

HOUSE OF ASSEMBLY

Tuesday 17 June 2003

ESTIMATES COMMITTEE A**Chairman:** Mr J.J. Snelling**Members:**

Ms L.R. Breuer
 Ms V. Ciccarello
 Ms R.K. Geraghty
 The Hon. G.M. Gunn
 Mr G. Scalzi
 The Hon. R.G. Kerin

The Committee met at 11 a.m.

Legislative Council, \$3 786 000
 House of Assembly, \$6 092 000
 Joint Parliamentary Services, \$8 672 000

Witness:

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

Departmental Advisers:

Mr D. Bridges, Clerk, House of Assembly.
 Mr J. Neldner, Finance Manager, Joint Services Division.
 Mr H. Coxon, Parliamentary Librarian, Parliamentary Library.
 Mr J. Nicholas, Acting Catering Manager, Catering Division.
 Mrs J. Richards, Leader, Hansard.

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 an undertaking is given to supply information at a later date, it must be submitted to the committee secretary by no later than Friday 25 July. I propose to allow both the minister and the lead speaker for the opposition to make opening statements each of about 10 minutes. 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 House of 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, 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 purposes of the committees some freedom will be allowed for television coverage by allowing a short period of filming from the northern gallery.

I declare the proposed payments open for examination and refer members to appendix D page 3 in the Budget Statement. I call on the Premier to make a statement and to advise the committee of any advisers.

The Hon. M.D. RANN: I thought that we were dealing with the legislature and then the state Governor's establishment, which have their own separate acts. After consultation with the Leader of the Opposition, I will reserve my opening statement until the start of the Department of Premier and Cabinet line and, in the meantime, deal with the legislature.

The Hon. R.G. KERIN: We have only the one bracket of three questions on this topic and I will refer the third question to the member for Stuart. Before asking the first question, I thank the officers of the house for the job they do during the year. We appreciate it, and they certainly make our life a lot easier. It is not an easy place to work in because of the pressure involved, but they do a fine job.

My first question is a very general one but it pertains to these lines as well as others. On Wednesday 28 May in this house the Treasurer described the budget as follows:

It will be a budget with far more information than ever provided by the conservative government. It will be far more open and far more accountable and will contain far more information in the public domain. . .

There are still 100 unanswered outstanding questions from last year's estimates and the government is refusing our request for FOI on the basis of parliamentary privilege. Consequently, our rights as members of parliament are somewhat impeded. This experience has taught me not to rely on the Treasurer's assurances and, prior to commencing this year's estimates committees, I ask the Premier to give a commitment to ensuring that he and his ministers answer the questions asked of them during estimates committees, and to do so by the deadline of two weeks, which was previously mentioned by the Premier.

The Hon. M.D. RANN: When you consider the honesty and accountability provisions, the greater powers proposed for the Auditor-General and the Ombudsman, and changes relating to a range of procedures of the parliament (including changes to FOI), there is no comparison, in my view, between the way that we have conducted ourselves in government compared to our predecessors, where the onus was not on disclosure. I only have to refer the leader to the previous Auditor-General's criticisms of previous ministers on that score. I do not want to go through the whole Hindmarsh Soccer Stadium issue and other issues such as the water deal. We have certainly endeavoured to be as open as we can. The FOI demands from the Liberals have massively increased the FOI load on the government, at enormous cost to the taxpayer. So, I think that there is a difference between an onus of accountability and honesty, and playing games. I think that there has been a bit of game playing.

The Hon. R.G. KERIN: I have a supplementary question. Is that a yes or a no?

The Hon. M.D. RANN: I think what we have said is that we are more honest and accountable than our predecessors. I think you can see from the way the budget is drawn in terms of cuts and so on this year that it is a considerable advance on last year, which was a considerable advance, in my humble opinion, on previous years.

The Hon. R.G. KERIN: I have a question relating to the highlights on page 233 about the time frame for the constitu-

tional convention. Is the Premier still committed to the constitutional convention process, and what is the time frame for the holding of the constitutional convention? Is the Premier satisfied that that can be conducted without further budget allocation?

The Hon. M.D. RANN: I will have to get more details on that but, certainly, I am very committed to the constitutional convention, as I hope that all members would be. I have been in parliament since December 1985, although I have been in the building and working here for some years before that as a staffer to three premiers. In my view, parliament has been conducted in a way that is outmoded and lacks sufficient accountability; hence, we have given greater powers to the Auditor-General and Ombudsman and so on. We have to ensure that our parliaments remain relevant to people's lives and are not conducted in a way that is more representative of the 19th century rather than the 21st century.

So, I think that the Constitutional Convention gives the citizens of this state an opportunity to have a look at our constitutional and parliamentary processes, and that should be a welcome breath of fresh air. We should not be frightened of scrutiny. It is true that I am committed to the Constitutional Convention, and, from memory, that has already been detailed by the Attorney-General. I am happy to provide any more details to the Leader of the Opposition.

The Hon. G.M. GUNN: The matter I wish to raise comes under Joint Parliamentary Services, with an allocation of \$8.672 million. I am pleased that the Premier has referred to the efforts and aims of his government to be accountable and honest, and to provide information to the community. Therefore, I seek an assurance from him that the Parliamentary Library will not again be used to compile inaccurate information about members of parliament to be used at election time. I draw to the attention of the Premier a scurrilous document that was given authenticity because it had: 'Source: Parliamentary Library of South Australia'. This document was distributed around my electorate at the time of the last election inferring that I was entitled to a superannuation payout of \$1.3 million. It also inferred that I was entitled to benefits which I was not entitled to. It did not indicate which scheme I was involved in. The Parliamentary Library does not have actuarial people.

I raise this matter today, because I complained most vigorously about this document a few days before the election. It is inaccurate and is not true. I want to ensure that this never happens again. I have no objection to vigorous debate at election time, but it should be fair and accurate, and the library should not be drawn in to this sort of behaviour. There was a mock cheque that was put out which inferred that I was entitled to \$1 337 971. I do not know how they did the calculation. So, in view of this government's interest in accountability and honesty, will the Premier give a clear and unequivocal assurance that this sort of material and the Parliamentary Library will not again be used to malign people in making out that they are going to receive benefits they are not entitled to? Every member of parliament is in a compulsory superannuation scheme.

The Hon. M.D. RANN: I do not have the power to order parliamentary officers to do anything of the type. This matter would have to be discussed by the JPSC. But if you are going to have to proscribe what the Parliamentary Library can and cannot do—I mean, I have been down there and seen Liberal staffers looking at clippings, files and so on about me. So, are we going to say that we cannot research our opponents? The member could just tell this chamber how much superannua-

tion he is entitled to, because none of us should be afraid of public disclosure on that. I am certainly not.

The Hon. G.M. GUNN: Well, I am not either, not a bit. I cannot tell the Premier the exact amount, but I can tell him—and what was not said at the election time—that I have paid in over \$400 000 to the scheme, and I am yet to access it. My point is that I have twice complained about this matter and asked that the information compiled about me be provided to me, but that was refused. How can someone make a calculation about a member of parliament's superannuation payout when the people doing the calculation do not have accurate information and do not know which scheme they are in?

But the point is, Premier, that this is the place, where we are appropriating money to run the Joint Parliamentary Services, and I want to know whether you can give an undertaking—and it was done on behalf of the Labor Party, and this is a government which has been loud in its promoting honesty, accountability and openness—that this sort of scurrilous material, which was authorised by Mr Hunter, State Secretary of the Labor Party, will not again be circulated. I do not have a problem with someone talking about what I or any other member of parliament has or has not done—or what they should have done—or the policies they stand for, or the programs they have put forward which have gone wrong. However, I do have a real problem when there is a personal vendetta which is not inaccurate and when the Parliamentary Library is used to give authenticity. In a democracy I believe that we are entitled to that sort of assurance.

The Hon. M.D. RANN: As a former speaker of the parliament, am I to assume that, when you were the speaker, the arrangements were such that a premier could ring up and say what cannot be researched or otherwise by the Parliamentary Library? That raises important questions about the independence of speakers and the parliamentary institutions. I do not know how you can proscribe what the Parliamentary Library research people can or cannot research. Is that not a job for the JPSC? I do not know; I might be wrong on this. I am quite happy to admit if I am wrong, but I did not know I had that power. Perhaps I do have that power; I do not know.

The CHAIRMAN: I have shown some latitude, but I just want an indication whether there are questions from the government side on this line. I understand that the member for Hammond would like to ask a question.

The Hon. I.P. LEWIS: Thank you, Mr Chairman. My questions are along exactly the same lines, but perhaps for different reasons, as those which have been raised by the Leader of the Opposition and by the member for Stuart. At the outset, I want to commend the Premier for putting the rhetorical question: does a premier direct the legislature as to what it shall do and what the agencies that are established within the legislature for the benefit of the legislature shall do? The answer to that has to be emphatically no in the 21st century, if not in the 19th century. The Premier is not the parliament, and the government does not run the parliament: the converse is the case.

Continuing on from that, I ask the Premier and challenge all members of the committee to state their disapproval of the public record showing the gross contributions and the compounded interest rate on those contributions to the superannuation fund of all members of parliament and the benefits that that member of parliament may be entitled to at the end of every year when it is calculated and put it on the

public record. Our salaries are known, and the allowances we are paid to run electorates are known. The other benefits we get, particularly the superannuation to which we are entitled as members of parliament, should be equally known. I am fed up with having people as smarmy as the Hon. Robert Lucas trying to belt me around the ears by saying that for some reason or other I am asking for standards to which I am not prepared to submit myself.

I have always believed that that information should be in the public domain. We are publicly elected representatives. I think that the Premier can answer the question as to, first, whether the information is available and, secondly, whether or not he agrees that the parliament ought to publish it. I will leave that as part of the question, and let the Premier address that in the first instance, since it arises out of questions that have already been asked.

The Hon. M.D. RANN: In these things I believe in maximum disclosure. Anyone who tries to cover up anything gets caught out, in terms of superannuation and things like that.

Mr SCALZI: The member was not covering up anything.

The Hon. M.D. RANN: I am not suggesting that he is covering up. You can play games as much as you like, Joe, but people have moved on beyond that. What I am saying is that our bosses are the people of this state—and do not let anyone ever forget that. The people to whom we are accountable are the people who pay our salaries, and we are judged at each election. Ultimately the parliament belongs to the people of this state and not to us. I am happy to consider what the member for Hammond raised with me, but I have great respect and affection for the member for Stuart which goes back a long time, but I do not know how you can proscribe what a researcher can or cannot do for a member. Laying down rigorous rules can be done only by the parliament, the JPSC, and the parliament would therefore be the arbiter of its own interest. However, it is always paramount in our minds, which is why the member for Hammond has proposed a constitutional convention, to which I understood both sides of parliament were committed—that is what I thought, but I may be wrong—and this is a salutary reminder, as the last constitutional convention was held probably in the nineteenth century.

The Hon. I.P. LEWIS: A mock conference of a few people who were not representative was held during the Tonkin government.

The Hon. M.D. RANN: And there were those that led up to the establishment of the commonwealth of Australia, held back in the late nineteenth century. Let this be a salutary reminder to us that we are responsible to the people of this state. They are our bosses and not the other way around.

The Hon. I.P. LEWIS: I thank the Premier for his frankness and for the willingness that the opposition is indicating it has to pursue this course of action. Will the Premier be kind enough to provide this committee with the services which his department, separate from his office, provides to the parliament at present and that of all other ministers' departments and offices, if any, and what they are in both part-time or full-time job equivalents within the ministers' offices for duty undertaken, or within any one of the departments any one of those ministers have, so that we can identify the true cost of having the legislature? Whether we like it or not, the public is entitled to have that and lots of it.

This expense of running the legislature is buried in the plethora of divisions, departments and ministerial offices throughout government. It all ought to be identified so that it can be transferred in its responsibility away from a minister or ministers to the parliament. I ask it also because I do not think anyone has ever attempted to do that. I ask it further because it is a commitment which the Premier and his senior caucus colleagues made in the compact to transfer to parliament responsibility for its own budget—a debate in detail which we do not need to have here because that has been agreed. However, we must get on with that, and we need to have that information at our disposal so that we know who will be working for the parliament or what jobs must be done to ensure that the parliament can function in future—jobs that are being done within the Department of Administration and Information Services, the Department of Premier and Cabinet, the Department of Justice and even within the divisions of planning and lands in the Department of Environment and Natural Resources; the list goes on, and I cannot define the length and breadth of it. If the Premier cannot do that for us now, goodness knows, we will not get anywhere in doing away with the perception that government runs parliament and that members with a grievance can attack a minister where that grievance arises out of an injustice that has been done to them. Is the Premier willing to commit to that as a matter of urgency?

The Hon. M.D. RANN: I understand that the Treasurer has already had some talks with the Speaker.

The Hon. I.P. LEWIS: I acknowledge that: we have, and they have been cordial.

The Hon. M.D. RANN: I am happy to raise what you have said with the Treasurer to see where he is at because at the moment I am not aware of where that has developed.

The Hon. I.P. LEWIS: We need to go further than that and we need to know which departments and how many full-time or part-time equivalents at what rates of pay are currently providing services to the parliament as though it were part of that department. We need to know that. At present I do not know where else to go, other than to the Premier, in order to get that information.

The Hon. M.D. RANN: It would be useful for me to raise those issues you have raised with the Treasurer to see where we are at rather than cut across what he may be doing at this stage. I thought negotiations were proceeding well in that regard, so I will see what I can find out.

The Hon. G.M. GUNN: One of the things we should all appreciate is that democracy is not the cheapest form of administration, and any cost involved is accepted by the community to ensure that we have a democracy. Will the Premier assure us that the Parliamentary Library will not again get itself involved in courses of action which will be used in partisan political activities at election time? In openness, if the library puts together information about a member at the request of a senior member of this parliament, surely the person in question is able to look at those calculations, because in my case they were wrong and it was designed to try to show me in a bad light and that I was going to receive something to which I was not entitled. I agree with the Speaker: let us have this out in the open; let us table the entitlements annually—I have no problem with that—and it will stop the scurrilous campaign, as also happens with members' travel.

Another dodgy document was put out about me which also set out to show me in a bad light. I understand that that year the now Treasurer was the most travelled person—and there

is nothing wrong with that. The point I make is that it is in the public interest for members of parliament to travel and to see what is going on overseas, but to try to use it against a member in a malicious and untruthful fashion is something we should put behind us. Will the Premier give us an assurance that that sort of behaviour will be put behind us and we will debate the next election on the real issues affecting the people of South Australia so that they can make a sound and mature judgment and not be subjected to a campaign based on personal vilification and untruths. If I do not raise this today, when else can it be done? My real concern is that in my case it was not successful, but other people on both sides of politics will suffer. Once one side does it, it will be repaid, and normally with compound interest. If I was like minded I could have said some pretty aggressive things about my opponent. My colleagues and my team declined to go down that track, but my opponent and his team set out to personally target me, and it shows him and those around him in a very poor light.

The Hon. M.D. RANN: Do I have the power to direct the Parliamentary Library? That is the question I have to ask the committee and perhaps the presiding officers. I do not know whether I have that power. We have all been through bruising election campaigns. I did not hear the member for Stuart referring to the avalanche of ads that were on television and radio in 1997, attacking me personally. One has to be robust about politics and debate. Maybe I lack the honourable member for Stuart's sensitivity; I do not know. However, the point is that I do not know whether I have the powers to direct the Parliamentary Library. I did not think that I had those powers, but perhaps the member for Stuart can raise these things for a protocol to be established by the JPSC.

