. J.D. LOMAX-SMITH: I am just trying to help you with your statistics because I would not like you to think you were labouring under a misapprehension entirely. The Adelaide City Council owns this site and for many years it tried to engage the previous government with a view to understanding how the train station and the North Terrace upgrade would occur. Obviously, if the bus depot were going to be moved onto North Terrace, it would be affected by the upgrade of North Terrace. Clearly, the North Terrace upgrade is now coming closer to a decision making process. I am not talking about the amount that is being upgraded at the eastern end of the street but, rather, at the western end. The potential to move the bus depot seems less likely. Therefore, the Adelaide City Council has asked for expressions of interest from the business community to upgrade its investment. To my knowledge, there has been no budgeting for this by the state government.

Mr HAMILTON-SMITH: If there is nothing there, it would not be in any output, would it?

The Hon. J.D. LOMAX-SMITH: To the best of my knowledge, it is not in that output. I can only answer for my own outputs. I cannot answer for the Minister for Transport or any other minister.

Mr HAMILTON-SMITH: You said that to the best of your knowledge there is no money anywhere in government.

The Hon. J.D. LOMAX-SMITH: To the best of my knowledge, there is none anywhere else. But I can only answer to my own output.

Mr HAMILTON-SMITH: Earlier the minister answered a question about the eclipse coming in December (Output Class 3). Ceduna council, I understand, has asked for a substantial amount of money to assist it to cope with the event. The minister mentioned some of the other arrangements that have been made. There is considerable concern amongst event organisers in Lyndhurst and Ceduna that there could be all sorts of problems; there is a need for security staff, work on roads, volunteers to be organised and council workers; and there is considerable concern about effluent. There is a range of issues. The minister mentioned some of those. Will Ceduna council get any money, or the \$620 000 or so, that it has asked for? What financial contribution will the government make to ensure this event does not turn into a catastrophe?

The ACTING CHAIRMAN: It is one minute to 10. We adjourn automatically at 10 o'clock. The minister may want to take the question on notice.

The Hon. J.D. LOMAX-SMITH: I think it would be unfair to answer a question in 30 seconds because I could not

give the information that is required. I will take the question on notice.

Mr HAMILTON-SMITH: I have the omnibus questions asked by the Leader of the Opposition earlier of the Premier. I seek the minister's assurance that the omnibus questions will be answered on behalf of tourism.

The Hon. J.D. LOMAX-SMITH: I will take those questions on notice as well.

Mr HAMILTON-SMITH: They are on the record.

The Hon. J.D. LOMAX-SMITH: If they are the same as those asked on other occasions.

Mr HAMILTON-SMITH: Yes, they are.

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

ADJOURNMENT

At 10 p.m. the committee adjourned until Tuesday 30 July at 11 a.m.