The Hon. I.P. LEWIS: Because of this quaint (indeed stupid) system that we have, where the Premier and other ministers have responsibility for the appropriation of money for parliament, I cannot raise this matter in any other context or in any other forum, other than by asking the Premier whether he will provide audit checks, or give an undertaking to make changes to legislation such that it will be possible to make audit checks, on the way in which appropriated funds can be examined for the Leader of the Opposition's office, as well as for every other dollar that is provided to the parliament for its purposes

The Hon. G.M. Gunn interjecting:

The Hon. I.P. LEWIS: Indeed, I indicated every other office. It is about time the fiction in which we engage stopped, whereby ministers have to be accountable in the provision of funds for the functions of parliament and the support services provided to members of parliament in the course of doing their work. In my judgment, parliament itself should be responsible and answerable for that, not the Premier or any of his ministers; yet, I do not know what he did as Leader of the Opposition (or has been done by any other leader of the opposition before him or since), and was never able to find out.

My question is not intended to reflect upon the current Leader of the Opposition or any previous leader but is merely to make the point that it is dopey—absolutely inane, stupid and dopey—for a parliament in the 21st century to have a Premier accepting responsibility for the appropriation of funds that are made available to the Leader of the Opposition to discharge his duties through that office, and every other member of parliament likewise. The sooner we get away from that practice the better.

However, in the meantime, my question is a serious one: if the Premier cannot direct or authorise any such audit check, will he ensure that swift passage is given to legislation that enables all this material to get into the public domain, get off the front page and out of the headlines in the electronic media as well, by putting it where it belongs—where people can see it?

The Hon. M.D. RANN: As I understand it (and I might be wrong), the Leader of the Opposition's office accounts are subject to audit by Treasury and Finance.

The Hon. I.P. LEWIS: No, they cannot be by Treasury. It has nothing to do with Treasury. Once the funds are appropriated, they are provided.

The Hon. M.D. RANN: I might be wrong. I have just been advised that the funds come from Treasury. Accounts go to Treasury, and they are, I imagine, subject to audit by the Auditor-General, if he so wishes. I am happy to check that.

The Hon. I.P. LEWIS: I have made the point that I sought to make. I do not think it necessary for me to disabuse the Premier of the legal pleasantries, or lack of them, at this point.

The Hon. M.D. RANN: The money for the Leader of the Opposition comes out of Treasury, as I understand it (and it was certainly my recollection), and is reconcilable. There is a certain budget for travel and staff. Taxi vouchers and those sorts of things are all paid out of that account. They have to be reconciled, and there would be provision for audit, but I am happy to check that.

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

State Governor's Establishment, \$2 503 000

Departmental Advisers:

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

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

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

The Hon. M.D. RANN: I want to take this opportunity to pay tribute to the way in which Her Excellency the Governor has served and continues to serve the South Australian community. Her work load and work rate is quite simply phenomenal. The warmth and generosity of spirit that she has demonstrated to people from all walks of life on her many visits to country and regional areas and at Government House receptions has generated extensive goodwill and highlighted the value of the vice-regal role, particularly in the celebration of community achievements.

I think that the Governor, Her Excellency Marjorie Jackson-Nelson AC, is an outstanding Governor of this state. She builds bridges between generations, to Aboriginal communities, to rural communities and to the disadvantaged. I remember a meeting with senior officials from China and I highlight the positive impact the Governor has on overseas visitors. Obviously, there is great interest in her former Olympic and Commonwealth Games careers. However, much more than that, I think it is her openness, accessibility and the fact that we have a Governor who can relate to people from

all backgrounds which brings great credit to her, to her office and to the state.

Her Excellency has also participated in a constant stream of vice-regal commitments, including 25 country visits over the year; in fact, the Governor has visited so many areas of the state. She has also increased the accessibility of Government House to the people of this state, with visitor numbers amounting to 25 000 people this financial year. She has open days at Government House, and I know that they are greatly appreciated.

Of course, the maintenance of Government House is always ongoing. It is one of our most important heritage buildings and, obviously, because of its age and importance, it has posed challenges over the years to respective governments in dealing with salt damp and so on; in fact, someone told me that a stream runs below it. Major works undertaken with recurrent resources include completion of exterior painting and restoration of the fabric to the northern wing of the house, costing \$303 000 in 2002-03. Because of the endemic damp and the nature of the masonry, this is a major exercise and completes the exterior upgrade of the whole house.

Further works include the provision of better access for people with mobility impairments, with the installation of paved access to the eastern lawns and eastern entrance at a cost of \$113 000 this financial year. The Leader of the Opposition and I usually attend the Australia Day breakfast, and I know that there is a problem with access to the toilets at the back of the building. That is why there needed to be paved access to the eastern lawns and eastern entrance.

A permanent ramp is to be installed to the eastern entrance in the next financial year. Security has been improved through various measures, including the installation of swipe-card access and additional movement detecting cameras and associated lighting, at a cost of \$55 000, and \$29 000 has been expended on the remediation of disused underground fuel tanks. That is an environmental as well as a safety measure. Comparative figures reveal the Governor's establishment in Adelaide to be one of the least expensive in terms of recurrent costs in Australia. I want to say on behalf of the government, and I believe on behalf of the people of this state, how much we appreciate the great service given to South Australia by our Governor.

The Hon. R.G. KERIN: In support of what the Premier said about Her Excellency, I back up his comments totally. No-one could ever question her dedication to the task. She is a lady of great standing in the community, very much an Australian icon, but never affected by her fame. We all appreciate her good humour and friendly manner, and her hospitality is very well known. She is also a great worker for charity, whether that be through the Peter Nelson Leukaemia Fund or a range of other charities, and she ably and willingly helps out. Her Excellency is also willing to travel to regional areas, which is terrific, and to open her house to the public. The ongoing willingness of Her Excellency to serve both her state and her country is very much appreciated by all South Australians. We thank her and congratulate her on her ongoing role.

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

Department of the Premier and Cabinet, \$46 278 000
Administered Items for the Department of the Premier and Cabinet, \$6 361 000

Additional Departmental Advisers:

Mr J. Walsh, Acting Executive Director, Cabinet Office.
Ms A. Alford, Manager, Planning and Financial Services.
Ms M. Woolley, Executive Director, Social Inclusion Unit.
Mr T. Tysoe, Executive Director, Strategic Projects.
Ms M. Evans, Parliamentary Coordinator.

The CHAIRMAN: I declare the proposed payments open for examination and refer members to Appendix D, page 2, in the Budget Statement, and Part 1, pages 1.1 to 1.29, Volume 1 of the Portfolio Statements. Would the Premier like to make an opening statement to the committee?

The Hon. M.D. RANN: Yes. My government came to power with a vision to revitalise the state's economy and to create a safe and healthy community that values all South Australians equally and gives everyone a fair go. Among our priorities we made commitments to:

- put more teachers in our schools and reduce class sizes;
- rebuild our hospitals and public health system;
- rejuvenate the South Australian economy through sustainable economic development and responsible financial management;
- build a socially inclusive community that supports disadvantaged South Australians;
- regenerate and preserve the environment;
- end the economically and socially irresponsible policy of privatisation of key state assets; and
- crack down on crime and provide greater protection for all South Australians, especially the most vulnerable.

The government hit the ground running last year and immediately set about implementing the initiatives that I have just outlined. We have made considerable progress in a short time in rebuilding and starting the rebuilding process of the economic and social health of our state.

Last week's ABS data—the ABS is a commonwealth body—revealed that the number of people in work in South Australia had risen to more than 721 000 and that South Australia's job growth in the year to May was nearly 4 per cent compared with 2.5 per cent nationally. I have been advised that that figure of 721 000 is the highest number of people in work in South Australia in our state's history. For years when employment growth in South Australia was lower than the rest of the country, it was great to see, over 12 months, that our growth rate outstripped that of the nation in terms of employment.

We also had a fall in the unemployment rate to 6 per cent, despite a rise in the participation rate. That is the important thing that is often missed—the participation rate—and that rise in the participation rate, combined with a drop in unemployment and the employment figures, shows an element of rising confidence. This budget shows that our policies are providing for today and, by making the tough decisions, we are preparing for the future, laying the foundations for South Australia's future long-term prosperity.

One of the first actions of the government when it came to power was to set up the Economic Development Board as a driver for sustained economic development and jobs growth. The board, chaired by internationally respected South Australian business leader Robert Champion de Crespigny,

has been an outstanding success and is being assisted in its work by the Office of Economic Development. The board recently released A Framework for Economic Development in South Australia, which sets out what business, the community and government needs to do to revitalise the South Australian economy and place the state on a path to higher growth. The framework was informed by the board's earlier reports and by the Economic Growth Summit in April, where 280 business, community and government leaders committed to work together to build a brighter future for our state. I take this opportunity today to acknowledge the positive role that the Leader of the Opposition played during the summit process and other opposition members who attended.

The government is committed to implementing the vast majority of the recommendations laid out in the framework. The budget further builds on that commitment, by creating a \$10 million venture capital fund that will be administered by a new venture capital board. The board's goal will be to attract private venture capital to South Australia. The board identified the importance of population growth for building a strong economy, and the budget is providing funds to attract business and skilled migrants to South Australia.

We are reviewing government boards and committees, with a view to amalgamations, rationalisations and cutting those boards that are no longer necessary. A one-stop shop for export facilitation will be established. We will be developing a whole of government strategic plan and changing the structure of executive government to aid implementation of the framework. I have now assumed full responsibility for the Economic Development Board and for its framework for economic development.

However, economic development is not the only thing that we are pursuing. We came to government with a commitment to put social justice back on the policy agenda, and the cornerstone of this has been the establishment of our social inclusion initiative. Social inclusion is about finding innovative ways to practically tackle entrenched social problems. I established a strong and proactive Social Inclusion Board, chaired by Monsignor David Cappo, Vicar-General of the Catholic diocese, to spearhead the initiative. The immediate board priorities are homelessness, school retention, and the implementation of the recommendations from the Drugs Summit held in the middle of last year.

With respect to homelessness, I am advised that as many as 850 South Australians sleep rough each night. I remain committed to the aim of reducing the incidence of homelessness and reducing by 50 per cent the number of people sleeping rough during the life of my government. In the next few weeks, cabinet will consider the Social Inclusion Board's report and action plan on how to reduce homelessness. Some \$3 million has been set aside in the 2003-04 budget to begin this important work.

The next topic I want to talk about is school retention. I believe that education is the ladder to opportunity. It is the future economic and social prosperity of South Australia. The Social Inclusion Board will soon complete an action plan to get young people to stay at school longer. The school retention plan sits alongside a range of other measures being undertaken by the government as part of its commitment to education in South Australia. These include raising the school leaving age to 16; introducing student mentors in schools; reducing class sizes in the early years of education; and providing more teachers and extra primary counsellors.

In 2002, the social inclusion initiative convened a highly successful five-day Drugs Summit to help guide the government's future drug strategies. The summit took place in an extraordinary spirit of goodwill and cooperation, which culminated in the preparation of a communique, with recommendations about how we should tackle illicit drug use. At my request, the Social Inclusion Board is overseeing the implementation of the summit's recommendations. The board has prioritised the recommendations and commenced implementation. This has included:

- getting the three school sectors to work together to develop local school drug strategies and action plans;
- working towards combating amphetamine use in young people and linking people into treatment through more timely intervention;
- the allocation of community constables to the Adelaide and northern country drug action teams; and
- expanding the drug substitution program in prisons so that more offenders with serious drug problems can participate in it.

The government has committed \$4.9 million in the 2003-04 financial year, and \$16.7 million over the next four years, to the implementation of the Drugs Summit recommendations. I want to thank the board—and particularly Monsignor David Cappo—for its hard work and commitment to tackling these difficult social issues.

With respect to environmental responsibility, the government recognises that our resources are finite and that environmental sustainability must underpin everything that we do. In the driest state in the driest continent, water is the most critical environmental issue facing South Australians. The River Murray ecosystem has been described as perilously close to permanent collapse. The government has made restoring the health of the Murray a top priority, and is leading the nation by making the tough decisions needed to start the long process of fixing it. In his recent budget speech, the Treasurer announced that the state government will be providing millions of dollars in extra funding to get water back into the River Murray.

The government has also committed to revegetating Adelaide. It has begun a \$10 million five-year program to plant 1 million native trees across the Adelaide Plains from the Gawler River to Sellicks Beach. This is, I am advised, the largest investment in revegetation in the Adelaide metropolitan area since European settlement. Some 1 million local trees and shrubs will be planted over 1 000 hectares, re-creating forests and woodlands and, where possible, linking up existing vegetation areas and creating corridors between them. From Gawler to Maslin Beach, the plantings will be established in parks, reserves, transport corridors, watercourses, the parklands, coastline and on some council and private land. The new vegetation will provide a set of lungs, so to speak, to absorb 300 000 tonnes of carbon dioxide and other greenhouse gases, filter stormwater before it enters ground water, rivers and the sea and reduce soil erosion in catchment areas. Of course, our inaugural 'Thinker in Residence', Herbert Girardet, is a specialist in sustainable cities, and he is working with the government to make Adelaide cleaner and greener and a best practice model of environmental sustainability for the rest of Australia. The government is also very concerned about protecting the state's remnant vegetation, and has amended the Native Vegetation Act to greatly increase the penalties for illegal land clearing.

The government was elected with a commitment that we would not allow South Australia to become the nation's

nuclear waste dumping ground. We have continued to vigorously fight the commonwealth's persistent efforts to force a national radioactive waste dump onto South Australian soil. Public polls have consistently shown that an overwhelming number of South Australians are opposed to the dump, and this government continues to represent their will. No other state in this country has paid a higher price for nuclear waste than has South Australia, and I think we have done our bit.

The state government wants to strengthen legislation against the national repository with the Nuclear Waste Storage Facility (Prohibition) (Referendum) Amendment Bill. More recently, the government introduced a bill to declare the commonwealth's proposed site a public park. This will mean that the commonwealth government will not be able to acquire sites 40a and 45a compulsorily under the Land Acquisition Act 1989, and that is why we have to get this legislation through the parliament. Too much is at stake in terms of loss of export revenue for our wine, food and tourism industries to merely accept a nuclear waste dump being imposed on South Australia.

Law and order is obviously important. One of the government's key election pledges was to get tough on crime and to make South Australia a safer place in which to live and work. In September 2002, the Attorney-General and I signed a contract on law and order with South Australians (and members will recall that Ivy Skowronski, a community campaigner, witnessed that agreement). This has seen the government embark on a package of sweeping changes to the state's criminal laws. These are the most significant reforms in 30 years. We are overhauling laws covering sentencing, assaults against the elderly and vulnerable, bushfire arson, hoon drivers, self-defence at home, the confiscation of criminal assets, hydroponically grown cannabis, designer drug makers and broadened DNA testing of offenders, and we are clamping down on the activities of bikie gangs.

This government has acted to not accept some recommendations of the Parole Board in relation to the release of convicted murderers. The government makes no criticism of the Parole Board, but it has become apparent that, if community expectations in relation to the parole of prisoners are to be met, substantial amendment to the Correctional Services Act is required. So, cabinet has approved the drafting of amendments to the act, which will include provisions to:

- take into account community safety and the impact of the release of a prisoner on victims and their families;
- allow the Parole Board to refuse automatic parole for all sex offenders for whom a non-parole period has been set; and
- increase the number of members of the Parole Board to nine, to allow for general community involvement and to include an ex-police officer as a member of the board, and I also want a Victims of Crime representative.

I look forward to receiving the full support of the opposition on this fundamental issue of community safety.

Child abuse is a vile and abhorrent crime perpetrated against society's most vulnerable. Within weeks of coming into government, I announced the appointment of Ms Robyn Layton QC to carry out an extensive review of child protection in South Australia. Ms Layton's landmark report was completed at the end of 2003, and contains about 200 recommendations. As a result of the review, the government is introducing a package of measures to better address child abuse, including:

- more intensive services for families at risk;

increased funding for alternative care and support services;

- a new prison treatment program for sex offenders; and
- a comprehensive paedophile register.

The total package represents \$58.6 million of spending over four years, including \$42.6 million of new money. I can advise the committee that, as of today, following an Executive Council meeting this morning, the immunity from prosecution for suspected sex offences committed prior to 1983 has been formally removed. That act has now been assented to, and comes into effect. This all adds up to the most concerted effort against child abuse and in favour of child protection of any government in this state's history after what I believe, by comparison, is years of inaction.

We have come a long way in a short time. We have dealt with the financial mismanagement of the previous government. We have put South Australia back on the path of financial sustainability and turned a string of cash deficits into a substantial cash surplus. We are making the hard decisions that will provide for South Australia's future responsibility, and this budget represents, if you like, the second instalment in that process. My government is committed to making the state a better place for all South Australians, and we will keep working to achieve that goal. I apologise for the length of that statement, but I thought it should be inclusive and embracing.

Members interjecting:

The CHAIRMAN: Order!

The Hon. R.G. KERIN: I welcome the opportunity to question the Premier regarding the 2003-04 budget. It is a budget that has been described by some as 'mean' and, again, it breaks Labor's fundamental promise of no new taxes and charges. It has also reinforced the belief of many that the government is pre-occupied by good media rather than good government. We saw this in a series of Labor pre-budget leaks with the government releasing snippets of good news before the budget. Some figures were wrong and old projects were re-announced as new initiatives. The budget-eve leak of \$280 million for the River Murray was just one example of the way in which the pre-budget media was handled.

We also heard about \$60 million for child protection—\$16 million of which is not new money but which is redirected, yet there are no extra staff on the ground. That is an area to which we all need to give some priority. The money that was re-announced for fire trucks actually decreased from \$9.78 million last year to a \$9.33 million project this year, and they are still not ordered. It will be about three years from the first announcement until South Australia will see the new fire trucks, which have been announced three times. Then the Treasurer—the man who has the moral fibre to break his promises and is proud of it—delivers another round of broken promises.

They said that Labor's financial strategy would not require any increases in existing government taxes and charges or new taxes and charges. The new Murray River tax of \$30 a year per household and \$135 per year per non-residential property is a classic case of a cabinet not really knowing what it was agreeing to. It is a flat tax regardless of income—it is another example of policy that is not thought through; a policy that is unfair; and a policy that was made without consultation. In fact, in some ways, it is the crown lease issue all over again: the impact on many people was not fully understood. For example, I know of four families north of Port Pirie who have 45 water connections between them.

They will be up for well in excess of \$1 000 each. They are coming off two droughts and they have trouble paying any accounts now. That decision, obviously, was not thought through and, hopefully, over the next couple of weeks, the government will address that. We have many examples of where this tax, because it was not thought through, is presently inequitable; and I would urge the Premier to make sure that it is looked at and changed. What other levies will we see introduced? The funding for the River Murray had to be in the budget anyway because we are already committed to the buy-back of allocations.

However, instead of committing government funds, the Treasurer put his hand in the tax pocket and made South Australians pay again. Despite the rhetoric, the Rann government this year has not committed millions of extra dollars to the Murray River. In fact, it is not willing to put one extra Treasury dollar into the Murray. The only extra money will be that raised by the levy. In the meantime, we also see that the government is trying to save \$10 million in the Lower Murray swamps from what was previously committed to that project. This is very much a new tax, which is a broken promise. It means that no extra money from the budget itself is going towards the river, and that really does send the wrong message upstream.

It is not the only new tax. Over the last year, Labor has had a major windfall gain in revenue of nearly \$200 million, yet despite that it is still punishing South Australia with extra taxes and charges. The Treasurer has gone to great lengths to assure us that the additional revenue streams currently being hoarded are one-offs; that they are windfalls that cannot be relied upon, and that is why he had to break his promise and introduce new taxes. That is rubbish. There is no \$8 billion debt like the Liberals faced and there is a minimum of \$150 million additional revenue this year occurring from bracket creep alone, and that will be ongoing.

The Treasurer keeps saying that that is a one-off, but the issue is that values have increased rapidly. Perhaps the growth in values might slow down but, because of bracket creep, you have the situation that it will not be a one-off. Values in South Australia will be higher because of the growth over recent years than they would otherwise have been. So, the extra revenue is not one-off and will, no doubt, be built into future budgets. With nearly \$600 million extra going into government coffers this year, the government did have an opportunity, because of property values, to give some back.

The government had an opportunity to increase concessions for pensioners and self-funded retirees in the areas of electricity, council rates, water and sewerage rates and third party insurance premiums but it did not. Self-funded retirees and those on the lowest income will be hit hardest by the budget. In the last 12 months, the cost of running an average car has increased by \$85 per year. We now have an increase in training—an increase of 50 per cent for apprentices and trainees. An apprentice hairdresser, for example, will pay an extra \$160 per year in training fees. Gas prices are set to increase by 5.6 per cent or about \$24 for the average household, and basic ambulance fees are set to increase by up to 17.6 per cent.

In addition, all government charges are up by 3.9 per cent, which includes things like public transport fares and school fees. In the middle of a housing boom, stamp duty on mortgages for all non-owner/occupier homes will increase from 35¢ per \$100 to 45¢ per \$100 which, on top of the increase in values, is very hard to justify. As well as increased

taxes and charges there are cuts. Today we hear the government continuing its relentless pursuit of law and order rhetoric. One must really question what is behind it because there is very little cost to most of those announcements and re-announcements and, in fact, the budget does not provide funding for one additional police officer.

In fact, South Australians are being told that they will get no extra police officers for the next three years. We are constantly being told of vacancies and shortages in both local and regional areas where people have to leave patrol cars in the shed because there are insufficient people to be rostered on. I know of one Mid North town that has been without a policeman for seven months. It has been waiting for someone to fill the position and it is not because of an appeal, or whatever. That town has not had a policeman for seven months.

Ms CICCARELLO: They are law-abiding.

The Hon. R.G. KERIN: The member for Norwood says that they are very law-abiding. I point out to the honourable member that the police station in that particular town has also been broken into during the period of time the town has not had a policeman. This year crime prevention has been cut again, this time by 24.7 per cent down to \$1.77 million. Of course, now the local crime committee is virtually totally scrapped, yet this government says that law and order is a priority. We have seen the same thing happen in the areas of health and education. I will not detail the myriad examples at this stage; suffice to say that Labor's promises have not been backed up by budget dollars. In health—

Members interjecting:

The CHAIRMAN: Order!

Mr SCALZI: We need policemen—

The CHAIRMAN: Order!

The Hon. R.G. KERIN: Thank you for your protection, Madam Chairman. I am being attacked relentlessly from across the floor. With respect to health, the last federal budget added an extra \$33.4 million to South Australia's public hospitals. The problem is that the state government has to commit the same increase in funding. The Labor government has already failed to commit sufficient funds to take up the full federal government offer for Home and Community Care Services. As a result, HACC will miss out on \$5 million this year of which \$3.1 million would have come from the federal government.

Not only will it miss out this year but this reduced rate will now become the base value for successive years, which means that, now, South Australia will lose \$3.1 million in federal funds every year. Meagre increases announced in the budget with respect to education will see real cuts to schools and preschools. There is only \$52 million extra while salary costs will increase by \$63 million. It seems that the government's deal with the teachers' union last year means that extra money required for salary increases will soak up the extra plus a little more. This year's capital investment statement says it all: this is a slow government—it reviews, procrastinates and moves at a snail's pace.

Labor has underspent its capital works budget this year by about 23 per cent or \$104 million, including \$10 million in Human Services and \$7 million in education. In short, that means that our schools and hospitals have missed out on critical capital works spending and, in some cases (as we see from the budget papers), completion dates have been pushed out by years. The budget is not consistent with the framework for economic development in South Australia, which was

released by the Economic Development Board in May 2003, and it does not reflect the sentiments of the economic forum.

One of the key points we all agreed to was to triple exports in the next 10 years. This was recognised as a key building block to continued economic growth and stability. The government does not understand that this not does just happen. When Labor was last in government, South Australia had growth in exports of 1 per cent to 3 per cent. By late 1993, we were way behind the rest of Australia, but the Liberal government worked hard and set goals. We recognised that regional South Australia had been ignored, exports were under-performing, and there was high unemployment and under-utilised infrastructure.

The Treasurer's attitude of leaving it all to the private sector will not provide quick growth and will stall the impetus for development which is occurring in regional South Australia. We have many great businesses and individuals, but the government's role is vital in a strategic sense. Would our aquaculture industry have grown from being one of Australia's smallest to one of its largest in 10 years without government intervention? Would the food industry's exports have grown at an annual rate of 30 per cent or 40 per cent without government facilitating and working with our industry leaders? We hear talk of major export growth with exports targeted to ripple, but in which industry and in which regions? The government has to realise that it should make this sector an absolute priority, because it is a sector which makes the economy tick and is a growth area. This cannot happen unless government is prepared to do its bit, and all that has happened is that successful and necessary programs have been cut.

Our \$20 million regional housing strategy has disappeared, leaving many regional areas with huge housing shortages—and that is a particular problem in the South-East. Without housing there is no labour and, without labour, we jeopardise losing investment and potential for more export dollars. We recognise that there is a role for government in other areas where there is market failure such as health and education. We intervene there, and we should do so in other areas where the market fails us as well.

Infrastructure development cannot be left to the private sector alone—that will not work. When there is market failure, government has to play a role. This government seems to have no idea about export growth, which was sitting at 25 per cent to 35 per cent and now is about 4 per cent, and we need to work hard to ensure that is not put at risk further.

In conclusion, thanks to the Liberals, debt is manageable at about \$3 billion. A small amount of the government's surplus should have been put towards paying off the debt (we certainly have no argument with that), but some of it should have been given back to the South Australian taxpayer. Some of it should have been spent on hospitals, schools, more police, crime prevention and infrastructure, just like the government promised it would be. This is another budget of broken promises. It is a mean budget, masked by money-wasting television advertisements and inaccurate and misleading leaks and pre-announcements. Just like Labor's first budget, this is a budget of spin and deception.

I wonder if, once again, the government will seek to hide behind parliamentary privilege so that it does not have to answer questions about budget cuts and discrepancies. And I wonder how many freedom of information requests about the budget cuts will be refused. There was \$967 million in cuts in 2002, and much of that has never been explained or justified and, as we move into the second round of estimates

committees, I wonder if we will get answers to the more than 100 questions that remain unanswered from the first round held some 12 months ago. When I asked the Premier earlier for an assurance that estimates questions would be answered, he refused to commit his ministers to answering those budget questions. But we live in hope that the government will be far more accountable for this budget than it was for the last one.

The CHAIRMAN: I advise the committee that I have requested to be discharged from the committee and I will be replaced by the member for Reynell.

The CLERK: I advise the committee that the member for Playford has been discharged from the committee and that it is therefore necessary to elect a replacement Chairman. Are there any nominations?

Ms BREUER: I nominate the member for Reynell.

The CLERK: Are there any further nominations? There being none, I declare the member for Reynell Chairman of the committee.

The CHAIRMAN (Ms Thompson): Leader, do you have your first question?

The Hon. R.G. KERIN: I refer to Budget Paper 4 Volume 1 page 110, which refers to targets for 2003-04 and the subject of honesty and accountability framework. Given the Premier's repeated promotion of the need for openness and accountability in government and that the completion of the honesty and accountability framework is a government target for 2003-04, will he advise the committee why the trigger amount that requires chief executives to disclose details pertaining to government consultancy contracts has been increased to \$500 000, and outline the rationale behind this decision?

Under the Liberal government's initiative called 'A New Dimension for Contracting with the South Australian Government', all government contracts for consultancies were to be made publicly available once their value exceeded \$50 000. A new Treasurer's instruction number 27 called 'Disclosure of Government Contracts' increases the trigger value for disclosure of government consultancy contracts from the previous \$50 000 to \$500 000.

The Hon. M.D. RANN: Before going to the subject of consultancies, of course, the leader has referred to fulfilling the government's commitments to honesty and accountability in government, so perhaps I will give an overview of where we are. As soon as we came to office, the government announced a number of measures designed to ensure honesty, accountability and transparency in government in this state. At the earliest opportunity, the government introduced a number of legislative amendments known as the honesty and accountability in government series of acts. The government introduced a new ministerial code of conduct, which I am told is the strongest code governing ministerial conduct in the nation (certainly, it is amongst the strongest), and I think that code has been working well.

The code prohibits ministers from buying or selling shares, requires the disclosure of the contents of family trusts, and requires ministers to divest themselves of shareholdings in any company in which they have a conflict or could be reasonably expected to have a conflict. Any remaining possible conflicts of interest are being fully reported and openly dealt with. So this is important. It beggars belief that the buying and selling of shares by ministers was ever allowed to occur.

The government's Statutes Amendment (Honesty and Accountability in Government) Bill is still before the parliament. The new legislation will also require high standards of government accountability for those who work in and with government, and that includes consultants, public servants and directors of governments, boards and agencies. For the first time, I want a code of conduct for all members of parliament, not just for ministers, and I hope we get some support from the opposition on that. I think that all members of parliament should have a code of conduct that covers things such as conflicts of interest.

The government's legislation will ensure that all directors, all chief executives and all employees—indeed, anyone performing public sector work—will have imposed on them a general obligation to act honestly in the performance of their duties. We have had to do this because of what happened previously. Both senior executives and employees will be required to declare any conflict or potential conflict between their interests and their duties and, when passed, the new Public Finance and Audit (Honesty and Accountability in Government) Amendment Bill will require governments to produce a charter of budget honesty. This will require the government to state clearly its future financial objectives and the principles on which it will base its decisions to spend taxpayers' money. A charter will be required to be produced within three months of a government being elected, and will be tabled in parliament and commit the government to the fiscal responsibility obligations set out in it.

The government has increased the powers of the state Ombudsman. The Ombudsman (Honesty and Accountability in Government) Amendment Bill passed through parliament and was assented to on 28 November 2002. I understand that it has not yet been proclaimed, but this legislation broadens the powers of the Ombudsman to ensure that he can fully investigate claims made by the public against all government agencies. The government will also give the Auditor-General the ability to properly and rigorously scrutinise all publicly funded projects and government contracts.

I have just received some very interesting advice specifically in relation to consultants. Essentially, in terms of government consultancies, there is a practical limit on all consultancies on all departments, which is monitored by the Department of Treasury and Finance every quarter.

The following table provides total expenditure on consultants and contractors for the Department of the Premier and Cabinet since 1 July 1995. In 1995-96, the total expenditure was \$3 065 420; for 1996-97, \$3 581 915; for 1997-98, \$2 509 364; for 1998-99, \$1 446 732; for 1999-2000, \$2 447 799; for 2000-01, \$2 338 000; and for 2001-02 (and I am sure the Leader of the Opposition will be very interested in this one), \$2 900 016. However, according to the advice I have been given, from 1 July 2002 to 30 April 2003, under my leadership, the total expenditure fell dramatically to \$1 274 927. That is a massive drop from the \$3 million of the past.

So, the departmental consultancy budget for 2003-04 is not the three and a half million of the past but \$871 000. I think the point has been made that not only has there been a big drop not only in the amount of money that we spend on consultancies: it is a massive drop, and we are actually going to drop it even further.

The Hon. R.G. KERIN: My question was: why has the trigger amount requiring chief executives to disclose details pertaining to government consultancy contracts been

increased from \$50 000 to \$500 000, and what was the rationale behind that decision?

The Hon. M.D. RANN: One of the things that we do—you can see in my department—is to ensure that we cut the massive expenditure incurred on consultants by a government of which you were a part and even the premier of. Talk about leading with your chin! However, I am happy to get a report on the details of your question.

The Hon. R.G. KERIN: As a further supplementary question, was the Premier aware that the limit had risen from \$50 000 to \$500 000, which is a tenfold increase? It basically means a lack of disclosure of probably the bulk of major consultancies.

The Hon. M.D. RANN: I have just announced to the parliament that, in my department, there has been a massive reduction in the amount of money spent. We are not talking about the delegation powers to permanent heads: it is about comparing it with your expenditure on consultants; for instance, the ETSA consultants. The leader would not want to revisit that too much publicly. Compare that with what I have just announced to you. Compare \$3 581 915 back in 1996-97 to what we are budgeting for, which is \$871 000. I would have thought that the leader would be congratulating this department on cutting its expenditure on consultants.

The Hon. R.G. KERIN: We are still waiting for over 100 questions from last year to be answered. Here we are with the first question on this particular line and the Premier has made absolutely no attempt to answer the question as to why consultancies disclosure has been increased from \$50 000 to \$500 000. I would have thought that this was a pretty major area. In relation to goods, you can actually see what you get and you can price it. With consultancies, which can be let to a whole range of various people, disclosure is very important. That is why in the previous government the disclosure levels for consultancies were far lower than they were for goods. I think that makes a lot of sense, because it is basically for a service. We need to be able to justify to the public, if we are open and accountable, why we are giving certain consultancies to certain people.

All of a sudden, we see the disclosure level go from \$50 000 to \$500 000. I have not even heard the Premier acknowledge that that is the case let alone try to answer the question, which is: what was the basis for a decision?

The Hon. M.D. RANN: The Leader of the Opposition would recall that I made a pledge that I would be cutting the expenditure on consultancies. I have just given the leader the figures. I am advised that the consultants we used in the Department of the Premier and Cabinet are reported in the annual report. I am happy to save the time of the leader's researchers to send him a copy of the annual report, and he will notice a big reduction in consultancies compared to when he was in power. I am more than happy to come in here and itemise the tens of millions of dollars spent by his government on privatising ETSA, which was a disaster for this state.

The CHAIRMAN: I am sure that the leader is aware that the procedures require that supplementary questions are the exception rather than the norm. Does the leader wish to move onto another question?

The Hon. R.G. KERIN: I would, Madam Chair, but I also point out that the whole reason for the estimates committees is for us to ask the Premier or ministers questions and for them to actually attempt to answer them.

The CHAIRMAN: From his own experience, I think that the leader would be aware of the discretion that minister have. Does the leader want to move on to the next question?

The Hon. R.G. KERIN: Madam Chair, I think that that ruling beggars belief. Quite frankly, we are here to ask ministers questions. It is our job to ask the questions, and it is their job to answer them and not to decide what questions should be asked during the estimates process; otherwise, we would all be wasting our time. I will move on.

The Hon. M.D. RANN: To save time, would the leader like to know the list of consultancies—not for \$50 000 or \$500 000, but the whole list?

The Hon. R.G. KERIN: That is not the question: the question relates to the whole of government.

The CHAIRMAN: Order! We will hear only one person at a time. The Premier.

The Hon. M.D. RANN: Thank you. The following are payments to consultants from 1 July 2002 to 30 April 2003: Mercer Human Resource Consulting, \$1 000; Strategic communications: Carlson and Wagonlit, \$514; Custom Media, \$23 100—

The Hon. R.G. KERIN: I rise on a point of order, Madam Chair. My question was never about individual consultancies, nor was it particularly about the consultancies within the DP&C. The Premier may well have satisfied me if he had tried to answer the question. The question related to raising the level of disclosure.

The Hon. M.D. RANN: The leader should be aware that the Treasurer is currently under estimates committee scrutiny, and—

The Hon. R.G. KERIN: I thought that he was under investigation.

The Hon. M.D. RANN: No, that happened to John Olsen and several other ministers.

The CHAIRMAN: Premier, there is a point of order that I need to rule on. I rule that there is no point of order. The leader is aware that the Premier may choose how he answers the question. The Premier.

The Hon. M.D. RANN: The point is that I have just revealed to the committee that we have massively reduced in this department—which is the one under scrutiny—our expenditure on consultants compared to that of the Liberal government and now, because there is a problem about disclosure, I am prepared to go through details about even \$495 expenditure and every single item. So, doesn't the leader not only like the fact that we have cut expenditure on consultants but also that I am prepared to read out every single consultancy so that there is maximum disclosure? Presumably, you will not be able to put out a press release saying, 'The Premier refuses to reveal consultancies.' The leader cannot have it both ways.

The Hon. R.G. KERIN: I will move on, Madam Chair. I thought that it was a simple question; I did not realise that it would be so hard to answer. My second question relates to page 1.2—Portfolio expenditure summary. In relation to the total budget for the Department of Premier and Cabinet, the Premier has repeatedly stated publicly that there will be an 11 per cent cut to his own department, which he quotes as being worth in excess of \$4 million. However, the budget papers show a reduction of less than \$1 million. In addition, the Premier claimed on Adelaide radio on 23 May that the state budget would increase arts funding by \$5 million, which is an overall increase in the Premier's portfolio of \$4 million—not the reduction of \$4 million which the Premier promised to redirect to hospitals. Will the Premier briefly explain the discrepancy between his statements and what is in the budget papers?

The Hon. M.D. RANN: He says briefly, but when I wanted to reveal every consultancy, including figures down to \$130 and other things, the leader does not want me to reveal it because it does not suit his media spin strategy. In terms of departmental savings for 2003-04, details on organisational review and administrative savings, page 2.9 of the budget statement lists the following savings for the department. We will add them up as we go. Organisational review, staff reductions—\$812 000; the organisational review savings will achieve a reduction of 13 FTEs across the department. Examples of where savings will be achieved include the major projects unit (two FTEs); corporate and organisational development (three FTEs); the Office of Volunteers (three FTEs); strategic projects division (two FTEs); and, cabinet office (two FTEs). I am also advised that administrative cost reduction across the department is \$643 000. The administrative savings are distributed across the department and include savings for Agent-General, \$30 000; strategic communications, \$60 000; human resources unit \$48 000; cabinet office \$110 000; strategic projects \$100 000; and, corporate administrative overheads \$250 000.

In other areas, how much has the Department of the Premier and Cabinet saved as part of the 2003-04 budget? DPC has committed to a \$4.155 million or 8 per cent in savings in 2003-04. This figure is in addition to the \$1.198 million in savings committed to by Arts SA. Of these savings \$3.689 million relates to DPCs central functions, representing a saving of 11 per cent on the 2002-03 estimated result. The remaining \$466 000 relates to the functions of the Office for the Commissioner for Public Employment. These savings initiatives, published on page 2.9 of the budget statement, include a \$761 000 reduction in promotion of the state. Do we remember the lines which were used in the past and which were supposedly about the promotion of the state? We have included a \$761 000 reduction in the PR, a \$812 000 reduction in staffing costs, a \$300 000 reduction in the Premier's community initiatives fund, as well as a range of administrative and information technology savings.

Overall, DPCs non-arts expenditure will increase by \$3 842 677 from \$51 587 000 to \$55.339 million. Those increases are new funding to deal with our initiatives regarding homelessness and the drug summit out of social inclusion. We are putting money into homelessness and dealing with the problems of drugs in our community while cutting the PR and consultancy budgets of the previous government. The above figures exclude administered funds, which pass through DPC in regard to targeted voluntary separation packages, the government Workers Rehabilitation and Compensation Fund, the salary and allowances of the Premier and the salary of the Agent-General.

The Hon. R.G. KERIN: In the targets for 2003-04 to do with the state's strategic plan, will the Premier outline the timetable as requested in the Economic Development Board's framework for economic development for South Australia, which is described as providing a framework to guide and integrate the strategies and plans of government agencies? Whilst the framework can set direction—and it is a reasonable start with that—and be used to some extent for benchmarking, we will not have tangible benefits unless the government, through the strategic plan, can set clear and detailed goals and back them up with stronger and decisive actions within tight time frames. The question is about the timetable.

The Hon. M.D. RANN: I just sent a letter—and I am not sure whether the leader received his—to all 280 delegates to the economic growth summit. I have detailed what we have done so far, and that includes setting up the \$10 million venture capital fund and setting up the office of infrastructure, and it includes money set aside for high performance computing and band width. There are millions there, as it was regarded as vitally important in terms of our electronic, IT and other industries. There is money for the defence industry advisory board, which is about the bid to win a big slice of the action in terms of naval consolidation and other defence projects. There is the establishment with the minister responsible for population, and money put aside for business and skilled migrants. It is a three-page letter, which I think the leader will receive today or tomorrow and which details what we have done so far.

Members will recall that the summit did not discuss shopping hours, but I wanted to get that out of the way to send a signal to the state that we are open for business. What was agreed at the summit in terms of its recommendations was not just about what government has to do but also what we as a community have to do. Already within a couple of months I have detailed a whole series of things we have committed to in terms of the response to the economic growth summit, and I have said that in a year from the close of the summit we will invite delegates back and I will report on what we have done in the first year of a 10-year plan, which includes targets of a near trebling of exports from South Australia, as well as specific targets relating to the wine industry, food and other areas such as electronics, and so on.

In its framework for economic development in South Australia, May 2003, the Economic Development Board recommended the implementation of a whole of government state strategic plan and the government has supported this recommendation. The state strategic plan will act as a single, concise point of reference for the community and public sector, encapsulating all the government's major goals for the future and contain targets against which the progress of the state will be measured. Numerous plans exist or are under development at various levels throughout the state government. Once finalised the state strategic plan will guide and be explicitly acknowledged in those plans that are currently under development and, when they come due for redrafting, those which are already in place. This will improve the alignment of purpose and activity across government.

The state strategic plan will be a primary influence on forming future budgets. The Department of Premier and Cabinet, headed by Mr Warren McCann, will lead the development and implementation of the state strategic plan, with the involvement and support of agencies across government. I anticipate that the state strategic plan will be in place by the end of this year, ahead of what I said in terms of going back a year later. I want it to be completed by the end of this year.

Development and implementation of the plan will be met largely from within existing agency resources, and some additional costs may be incurred, depending on the final format and methods of communication adopted.

Ms BREUER: Who are the Thinkers in Residence appointed to residencies in 2003-04? Can the Premier tell us what they will be doing during their residences and the cost of each residency?

The Hon. M.D. RANN: Apart from sending the signal that the state is open for business, I also want South Australia to be a destination and a centre for ideas, not just a beloved

home town that young people feel they have to leave in order to find opportunities elsewhere. So, Thinkers in Residence is about bringing to South Australia outstanding world leaders in different areas to work with us in collaborations and masterclasses.

Herbert Girardet, who is here at the moment, is an internationally renowned urban ecologist. From 17 May to 13 July continuously, he wants to take a range of projects that aim to achieve the development of Adelaide as a sustainable green city. He will engage with the local community and prepare a report commenting on:

- sustainability initiatives in which Adelaide either leads or lags in international terms;
- our planning system at local and state level;
- what baseline data is required to develop a meaningful ecological footprint and the best method for gathering and analysing that data;
- policy and legislative changes which can be made to increase livability and sustainability within the city of Adelaide;
- actions, both short and long-term, which can be realistically achieved; and
- ideas for engaging the broader community in the 'green city' concept.

Partners and sponsors in Mr Girardet's appointment are the Capital Cities Program, which involves the Adelaide City Council; the Office of Sustainability; the Department for Transport and Urban Planning; the Capital City Committee; and the Body Shop. Partners are contributing \$50 000, another \$5 000 is being provided by sponsorship, and the Department of the Premier and Cabinet is providing \$60 000, making a total of \$115 000.

Charles Landry is a pre-eminent world authority on city futures with a focus on revitalising social and economic life through cultural and creative activity. I am sure that every member is aware of his work and his books. I think that he will be here for a total of approximately 12 weeks, although it will be a part of different visits, because he has to leave and come back to Adelaide.

He will work with partner organisations on a program of interrelated initiatives aimed at increasing Adelaide's international position as a centre for innovation and excellence in core social, cultural and environmental areas. We have already had a very strong and positive response from Charles Landry about his involvement. Partners and sponsors in his residency are the Department for Business Manufacturing and Trade, the Capital Cities Program, the Centre for Lifelong Learning and Development, the University of South Australia, the City of Adelaide, the City of Playford and the Property Council of South Australia.

I am sure that Professor Susan Greenfield needs no introduction, as she has an incredibly high profile. She is a baroness, a member of the House of Lords, and is one of the world's most renowned scientists and leading experts on the human brain. She is widely known for her research into the areas of Parkinson's and Alzheimer's diseases and is a senior research fellow at Lincoln College, Oxford; an honorary fellow at St Hilda's College, Oxford; and Director of the Royal Institution of Great Britain (the first woman to be appointed to this position).

Professor Greenfield is an outstanding communicator and a significant contributor to the public understanding of science, having written and presented a series of programs on drugs and a major six-part series on the brain and mind, entitled *Brain Story*, for the BBC. At the invitation of the

British Prime Minister, she presented at 10 Downing Street a consultative seminar on the future of science and led a United Kingdom government task force to investigate how to attract women to science.

In 2004-05, Professor Greenfield will come to South Australia for a six-month residency. She will focus on the future of sciences in South Australia and will develop strategies for our state to manage degenerative diseases of the aging. Partners in the Greenfield residency are still being finalised. However, organisations that have, to date, given verbal undertakings and will, hopefully, participate are BioInnovation SA, the University of Adelaide, Flinders University, the Department of Education and Children's Services, the Department of Human Services, and the University of South Australia. It will be a fantastic advantage for us to have someone of her calibre here.

Blast Theory is, arguably, the world's leading new media performance company. Its members comprise Matt Adams, Ju Farr and Nick Tandavantij. They will work with the new media laboratory of the University of Nottingham to assist South Australia in developing expertise in the emerging industries of content development for computer gaming and remote telecommunications networks. This will be achieved through industry development seminars and masterclasses. Their residency, from January to March next year, will culminate in cutting edge world premier new media performance that will promote South Australia's capacity in technology and in the arts through national and international broadcasts. Those involved with Blast Theory are the South Australian Film Corporation, the Australian Network for Art and Technology, and the Adelaide Fringe, and there is more to come.

Ms CICCARELLO: The South Australian government supported the establishment of a China Cluster last year as a private and public partnership to develop collaboratively business with China in response to local businesses' growing interest in China. What will the state government do in the coming year, through China Cluster, to capitalise on the opportunities presented to our businesses in China?

The Hon. M.D. RANN: I met with the China Cluster just a few days ago. I was very pleased that, during his visit to South Australia earlier this year, the Rt Hon. Mike Moore (the former prime minister of New Zealand and the former director-general of the World Trade Organisation) was able to spend time with the China Cluster, as well as with a whole range of other local groups, to discuss China and other trade issues.

Of course, Mr Moore was in large part responsible for China's admission to the World Trade Organisation. That has now been achieved and presents us with enormous opportunities that involve China regularising its trading arrangements and laws in terms of lowering tariffs and giving us access to the world's biggest market. So, Mike Moore's advice, through the Economic Development Board, as well as direct advice and work with the various industry groups and the China Cluster, is vital. It is a real coup to have him on board with the Economic Development Board.

The South Australian government supported the establishment of a China Cluster last year as a private and public partnership to collaboratively develop business with China in response to local businesses' growing interest in China, which we particularly want to achieve. It provides advice to me and to the government about opportunities to show the lead for SA. The Cluster promotes business opportunities in China, enhances our position in a coordinated and focused

way, builds relationships with China to the benefit of South Australian industries, and sponsors projects that would not be progressed through the usual channels.

I should say that the membership of the China Cluster is very high level. Its leadership recently established a China Professional Development and Executive Training Centre in South Australia to capture the huge market in this area in China, and all levels of government will allocate substantial funds for their middle and senior employees to undertake professional training programs overseas to meet the requirements of China being part of the global economy.

The proposed initiative will be project managed by the international education services division of the Department of Education and Children's Services, sponsored by the China Cluster through the Department for Business Manufacturing and Trading. It is a key education service export program and will engage the three universities, TAFE, and a whole range of private service providers. I hope that it will be a classic example of industry and government partnership and cross-agency collaboration. I want to praise the role of former lord mayor Alfred Huang in this area. I was with him in Shanghai last year and it was just outstanding to have addressing senior leaders there someone who could not only speak the language of China but also the dialect of Shanghai.

The China Cluster Leadership also sees its role to mobilise government leadership into China, because it is important for government to be seen to be behind business opportunities and to be more focused and strategic in our approach towards that gigantic market. The China Cluster Leadership has identified Shandong province and the cities of Beijing, Shanghai, Guangzhou, Chengdu and Dalian as priority locations for export development. Education, training, tourism, food, beverages and professional, business and technical services industries will be the key focus of China Cluster's market development in the year 2003-04. It will also aim at attracting more business migrants from China to invest and settle in South Australia in response to the recommendation from the Economic Development Board.

Mrs GERAGHTY: What steps is the government taking to address the issues related to the city of Adelaide dry area?

The Hon. M.D. RANN: This is obviously a controversial matter. On 28 October 2002, cabinet approved a 12-month extension of the City of Adelaide dry area trial to enable previously agreed support services to be put in place so that a comprehensive evaluation of the effects of the dry area could be carried out. The government is working closely with the Adelaide City Council on all aspects of the trial, and the Adelaide City Council has senior representation on the Dry Areas Steering Committee, which is coordinating the trial, and it is a standing item on the Capital City Committee agenda.

In recognition of the overlap between dry area issues and the work of the Social Inclusion Board, particularly in the areas of homelessness and drugs, the chair of the board, Monsignor David Cappel, and board member Roger Thomas, who is well known for his work in Aboriginal education, are on the steering group, as is the Director of the Social Inclusion Unit, Madeleine Woolley. When the dry area trial was established, it was acknowledged that its effects would be felt particularly by the Aboriginal community. A consultation group of Aboriginal community representatives has been established to inform the steering group about the consequences for Aboriginal people.

Work is occurring on a range of initiatives aimed at tackling issues related to the dry area. For instance, members

may not be aware that construction of a stabilisation facility in the Whitmore Square area has begun and is scheduled for completion in August. It will be run by the Salvation Army. It will be a 22-bed facility providing assessment, case management and treatment services for homeless adults in the inner city with alcohol and drug abuse problems.

A pilot mobile legal service has been set up for homeless Aboriginal people in the inner city. The service, which began operation on 21 May, is a partnership between the City Homeless Assessment Support Team, the Aboriginal Legal Rights Movement and the Courts Administration Authority's own Aboriginal justice officers. It provides a coordinated service response that will give homeless and itinerant Aboriginal people improved access to legal assistance so that they are better informed about their legal rights and responsibilities.

I turn now to the mobile health service. Discussions are occurring with the Department of Human Services and the commonwealth Department of Health and Ageing about funding the establishment of a pilot mobile health service for homeless people in the inner city. The mobile service would operate at locations in the parklands where homeless people congregate. Staffed by a general practitioner and a registered nurse, it would provide preliminary health care treatment services, screening and referrals.

In March, an Aboriginal community constable began work in the Adelaide local service area in line with the recommendation of the Drugs Summit. The community constable is based with the Adelaide Drug Action Team and is working with the Aboriginal community to tackle drug and alcohol problems. Another issue is displacement to the West Parklands and pedestrian safety. One of the effects of the dry area has been the displacement of people from the inner city to the western parklands. Following several serious accidents, a range of measures have been implemented to improve pedestrian safety on West Terrace. There is to be the installation of additional street lighting on West Terrace and changes to traffic light sequences to provide pedestrians with more time to cross West Terrace. The Adelaide City Council is to construct an additional pedestrian crossing on West Terrace, SAPOL is working with licensed premises in the West Terrace precinct to promote safe alcohol serving practices, and there is increased police presence in the West Terrace area. The evaluation of the dry area is under way and will be completed later this year.

Mr SCALZI: I refer to Budget Paper 4, Volume 1, page 1.10: government boards. The budget papers confirm that, during 2002-03, the government completed a review of government boards and committees, remuneration practices, procedures and definitions. Can the Premier clarify how many new boards and committees have been set up and how many established boards have been scrapped? Can he advise the committee of the expected net savings to the government?

The Hon. M.D. RANN: I can announce that, in the budget, we have made provision for a cut in the amount of money we spend on board fees to the arts. I can also announce that the department, headed by Warren McCann, is looking at a range of government boards with a view to abolishing or amalgamating a whole range of them.

The Economic Development Board has recommended in its Framework for Economic Development in South Australia report that the government consider the review of existing statutory authorities, advisory bodies and other government boards. The Department of the Premier and Cabinet has now begun work to identify opportunities to reduce duplication,

increase government efficiency and achieve savings through the dissolution or amalgamation of some of these bodies. I hope to make a major announcement later this year about abolishing a whole range of government boards and committees.

Following the outcome of the functional review, the government will consider the recommendations of the Remuneration Review Panel. The panel, chaired by Mr Andrew Strickland, recently examined a number of policy and governance issues, including the future direction of the whole of government board and committee remuneration framework. I have already budgeted to cut the amount of money that the government spends on arts boards. This will be controversial; people will complain. My view is that that is an area where we can make some savings and, as I say, I hope that later this year we will be able to make a major announcement of cutting a swag of committees and boards. I will ask the head of the department, Warren McCann, to respond further.

Mr McCANN: I do not know that I have much more to add to that, Premier. All ministers have been asked to examine against a set of criteria that we have produced for them and to evaluate whether boards and committees within their portfolio can be amalgamated or eliminated. All those responses are now in the department, and there is a very large number of them, so it is taking us a while to work through that. We hope over the next couple of weeks to be able to make some firm recommendations to the Premier and to cabinet on the outcome of that process.

The Hon. M.D. RANN: The honourable member can probably see, under Arts SA, board fees for arts organisations, from 2004 onwards the savings we intend to make in that area.

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

Mr SCALZI: I have a supplementary question with respect to the boards.

The CHAIRMAN: Is the member aware that supplementary questions are the exception rather than the rule?

Mr SCALZI: I understand that. What effort has the government made to ensure that the composition of these boards reflects the diversity of the South Australian population? The Premier would be very much aware of the concerns of the Multicultural Communities Council (that criticism was made with respect to both governments) that government boards do not truly reflect people from a non-English speaking background?

The Hon. M.D. RANN: I have made a point of keeping an eye on that situation. I have said that I want to increase the diversity of appointments to boards, and also the proportion of women on boards. I have made a point, on a number and range of appointments, of ensuring that we take advantage of the potential and diversity rather than just what I call 'the usual suspects'. The member would have seen some of that reflected in some of the appointments that we have made.

Regarding the number of government MPs and cabinet ministers in terms of women's participation as members of parliament, I think that, at the political level, we are doing better than we have with respect to government boards. I have met with the Women's Council (which is chaired by Dr Ingrid Day, and includes a wide range of outstanding South Australian women), and I have given them a special project to see how we can increase the participation of women in terms of government appointments to boards and committees.

Mr SCALZI: On the same line, during last year's estimates committees (on 29 July), the Premier promised to make social inclusion the cornerstone of the Labor government's approach to pressing social issues. Can the Premier explain why, 12 months later, the social inclusion budget has been underspent by a staggering \$740 000, and can he advise the committee which programs and initiatives lost funding or were not implemented?

The Hon. M.D. RANN: I think the member has got it wrong. The Social Inclusion Unit makes recommendations to us and helps us to implement strategies. For instance, we had a Drugs Summit last year (I think it was at the end of June, from memory), and people from a wide range of backgrounds and views came together at that summit. Some people came with fairly extreme positions, but finally, in the end, there was a broad consensus of recommendations on what to do. The Social Inclusion Unit and the board made recommendations to government on how to implement those recommendations. We put money in for that, and there is money in for the homelessness review and there will be money in for other things that they do.

The bureaucracy of social inclusion is not what motivates me: it is about how we affect people on the ground. A \$500 000 grant was allocated for social inclusion. However, in the establishment phase of the social inclusion initiative the Social Inclusion Board resolved not to allocate all of this fund. The board agreed that a precise view of where the funds could be put to greatest effect was not yet formed. It had grant money available for ad hoc, or individual, projects, but more important was its reference, which is to halve the number of people sleeping rough in South Australia, to implement the recommendations of the Drugs Summit and also to do something about the appalling fall in the retention rate in our schools over 10 years. Rather than handing out money, it was about having a much more strategic and targeted approach.

I should point out that the board fees are fairly modest. I think they are about \$9 050 per annum per member (that is, for non-public sector people) and, of course, the chair, David Cappo, chose not to accept a fee. We think that the Social Inclusion Board fees are modest, although member contributions beyond attending board meetings are extensive, and the commitment by board members to additional services such as public presentations and individual contributions, through to functions and personal meetings with community representatives, as well as a contribution to the writing of papers, is outstanding. For me, the money should be spent out there on their initiatives and, rather than look good, rather than spin, they are actually about strategy.

Mr SCALZI: Again, my question relates to Budget Paper 4, Volume 1. Will the Premier agree that many sectors of the community do not feel that they have been included in the social inclusion initiative? I have received copies of two letters sent to the Premier from constituents in the South-East of the state which clearly outline the concerns. The first letter states:

These people are both my friends and my patients and I know a large number of them very personally. I am now very concerned and frightened for them, for I believe your health minister and her department have taken recent, carefully calculated actions that are at best sadly misguided and at worst could be considered quite evil. These actions will put the lives of my patients at risk, and will now cost the South Australian taxpayer much more than she needed to pay. We are about to get poorer quality health services in the South-East that will cost much more than it has before, will service less

people and will cause more extended public hospital waiting lists in Adelaide.

Similarly, the second letter, from a group of six, states as follows:

As a consequence of recent events that have affected the medical care of residents of the South-East, we feel we have no alternative but to express a motion of no confidence in the current health minister. In fact no confidence in the complete Labor ministry including yourself. The manner in which this crisis has been managed is appalling and I would hope that you would feel the full displeasure of the local population at the next election.

Does the Premier agree that these people have a legitimate reason to feel excluded?

The Hon. M.D. RANN: Can the honourable member tell me to which line his question refers in terms of social inclusion? The Social Inclusion Board's references relate to the drugs strategy, homelessness and school retention. This question seems to be about hospital matters in the South-East. Can the honourable member explain what it is all about? Otherwise I think that all of us will be at a loss.

Mr SCALZI: I refer to Budget Paper 4, Volume 1. My question refers to the social inclusion initiative, which the Premier has broadly outlined.

The Hon. M.D. RANN: So, these people have expressed a vote of no confidence in the health minister because they do not like what the Social Inclusion Board is doing with respect to homelessness? This sounds like a stunt.

Mr SCALZI: Clearly, Premier, these letters show concern—

The Hon. M.D. RANN: About what? About social inclusion? Do either of the letters refer to a social inclusion initiative or to the Social Inclusion Unit?

The Hon. R.G. KERIN: I rise on a point of order. The Premier is badgering the member for Hartley. The member for Hartley asked whether the Premier felt that the people in the South-East can feel excluded when the government has made very far-reaching statements about social inclusion. Surely, people in regional South Australia have a right to be socially included.

The CHAIRMAN: There is no point of order. I understood that the Premier was seeking clarification of the question from the member for Hartley. If the member for Hartley is unable to give that clarification I will proceed to the next committee member.

Members interjecting:

The Hon. M.D. RANN: The leader said, 'Let him not answer it.' Is that what the leader is about? Game playing! Spin! I would like to see the Leader of the Opposition give up his spin, give up his game plan, give up his media games and let us have a question that is relevant to social inclusion.

Members interjecting:

The CHAIRMAN: Order! Is the member for Hartley about to make a clarification in relation to the line under examination?

Mr SCALZI: Yes, Madam Chair. I am asking the Premier about his commitment to inclusiveness of all South Australians in all areas. The Premier talks about bipartisanship, indicating that we should look at all these problems as a community. I mean it in that sense. Do these people have a right—

The Hon. M.D. RANN: Who are these people? Can the honourable member read out their names and can he tell me what their concerns are in relation to the social inclusion initiatives?

Mr SCALZI: The Premier wants to play games. I have read out their letters. He could comment on the letters.

The Hon. M.D. RANN: How can I comment when I do not know what it is about?

The CHAIRMAN: Order! The member for Mitchell wishes to ask a question.

Membership:

Mr Hanna substituted for Mrs Geraghty.

Mr HANNA: I ask the Premier about the Glenthorne site at the corner of South Road and Majors Road in my electorate. I cannot see that it has a precise budget line, but I know that the Premier is well aware of the issue. It is a matter that is monitored through the Department of Premier and Cabinet. My question relates to the potential implications for the state government if the original plan intended for Glenthorne, as manifested in the deed which was signed by the University of Adelaide, does not come to fruition. The Premier is aware that it was intended that the University of Adelaide would hold the land so that viticulture, etc., could be developed on the land. If, through lack of private sector investment, that becomes not possible, does the Premier have an alternative vision for the site and are there any budget implications for the state if the university cannot live up to what is stated in that deed?

The Hon. M.D. RANN: For the benefit of members, on 2 September 1998, the Olsen government announced the purchase of Glenthorne Farm from the CSIRO for \$7 million. On 27 September 1999 the Olsen cabinet agreed to provide a \$7 million grant to the University of Adelaide to purchase the land for use as a commercial vineyard, as I understand it, and for other horticulture ventures. Profits from the vineyard were supposed to fund vine and wine-related research and training. Settlement was significantly delayed due to the CSIRO's refusal to assume liability for any loss or third party claim resulting from pre-existing contamination.

Finally, the state agreed to indemnify the university for this liability provided that, in the event of any future claim, the state would seek to share any costs equally with the commonwealth. The commonwealth agreed to this proposal, and settlement took place on 29 May 2001, again, with former premier Olsen in the chair of cabinet. As I understand it, the university has undertaken extensive investigations and has advised that it intends to establish a vineyard of 95 hectares out of a total area of 228 hectares. Some additional infrastructure will be required to ensure sufficient irrigation water for the vineyard.

However, the company that is to develop and manage the vineyard has advised that it requires only 45 hectares for vines. This is believed not to be commercially viable for the university. Negotiations, I am told, are on hold due to the downturn in the wine industry and some various mergers and things that are happening. Due to this delay in finalising its concept plan for the property, the university is requesting an extension of time to present its plan to the government. The university recently terminated the lease of the tenant farmer. Martindale, which is part of the university, is managing the property as a short-term measure.

Martindale has commenced work to bring the property back to the university's required standard, including weed control and building maintenance. The land is being used for sheep grazing and feed crops. The university has a caretaker/maintenance person living on site. I mention that \$81 000 has already been allocated from the Urban Forest

Biodiversity Project for a vegetation management plan and revegetation using native plant species, as well as clean-up of rubbish and weeds and seed collection. Some planting has taken place with input from the Friends of Glenthorne. The next plantings are planned for spring 2003.

The university is still considering how best to use the remainder of the land and the existing buildings. The university confirms that the heritage buildings and trees will be maintained and, where necessary, restored. The City of Marion has approached the university and government regarding a concept to use Glenthorne as a link in the Yurrebilla Park system. The university has concerns regarding security of the proposed vineyard and ongoing maintenance of any public access areas. According to my latest update (17 June), the negotiations are ongoing.

Ms BREUER: I refer to Budget Paper 4, Volume 1, pages 110 and 113. What is the Green City program?

The Hon. M.D. RANN: I have already said today that we have this urban forest initiative, which is \$10 million over five years and which is about planting one million trees. We are involving the Youth Conservation Corp and schools. In fact, a launch was held last week in the southern parklands which Michael Harbison attended, together with the Mayor of Holdfast Bay, Felicity-Anne Lewis from Marion, Tony Zappia from Salisbury and the Hon. John Trainer from West Torrens. Other mayors attended, including Michael Keenan from Unley and Ken Rollond from Holdfast Bay. We planted 500 trees, and I was delighted to plant one of them. There were schoolchildren from a range of schools, including Aboriginal children from the Kaurna Plains school, who welcomed us and sang some delightful songs. So, I am delighted that the Urban Forest Project will help to transform Adelaide in positive ways, not just in terms of beautification.

The Capital City Committee includes ministers, the Lord Mayor and also councillors, and was established by the previous government. I want to congratulate the previous government, of which the Leader of the Opposition was a member, for the establishment of the Capital City Committee. Its priority is to develop Adelaide as an internationally-known green and sustainable city. This is in recognition that our city has a major impact on the environment and should showcase innovation in this important area.

The Green City program will develop opportunities for community and business partnership in this work, and a project director has been appointed in the Capital City Project team within DPC to coordinate the program. In 2003-04 \$500 000 will be invested by the state government to establish this program. It is anticipated that the Adelaide City Council will also invest in this priority area through the Capital City Committee arrangements.

I mentioned previously that the first Adelaide Thinker in Residence, Herbert Girardet, has been invited to Adelaide to help us develop an action plan to position Adelaide internationally as a green city, and we are working in partnership with the city council to plant 100 000 trees in the Adelaide parklands area. Solar voltaic panels have been installed on the South Australian Museum, and an installation of solar panels on the Art Gallery of South Australia will be launched shortly. I would like to see similar installations on Parliament House, and I was pleased recently to announce that we will be putting solar panels on the roofs of 50 South Australian schools.

Ms CICCARELLO: My question relates to Portfolio Statement, Budget Paper 4, Volume 1, page 1.13, under the heading Program Information, Executive Government. What

progress has the government made in promoting renewable energy?

The Hon. M.D. RANN: This question relates to Portfolio Statement, Budget Paper 4, Volume 1, pages 1.13, Program Information, Executive Government, sub-program Strategic Advice and Facilitation. The answer to the question is that, as I have just mentioned, a solar power extension at the SA Museum launched in November 2002 will cut CO₂ emissions by some 25 tonnes per annum. The Art Gallery is commissioning a photovoltaic system on a similar scale costing around \$250 000, and is to be launched very shortly, and the Green City Project team and the Department of Premier and Cabinet is progressing other opportunities.

Wider initiatives to support renewable energy include the extension of the solar water heater program; the South Australian solar schools program that I mentioned, with 50 schools being partly solar powered; government wind power purchases; and also working on a broad renewable strategy for South Australia through business, manufacturing and trade.

Also, as I say, on the sustainable energy front we are looking forward to working with the new Lord Mayor and the Adelaide City Council on the green energy initiatives, and I was delighted to recently open Starfish Hill, which is the state's first wind power farm, which I think will power about 18 000 households. Also, we have already issued licences for a range of other wind power stations, and I think we will lead the nation in this area.

The Hon. G.M. GUNN: My question relates to comments that the Premier made earlier today in relation to South Australian being pro-business, which I am very pleased about. Last weekend a couple of colleagues and I spent a considerable time in the Far North of South Australia observing various communities, and two issues came to mind concerning the insensitivity of bureaucracy and the difficulties it creates for people who want to get on and do things.

I draw two issues to the Premier's attention. First, pastoralists in the north are being prevailed upon by the department of environment to prevent them from extending their water schemes by putting in pipelines (which they have been doing for 100 years) so that sheep and cattle do not have to walk very far.

The next important issue is that they are concerned that the tourist industry is very important but the government seems to want to pull back from spending money on the roads in those areas. We want to encourage people to come to South Australia and spend money, and I understand that 60 or 70 cars a day at this time of year go through Cameron's Corner, and huge numbers of people go through Innamincka. I draw this to your attention as head of the government. It is important that tourists are made fully aware that we want to encourage them and not get in their way, and people in outback regions want to know why we have all this unnecessary bureaucratic interference.

The final issue that is causing concern is that there are excellent tourist facilities at Wilpena, Rawnsley Park and Arkaroola, and there is now an attempt to revalue their properties to increase charges and taxes, which will make life more difficult for them. All these people are employing young people. The Premier has properly indicated that he wants to open South Australia to business, and they are all for that, but other agencies of government want to get in their way. I seek his comment and assistance in overcoming these particular difficulties.

The CHAIRMAN: Premier, do you wish to have a reference in relation to that question?

The Hon. M.D. RANN: I am happy to try to answer that. In recent times I have visited some of those areas, and I know that in one part of the state, for instance, some of the drought assistance money has been used to help facilitate diversification in other interests. Some fantastic things have been done by farmers such as farm stays for tourists and other tourism projects. I am also aware of a range of ideas as farmers look towards diversifying their futures. One of the things that we are trying to do and one of the reasons why I wanted Rory McEwen to join our cabinet—having someone who does not come from the Labor Party join cabinet was a fairly bold move—is essentially to bring the regions and country South Australia to the cabinet table. He has been put in the position of being minister for regional development and Minister for Local Government and has also recently been given responsibility for the area of business, manufacturing and trade. That puts Rory in a very powerful position in terms of the business side of government.

I want to say, however, that we are also trying to better coordinate activities through the regions, and we have opened an office in the member's own electorate in Port Augusta and another one at Murray Bridge. Again, it is about trying to ensure that there is better coordination, which is something I think the honourable member would welcome.

The Hon. G.M. GUNN: The two issues on which I wonder whether the Premier could focus are: first, I gave the example where people are being hindered in their desire to put in pipelines because officers of the department of environment have no understanding; and, secondly, the attempts made to revalue, with a view to increasing the taxes on these very efficient and good tourist operators, are causing considerable concern. If the Premier is not in a position now to answer the question, could he come back to me with a precise answer, because they are two very important issues?

The Hon. M.D. RANN: In terms of the pipeline, it would be good if the member could provide me with some details of where things are being impeded by the Department for Environment and Heritage, or where such claims are being made, so that that could be investigated. I will certainly ask the Minister for Environment and Conservation to follow that up. One of the things that came out of the Economic Development Board's summit process is that there was a feeling that, over many years, capital works in the state has been done pretty much on an ad hoc basis, with ministers and departments bidding for capital works money but not being coordinated in a strategic or coordinated way. So, one of the things that we have done—and this is a direct result of a recommendation of the Economic Development Board—is to establish an Office for Infrastructure, which I hope will be a very powerful office within government, so that there is a much better coordination of infrastructure and capital works and, also, a senior minister in Pat Conlon is the Minister for Infrastructure, so that there can be a more strategic approach to infrastructure.

Ultimately, what we are trying to do is that, rather than handing out cheques to companies to set up call centres, and so on, we have actually slashed funding for industry assistance in this way on the advice of industry. What we have been told time and time again is that getting the infrastructure right is the important thing to do.

The Hon. R.G. KERIN: I refer to Budget Paper 4, Volume 1, page 1.10, under 'Targets for 2003-04—Develop major projects in cooperation with the Economic Develop-

ment Board': given this target, why did the government effectively put the SAMAG magnesium project on hold by calling for a review, initially to be completed in two weeks but it is now an eight-week review? Is the Premier willing to intervene to have the review completed much sooner and, hopefully, by 30 June or 7 July?

In December last year, the Premier assured the then mayor of Port Pirie that the Economic Development Board chair would have no role in advising on SAMAG, due to a perceived conflict of interest but has now called a review at the chair's request. The people of Port Pirie feel let down by the government's action, which has been a setback for the project at a vital time. They are asking why the review is necessary when, with the state government committed, it is effectively between SAMAG and the financial market. I quote from last Thursday's editorial in the *Recorder*, which sums up the local feeling. Part of the editorial states:

There's a foul stench coming from the latest magnesium plant manoeuvres. Suddenly the state government is reviewing the project. Everything from the legal arrangements to the financial model are being looked at.

The article further states:

Are we being set up for a crash landing? Is there a cosmetic treatment—for which this government is so renowned—taking place on the fate of the project?

I assure the Premier that it is a major concern to the people of Port Pirie, and any earlier date for the completion of that review would be very much welcomed.

The Hon. M.D. RANN: My advice to the writer of the editorial is this: 'There ain't nothin' cosmetic about \$25 million put on the table', and my advice to the Port Pirie *Recorder* is that maybe they should pick up the telephone and ask Barry Wakelin whether or not he has walked into the Prime Minister's office and asked him whether he has delivered a matching amount of money from the federal government. There is a big difference. A Labor state government has delivered \$25 million: how much money has been put in by the Howard Liberal government? Zip!

The Hon. R.G. KERIN: Who put in the \$25 million?

The Hon. M.D. RANN: We have.

The Hon. R.G. KERIN: No; we did.

The Hon. M.D. RANN: Yes, well that is great. We have both done it. We are in government, okay? We have honoured that commitment—

The Hon. R.G. Kerin interjecting:

The Hon. M.D. RANN: That is true, isn't it?

The Hon. R.G. KERIN: The Premier initially said that they shouldn't get a handout.

The Hon. M.D. RANN: I am saying that we have committed to \$25 million. My challenge to the Port Pirie *Recorder* is to ask the federal Liberals, including their federal Liberal MP Barry Wakelin, to match the \$25 million, because that would be terrific to see. The government is commissioning an updated assessment of the SAMAG project, in line with normal commercial practice. Much has been made of Robert Champion de Crespigny's letter to the Minister for Industry, Trade and Regional Development and to commonwealth ministers concerning the project.

Mr de Crespigny has expressed concerns about the outlook for Australia, given the strength of Chinese competition, and about the implications this could have for SAMAG. He also is concerned about the recent difficulties experienced by the Australian Magnesium Corporation project in Queensland, which we have all read about. I would hope that the Leader of the Opposition has actually read in the financial press

about the problems with the AMC project in Queensland and about the recent closure of the Magnolia operation in Canada. Is the leader aware of that?

The Hon. R.G. KERIN: Absolutely.

The Hon. M.D. RANN: Okay, so the leader is aware of that. However, I stress that the assessment being made is in line with standard commercial practice. It would be an irresponsible government that did not look at the present circumstances that face a major project. We should all be concerned about the AMC project: how dopey would it be, given what is happening world wide in terms of magnesium, if we were to say, 'Oh, no, we're not going to even observe what's happening in the rest of the world.' That is the kind of Hindmarsh Soccer Stadium and privatisation of electricity mentality that the previous government lined up with. My view is that we are about making sure that we get the best possible information. I would have thought that you made decisions only on the best possible information, and you need to update and get the latest information all the time.

The state government has provisioned \$25 million to assist the South Australian-based SAMAG project, through the development infrastructure near to the magnesium site. Let me say now to this chamber, to the Port Pirie *Recorder*, to Barry Wakelin and anyone else that that \$25 million commitment stands. However, the commonwealth, even though both the leader and I have both spoken and written to the Prime Minister, has yet to commit any funds to the project.

The Hon. R.G. KERIN: It won't while the project is under review.

The Hon. M.D. RANN: Well, what happened three years ago or when the leader was premier or when John Olsen was premier, or last year before there was this update? The commonwealth is yet to commit any funds to the project. The commonwealth commitment is needed before the project can go ahead, which has long been acknowledged—

The Hon. R.G. Kerin interjecting:

The Hon. M.D. RANN: Ah, the leader has just revealed something. Perhaps he should share it with the chamber.

The Hon. R.G. KERIN: I would love to make a speech on this matter.

The Hon. M.D. RANN: Repeat what you just said to the member for Hartley.

The Hon. R.G. KERIN: Madam Chair, if it is all right with you, I will correct the Premier on a couple of the things that he has said.

The Hon. M.D. RANN: No; will you repeat what you just said about what is happening with the—

The Hon. R.G. KERIN: With what?

The Hon. M.D. RANN: What the leader was just referring to.

The Hon. R.G. KERIN: The rights issue?

The Hon. M.D. RANN: Yes, the rights issue.

The Hon. R.G. KERIN: The rights issue is effectively affected by the state government calling a review.

The Hon. M.D. RANN: So, you think that our commitment of \$25 million for the project but the failure of the Liberals federally to commit one brass razoo to the project—I mean, really! This is absolutely where the leader's government went wrong. The project must also secure support from the private sector. I wrote to the Prime Minister, John Howard, just last week to underline the state government's continued strong support for the magnesium smelter, and calling on him to outline exactly what the commonwealth is prepared to do to support the project.

It is entirely appropriate to assess on an on-going basis commercial aspects of a project of this size and significance. That is normal commercial practice. You would be criticising me for negligence if we did not do so. The government would be totally negligent in the protection of taxpayers money were it not to investigate problems now being experienced with magnesium around the world. That said, I have a high level of confidence about the SAMAG project and I expect the update to confirm that confidence. The South Australian government is enthusiastic about this project and we are awaiting the business case to confirm our confidence.

The terms include undertaking an assessment of the deliverability of the SAMAG project outcomes, based on an examination of SAMAG'S financial and legal arrangements proposed by Magnesium International Limited, MIL's existing SAMAG financial model, including in particular critical assumptions, projections and sensitivity to, capital costs, exchange rates, proposed project technology, environmental issues, the existing and forecast market for magnesium and project power availability and cost, internal rate of return on equity projections and the values required to achieve project bankability and commonwealth and South Australian government financial and in kind support.

From memory, the original commitment of the \$25 million was if the feds put in money. I have said that the \$25 million is there from the state government and that is the difference. What we are doing in terms of the update is simply a continuation of the state's due diligence, consistent with normal business practice. The update is been undertaken by a steering committee, which is due to report to cabinet by 24 July 2003. We have undertaken to provide the federal government with a copy of the update report as soon as it is available.

The steering committee will comprise representatives from the Department of Business, Manufacturing and Trade, the Department of Treasury and Finance, PIRSA, the Office of Infrastructure and the Crown Solicitor's office and will retain expert advisers and liaise closely with appropriate federal agencies.

Membership:

Mrs Geraghty substituted for Mr Hanna.

The Hon. R.G. KERIN: On the same line, who prepared the terms of reference for the review of the SAMAG project and decided the review would be conducted by government departments rather than consultants as originally discussed? The terms of reference and composition of the steering committee have caused much concern in the setting up of the review. The terms of reference are anything but a fine tune as was promised and this enforced delay is a major set back for proponents of the project. Even more disconcerting and puzzling to many is the appointment of government departments to conduct the review. It is well known that this project had significant opposition initially from some sections of the bureaucracy and I have been told that PIRSA, which was the major initial supporter of the project, was not on the original steering committee proposed but were later added, and I am grateful for that.

The Hon. M.D. RANN: You were saying that when you were in government these departments opposed SAMAG.

The Hon. R.G. KERIN: Yes, initially they did.

The Hon. M.D. RANN: Things have changed because we are running the government now.

The Hon. R.G. KERIN: What about the consultants—who talked you out of the consultants?

The Hon. M.D. RANN: Ministers make the decisions and the ministry and cabinet made the decision for the \$25 million. I would have thought that that was the same in your government.

The Hon. R.G. KERIN: You feel the expertise is within government to judge the bankability and viability of this project?

The Hon. M.D. RANN: I am confident of the group that has been appointed, which will retain expert advisers and liaise closely with appropriate federal agencies. The difference is that we still do not have one cent out of your mates in Canberra.

Mrs GERAGHTY: My question relates to Budget Paper 4, Volume 1, page 1.13. What has the South Australian government done to prepare for dealing with a possible terrorist emergency?

The Hon. M.D. RANN: Nothing is more front of mind than this. It is probably important that the estimates committee be told about a level of preparedness, but without doing anything or saying anything that would possibly prejudice that preparedness. Since the terrible events of September 11, South Australia, along with the other states and territories and the commonwealth, has worked hard to ensure a strong national set of plans, and cooperative arrangements are in place so that as a nation we are well placed to prevent, detect, respond to and recover from terrorist incidents. South Australia has done a considerable amount of planning and work and will continue to do so.

On 6 December 2002 the leaders of all Australian governments met together to consider this preparation at the Council of Australian Governments meeting, attended by the Prime Minister, the premiers and the chief ministers of the Northern Territory and the ACT. We noted that generally Australia is well prepared to prevent terrorist attacks. While understanding that, as the events of September 11 and, more recently, the Bali bombing showed that preventing a determined terrorist attack cannot be totally assured. This conclusion was echoed on 18 December 2002 by Senator Ferguson as chair of a commonwealth senate committee examining South Australia's preparedness for a terrorist incident.

On behalf of the committee, Senator Ferguson stated that our protective security system is probably one of the best in the world, but there are ways Australia's security could be further enhanced. Significant progress has occurred in the past five months. Again I proceed with this with some caution, but it should be remembered that a terrorist incident is a particular type of emergency and a range of regularly tested plans and operating procedures are in place in this state which provide the framework on how to deal with such situations. These plans are at local and state level and are regularly tested. There are both national and state anti-terrorist plans which define roles, responsibilities and authorities in responding to a terrorist situation, as well as the mechanisms to prevent or manage acts of terrorism and their consequences.

South Australia contributed to the revision of the current national anti-terrorist plan, which was recently endorsed by all governments. The national anti-terrorist plan reflects a stronger national cooperation to prevent and respond to terrorism. It has been important to work closely with the Prime Minister and the other states on this. I am pleased that the mass media is not here in terms of trying to get a grab on these things because its important to see these things in

perspective. On 16 December 2002 the State Protective Security Branch was formed within the South Australian Police. The state government supported the creation of this branch by providing SAPOL with an additional recurrent budget. The branch consists of the emergency and major events section, the security intelligence section (SIS) and the joint counter terrorism team (JCTT). The State Protective Security Branch of SAPOL works closely with other agencies, including the Australian Federal Police and ASIO at a local, national and international level.

South Australian Police, in partnership with other agencies, are committed to identifying threats to community security and there are improved national links to ensure that intelligence is shared between the commonwealth and the states. In addition, a security and emergency management branch I announce today is presently being formed in the Department of the Premier and Cabinet to ensure a stronger emphasis and coordination across government of appropriate security and emergency planning and communication systems and to liaise with other governments at a strategic level on these issues.

Significant funding has been designated in the 2003-04 SAPOL budget for counter-terrorist equipment, and other funds have been jointly pledged by the Council of Australian Governments for counter-terrorism preparedness. In December 2002, COAG agreed to a joint purchase of some much needed counterterrorism equipment for state and territory police. This equipment is highly specialised tactical equipment for police facing a CBR situation. The equipment has been ordered and a contract entered into by the Commonwealth Protective Security Coordination Centre on behalf of the states and territories. Purchasing equipment of this type requires a long lead time, and the recent war in Iraq has meant that there is a worldwide shortage of such equipment.

At the same time, states and territories are entering into an arrangement with the commonwealth, whereby specialist equipment will be purchased by the commonwealth and provided to the states on a long-term loan basis for use by rescue and recovery personnel during any terrorist incident. The commonwealth budget for this cooperative national process will be \$17.8 million over four years for equipment and training, with state budgets responsible for the ongoing maintenance of the equipment. This funding was identified in the May 2002 commonwealth budget, and delivery of the equipment will be finalised soon. Training and equipment usage is also part of this national project. The equipment will assist and protect police, fire, ambulance, medical and health personnel who are required to respond to a terrorist incident.

Today, I can announce that the review of the state disaster arrangements, announced by me on 16 October 2002, is complete. Its recommendations are being examined for implementation. This will strengthen already strong arrangements for the state's machinery for planning for and dealing with major emergencies of all types. As part of a national strategy for the protection of Australia's critical infrastructure, South Australia has just completed a review of the state's critical infrastructure and of the plans in place to protect it. The reviewer (retired deputy commissioner of police, Mr Neil McKenzie) has reported to the Emergency Management Council and to the cabinet committee which I chair and which has responsibility for emergency matters. The review recommendations are in the process of being activated.

SAPOL has put in place mechanisms for information and threat assessment to be communicated to infrastructure

owners and operators in times of heightened risk or threat. As part of a state strategy, training exercises involving simulated threats to critical infrastructure are being planned for the next financial year to enable protective plans to be tested. A state recovery committee has responsibility for addressing immediate and long-term recovery issues and is undertaking ongoing work. The experience of the community's recovery needs arising from the Bali bombing experience has contributed to this work.

I can inform the committee that a state level Chemical Biological Radiation Committee (CBR) has been formed and is very active. It has developed a state level CBR plan, underpinned by agency specific plans. The CBR plan has recently been exercised with medical, hospital, and emergency services in a major test of the ability of the state's medical framework to respond to a major chemical, biological or radiation emergency.

A simulation, entitled Exercise Supreme Truth, tested the capacity of our health and emergency systems to respond to a major biological contamination emergency. Senior officers from the Royal Adelaide Hospital, fire, police, ambulance, State Emergency Service and the Department of Human Services participated in a discussion exercise to assess how they would coordinate such an emergency. A practical on-the-ground exercise also tested the services' response capacity in a mass casualty situation. The exercise proved very beneficial to the state, and areas of improvement were identified. The system can handle a significant number of people affected by a biological hazard, and equipment improvements have also been made in this area.

In addition to portable decontamination units that exist with emergency services, a dedicated decontamination unit has been established at the Royal Adelaide Hospital. A further three decontamination units are being manufactured and will shortly be installed at three additional major hospitals throughout the metropolitan area. This capacity enhances decontamination capability for the state for a chemical, radiological, or biological terrorist incident.

All states have participated in a counter-terrorism capability assessment review conducted by Deloitte Consulting. It concluded that South Australia is well placed in terms of prevention, response, recovery and investigation, particularly when considered in light of national cooperative arrangements. The review provided a sound framework for future capability planning.

The Commonwealth Counter-terrorism Committee determines the level of national counter-terrorism alert based on ASIO assessments of the actual level of terrorist threat to Australia or Australian interests. The alert level informs national preparation and planning and dictates the level of precautionary action to be taken: a low level alert means that there is no information to suggest a terrorist attack in Australia; a medium level alert indicates an assessed medium risk of a terrorist attack in Australia; a high level alert means an assessed high risk of a terrorist attack in Australia; and an extreme alert indicates that a terrorist attack is imminent or has occurred.

At present, the advised national counter-terrorism alert level for Australia is medium, and the level has not changed since 11 September 2001 and is not likely to do so unless an actual terrorist threat is made against Australia, or any part of it. However, the threat level determines the types of precautions which our police and other agencies put in place. Communication and other strategies have been developed for

government and will be activated if terrorist alert levels are upgraded.

I know that there is interest from members about the whole-of-government buildings security review. Following the whole-of-government buildings security review in late 2002, a number of recommendations were received. A cabinet submission was subsequently prepared and forwarded for consideration in April 2003. The cabinet submission was approved and, as a result, a total of \$2.1 million was made available for the implementation of the recommendations of the review. Of this amount, \$1.85 million is available for whole-of-government buildings. In addition, \$250 000 is available for ministerial offices. The Department of Administrative and Information Services (DAIS) has established a buildings security task force to assist in the determination of priorities and the allocation of funds across the various departments. To date, \$1.3 million has been allocated.

SAPOL has also provided a number of building risk management training courses across the public sector to assist departments in determining their risk and in instituting appropriate remedial actions. The cost for this training has been met from the \$1.8 million appropriation. As part of an intergovernmental agreement on counter-terrorism between all Australian governments, South Australia has progressively been reviewing its legislation to ensure that appropriate legal mechanisms are in place to prevent and combat cross-border crime, including terrorism. Also, I have recently corresponded with Prime Minister John Howard on the question of outlawing the terrorist wing of the Hezbollah organisation. I have stated South Australia's support for the federal opposition leader's proposed legislation black-listing this organisation. South Australia will continue to participate vigorously with all Australian governments on the larger national questions of the control of terrorism.

I am pleased to be able to give that answer. It is a very important issue and a huge amount of work is being done behind the scenes in the fight against terrorism. I thank the honourable member for the question. It would have been nice to have more notice so that I could give more information to the committee.

Going back to SAMAG, let me say that the SAMAG steering committee will engage expert consultants to advise it and to undertake the review of financial and other aspects of the project. I am sure that the advice will be of high calibre.

Additional Departmental Advisers:

Mr P. Case, Commissioner for Public Employment.
Ms M. Barnett, Director, Human Resource Development.
Mr E. Brooks, Director, Work Force Relations.

The Hon. R.G. KERIN: In the work force summary, which is on page 1.7, the budget papers estimate that there will be 344.8 full-time positions in the agency. The Premier has talked of the intention to cut what he and the Treasurer have dubbed Public Service fat cats, a term which most of us do not agree with, I might add. Consequently, can he advise the committee what number of positions in the department with a total employment contract package of greater than \$100 000 are estimated for June 2002, 2003 and 2004?

The Hon. M.D. RANN: I will be happy to come back and give a report to the leader on that question.

The Hon. R.G. KERIN: Again on the work force summary, can the Premier advise the committee of the current employment status of the former chief executive officer of the

Department of the Premier and Cabinet, Mr Bruce Guerin? Under the previous Labor government, Mr Guerin was given a contract that ties his pay to that of the CEO of Premier and Cabinet for life, regardless of his position. With which unit is Mr Guerin currently employed and which role is he fulfilling?

The Hon. M.D. RANN: I am aware that previous governments—there was the Bruce Guerin case and there was the Denis Ralph case—entered into different arrangements, and they were different arrangements. On the issue of Bruce Guerin, with effect from 31 December 2002, the government terminated the arrangement with Flinders University where Mr Guerin was made available to the university at a cost to the South Australian government. Since January 2003, Mr Guerin has worked in the Public Service in a position in the unattached unit but working on projects, as I understand it. The Crown Solicitor is still negotiating with Mr Guerin, through his legal advisers, to resolve his claim for underpayment of salary. An offer has been made and rejected.

One option that the government is considering is to resolve the matter by special legislation to ensure that Mr Guerin does not receive some or all of the money he is claiming. Let me say this: Mr Guerin will not get everything he is asking for, not by a long shot, but I urge the Leader of the Opposition to remember the appointment of Denis Ralph by the former government to the Centre for Lifelong Learning.

The Hon. R.G. KERIN: I refer to page 2.5, public sector employment, under the subject of targeted voluntary separation packages. The government's plans for targeted voluntary separation packages are now 250 behind planned targets budgeted for 2002-03. We are advised that the lower level of TVSPs than planned may reflect staff reductions through natural attrition or redeployment to higher priority activities. Can the Premier say what is meant by the term 'redployment to higher priority activities', provide examples, and advise the committee exactly how many public sector employees have been redeployed to higher priority activities in 2002-03? What impact has that had on the government's target to reduce employment in the public sector?

The Hon. M.D. RANN: In terms of targeted voluntary separation packages and the use of TVSPs to achieve further work force reductions and restructuring, in July 2002 cabinet approved the operation of a targeted voluntary separation scheme for 12 months from 12 August 2002. The purpose of the scheme is to enable agencies to achieve their government-approved budget savings strategies by facilitating a reduction in the number of excess employees. As at 16 June, 133 employees have accepted TVSPs and separated from the SA public sector, generating salary and on-cost savings in the order of \$7.9 million per annum. The total one-off cost of separations to date has been \$9.6 million, with an average separation payment of approximately \$71 000 per employee.

The number of TVSP separations in each portfolio in the financial year to date—that is, from 12 August 2002 to 16 June 2003—are: Administrative and Information Services, 19 TVSPs accepted; Business, Manufacturing and Trade, 17; Tourism, 4; Environment and Heritage, 18; Human Services, 46; Justice 5; Primary Industries 10; Transport and Urban Planning 8; and Treasury and Finance 6. That is a total of 133 TVSPs. A provision of \$25 million has been set aside in the 2003-04 budget for TVSP reimbursements. As for the specific nature of the leader's request, I will get back to him with the detail.

Mr SCALZI: I refer to Budget Paper 4, Volume 1, page 1.16, subprogram 3.1, strategic human resource management. Given the important goals of human resource management and given that one of the targets of the Department of the Premier and Cabinet for 2003-04 is to implement the indigenous employment strategy for the South Australian public sector, will the Premier advise the committee why funding for strategic human resource management has been cut by more than 20 per cent from \$6.14 million to \$4.884 million? Will the Premier outline which programs will be cut or experience funding decreases as a result of this cut?

The Hon. M.D. RANN: There may be some confusion in terms of presentation but, as I understand it, my advice is that there was a new initiative of public sector leadership, called Leadership SA, for which provision was not made before, but \$1 million has been put in place for 2003-04 and 2004-05. In terms of encouraging indigenous participation in the public sector, that is something that I am very keen to push, given my role some years ago when I was minister for Aboriginal affairs in what was known as the 1 per cent challenge, which was to have 1 per cent of our public sector employment involve Aboriginal people. I regarded that as an important initiative. I know that some departments did well and other departments did not do so well. It is something that I am very keen to push—and, in fact, I have spoken to the Commissioner for Public Employment, Mr Case, about that.

In terms of increasing the number of indigenous employees in the public sector, the OCPE has developed an Indigenous Employment Strategy for the South Australian public sector. Over the next five years, the key outcomes of the strategy will be: the South Australian public sector is an employer of choice for indigenous South Australians; increased employment of indigenous South Australians in all agencies and levels within the South Australian public sector; all identified indigenous public sector employees will be actively supported and encouraged to develop to the fullest potential; and, effective evaluation and reporting systems will be developed to assist in the implementation and continuous improvement of the strategy. The office will work in partnership with the public sector and indigenous communities and people in the implementation of the strategy.

Mr SCALZI: I refer to Budget Paper 4, Volume 1, page 1.17, Sub-program 3.3, Employee Relations Services. Labor's platform on industrial relations states that Labor believes that the public sector should set an example as a model employer in South Australia, including providing progressive leadership in the industrial arena. Can the Premier explain how the 20 per cent cut from \$12.033 million to \$9.586 million for employee relations, occupational health and safety and injury management reflects this belief, and can the Premier advise how positive outcomes for employee relations, occupational health and safety and injuries across the South Australian public sector will not be put at risk? It is worth noting that, across the board, the funding for program 3, Public Sector Human Resources Management, has been cut by about 20 per cent in real terms. This money is meant for people to deliver them services, protection and opportunities. I am concerned that, in this important area of responsibility, across the board cuts will result in a loss of services and opportunities.

The Hon. M.D. RANN: With the permission of the member, I will give just a general outline, and we will get back to him on some of the specifics. In terms of strategic initiatives in occupational health and safety improvement, we have the occupational health and safety practitioner competency training program. A training needs analysis of the South

Australian public sector in September 2001 (under the previous government) identified the need for a competency-based training and assessment program for occupational health and safety practitioners. A range of competencies has been developed by Business Services Australia and adopted by OCPE as part of the Public Service's training package. This will ensure that OHS practitioners in all agencies and portfolios have the opportunity to attain professional qualifications at the certificate 4 diploma or advanced diploma level. Enhancing the competency of OHS practitioners is an important step in improving individual capacity and improving OHS management systems, with the consequent reduction in risk.

We have a safety awareness program (and, again, I want to pay tribute to the former government). The Public Sector Safety Awareness Campaign began in August 2001 with the release of 10 posters over 12 months, aimed at increasing the general occupational, health and safety awareness of public sector employees. Tracking surveys conducted prior to, during and after the campaign have shown a significant increase in the level of awareness of OH&S issues. The plan for the next three years is to implement customised campaigns in specific targeted areas. One of the first of these will be to improve leadership and understanding of occupational health and safety by CEs and senior management to ensure that OH&S is applied as a core business value.

With respect to the issue of psychological health prevention programs, in a previous study conducted in 2002 by UniSA for OCPE, prevention associated with work and environmental factors was identified as a major focus to significantly reduce the prevalence and cost of psychological injury claims. There is a need to undertake further work to identify the work environmental factors that contribute to staff wellbeing, the mechanisms of psychological injury and individual and organisational factors. That work will focus on how staff wellbeing impacts on an organisation's bottom line performance, and will lead to the development of initiatives to prevent the incidence of both psychological injury claims and the associated claims costs and help to create a more efficient and productive work force.

Mr SCALZI: Again, I refer to Budget Paper 4, Volume 1, page 1.7, Work Force Summary, on the subject of Office of Regional Affairs and staff. Will the Premier advise the committee why the two people employed by the government to run regional offices now report to the Premier and not to the Minister for Industry, Trade and Regional Development? In July 2002, the Labor government announced the establishment of two regional offices at Port Augusta and Murray Bridge. At that time, both offices were the responsibility of the regional affairs minister and were to 'encourage stronger relationships between the regional affairs minister and local community leaders, business and organisations'. The opposition has since been advised that the staff hired to run these offices are both former Labor candidates—Justin Jarvis, who ran for the seat of Stuart, and Jeremy Makin, who ran for the seat of Heysen. We have also been advised that, since the member for Mount Gambier took over as the minister for regional affairs, the two ex-candidates now report to the Premier.

The Hon. M.D. RANN: This matter has been raised publicly before, and I cannot quite understand the fan-dango about it. The suggestion that there is something wrong with that seems to me to be bizarre. Regional ministerial offices have recently been established to build on the state government's commitment to country people. I officially opened the

Port Augusta office on 21 May, I think. Regional ministerial offices are a new, additional resource that adds value to the role of state government agencies in regional areas and complements the regional development framework that is strongly supported by this government. Administratively, the regional ministerial offices are part of the Department of Transport and Urban Planning. The Manager of regional ministerial offices is employed by my office and reports to me. I just thought it would be great for the regions to have people who report to me—to the Premier of the state. The office in Port Augusta is known as the Office of the Upper Spencer Gulf, Flinders Ranges and Outback, and the Murray Bridge office is known as the Office of the Murray. Each office services a range of regional communities, providing a shop front for the state government and a link between the public and cabinet ministers. I think that is an important thing for us to try to improve—better coordination. It is my intention for the officers to work with local leaders, community organisations, government agencies and the public to improve the delivery of services and the development of policy for the region.

A range of projects and partnerships has been established between the offices and local communities, and the following are just some of the key projects that are currently being undertaken, or will be started in the future: working with the local development board and the state government agencies to implement the Northern Flinders Ranges Plan; an examination of northern public transport issues in conjunction with the Passenger Transport Board; providing administrative resources to assist key whole of government initiatives, including the Port Augusta Senior Officers Group and Outback SA government; a review of Outback planning processes in partnership with state government agencies; developing a community plan for people living along the Birdsville Track; and establishing a River Murray community network.

On top of these projects, the regional offices are developing relationships with and providing support for community organisations, such as Outback SA Community. It is expected that many local community issues will be raised with the staff working out of the regional ministerial offices. I wanted there to be an extension, really, of the Premier's office in terms of being able to make sure that these are people in whom I have confidence and from whom I can get feedback. I would have thought that people would like to see the managers reporting to the Premier of the state rather than something bureaucratic. I would have thought that it gave them clout. Anyway, that is my best advice and, as far as I am concerned, this is a way of giving some clout to the area.

Auditor-General's Department \$9 682 000
Administered Items for Auditor-General's Department,
\$766 000

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, Finance and Projects, Auditor-General's Department.

The CHAIRMAN: I declare the proposed payments open for examination and refer members to appendix D page 2 in the Budget Statement and part 13 pages 13.1 to 13.11, Volume 3 of the Portfolio Statements. Premier, do you wish to make a statement?

The Hon. M.D. RANN: No, except to say how much confidence I have in the Auditor-General and the office of the Auditor-General. I think that it is an incredibly valuable service for the people of this state, for the parliament of this state and also for the public sector and government of the state. As I mentioned earlier today, one of the reasons we wanted to get through our honesty and accountability package was to give, in a sense, greater powers to both the Auditor-General and the Ombudsman, as well as other areas. That, I think, is a reflection of their importance to our state and also of the confidence we have in them.

The Hon. R.G. KERIN: I refer to page 13.1 and 'Program net expenditure summary'. According to the details provided under sub-program 1.2, 'Special investigations' at page 13.4, the Auditor-General's Department spent \$480 000 on special investigations, contributing to an estimated total of \$9.938 million for the 2002-03 year. Rather than providing, again, only \$9.6 million in the 2003-04 budget, thus forcing the department to go over budget if it is called upon to undertake any special investigations in the forthcoming financial year, will the Premier advise the committee whether the government has considered establishing notional funding for future investigations?

Notional funding allocations are commonly used to allow for unspecified or unpredictable costs. For example, in Primary Industries they are used to budget for occurrences, such as locust plagues or disease. They allow for better budgeting and a smoother budget cycle. Has that been considered for the Auditor-General's office to smooth out payments and, perhaps, to allow for more efficient resource use?

The Hon. M.D. RANN: I invite the Auditor-General to respond.

Mr MacPHERSON: The traditional way of funding special investigations has been to approach the Treasury as and when the need arises. Historically, there has never been a difficulty in granting the funds to do what was necessary. I think it would be very difficult to anticipate what types of investigations, inquiries, are likely to emerge in the course of a year.

The Hon. R.G. Kerin interjecting:

Mr MacPHERSON: I appreciate that, but both your side of politics and the current government have been very positive in assisting us in that way.

Mr SCALZI: I refer to Budget Paper 4, Volume 3, page 13.1, under the heading 'Targets 2003-04', which states:

... a program of reviews of specific issues of importance and interests in the public sector, aimed at improving processes and/or maintaining accountability in public sector agencies.

Will the Premier outline for the committee exactly what activities undertaken by the government will be included as part of this review program and provide an indication of the time frame and specific costs for each?

The Hon. M.D. RANN: Again, I invite the Auditor-General to respond.

Mr MacPHERSON: The issues involved are a series of public interest reviews, as well as the specific inquiries we have been mandated to undertake pursuant to section 32 of the act, and perhaps I will just go through those and indicate what they are. We are undertaking an inquiry in relation to

emergency services, which will basically be divided into two parts with an earlier report in relation to the McLaren Vale ambulance station establishment and the general budgeting of the SES. We are undertaking an inquiry in relation to the funding of the Basketball Association of South Australia. Again, that report will be presented in the spring session.

In addition to those inquiries, there are a series of other matters. It has been finalised but we are now in the natural justice stage of preparing the report on the MRI's for the Queen Elizabeth Hospital. There have been a series of other reports, one of which relates to procurement reform in South Australia: the arrangements for procurement; land disposal matters (the processes and controls associated with land disposal); the management of security in relation to IT in government agencies; e-commerce in government agencies; and one that will be of interest to the honourable member relates to the controls in relation to the payment of parliamentary allowances.

We have not yet substantively commenced that inquiry but that will probably start very soon. We are looking at a couple of others: one is the matter of the indemnities payable to ministers in relation to defamation claims. Some very significant issues are associated with that matter in terms of their lawfulness. That is a matter on which I have sought advice, and my preliminary advice is that serious questions may need to be brought to the attention of the parliament, not with the intent that any member be disadvantaged but that the whole matter be properly regularised. That is about it.

The Hon. R.G. KERIN: Somewhere in the statement of financial performance it mentions the major significant cost pressure, and it states:

During the year the Auditor-General's Department experienced significant cost pressures associated with the department's salaries and wages budget as a result of temporarily overstaffing positions, a position arising from gradual recruitment to replace traditional employee turnover rates which did not eventuate.

I realise that can happen in any department, and in an agency the size of yours it is easy for that to occur because it is hard to predict movements in small numbers. Is that gradually working its way through, or do you envisage any problem with that in the coming year?

The CHAIRMAN: I remind the leader that questions should be directed to the Premier.

The Hon. M.D. RANN: Again, I will ask Mr MacPherson to respond.

Mr MacPHERSON: We recruit in April, along with the chartered firms, for an intake in January. Our normal attrition rate is around 18-plus per cent of those who come in, and they go out seeking experience generally in the UK. In the last budget period, our attrition rate was only 5 per cent. When we bring people in, we spend a lot of money in the early stages training them and it would be quite wasteful to ask them to leave. So, we approached the Treasury and made some other internal adjustments to accommodate it, but it was only temporary. It is now regularised and we will be back at our 110 FTEs again this year. So, there is no ongoing difficulty. We were grateful to the Treasurer for accommodating us.

The CHAIRMAN: If there are no questions from the government side, I call on the member for Stuart.

The Hon. G.M. GUNN: I have a question for the Premier. Has the Auditor-General's office carried out any studies to compare how the office works in South Australia with other jurisdictions around Australia, and perhaps also in Canada, which has a very similar parliamentary system? I understand

that in Saskatchewan the Auditor-General sits in on the public accounts committee as a member. I am wondering whether any comparisons have been made with how the office here operates, and its roles and functions, with other jurisdictions in Australia and those provincial governments which have similar arrangements.

The Hon. M.D. RANN: Before asking the Auditor-General to respond, I acknowledge that the member for Stuart over many years has had a keen interest in Canada, and I think that there is a lot that we can learn from Canada and vice versa. In terms of the governance structures, theirs is probably the closest to our system of government that I can think of in terms of provincial structure and the powers of their parliaments. Also, they have similar issues relating to native title, multiculturalism and a huge hinterland. So, without referring specifically to those areas, I think we can all learn from each other, particularly Australia and Canada. I refer to Mr MacPherson to respond on the specifics.

Mr MacPHERSON: I will supplement a couple of the Premier's observations. We are generally similar to other jurisdictions but there are differences between us, although they are minor in totality. The question of the role of audit being more closely integrated with that of the parliament has been explored in the UK, and the Auditor-General there is an officer of the parliament. In the commonwealth sphere, the Auditor-General is an independent officer of the parliament. I know those things have been explored here as well, or at least they have been discussed. But I think the essential thing is to ensure that the audit process is able to assist the parliament in understanding the processes of government. I think any steps that might be taken that would reduce that potential would be unhelpful to the parliament.

The Hon. G.M. GUNN: Could the Premier advise whether the Auditor-General has examined in any detail the balanced budget arrangements which operate in the provinces in Canada, where there is legislation which requires governments to have balanced budgets, and there are penal provisions for ministers such as reduction in salary if they do not meet those particular budget targets? I wonder whether that matter has been investigated, Auditor-General, because I would think it would be a matter of some interest to see the attitude of ministers to that proposal.

The Hon. M.D. RANN: Terrifying, but I guess it depends whether it is on an accrual or cash basis. I am sure these things are looked at in different perspectives, but I invite the Auditor-General to respond.

Mr MacPHERSON: Mr Gunn, I know what you are saying. There was a conference in Sydney some years ago on that very topic, and it was based on the cash basis of accounting, which was prior to the introduction by most governments of an accrual basis. But I will try to dig out that information for you to have a look at. I think the bottom line is that it would be an impracticality to achieve that.

The Hon. G.M. GUNN: Earlier in the Auditor-General's response he indicated that he was looking at the role of ministers who have legal action taken against them and, I take it, specifically at payment of the costs of those ministers. Can the Premier indicate that his ministers—and, hopefully, other ministers—will in no way be jeopardised in not having the proper protection which they should be afforded in carrying out their duties? I want to explain that. I think it is important that we all understand that when people become ministers, contrary to what a lot of media commentators and others may think, they have very important responsibilities, often very difficult decisions to make and difficult challenges to face,

and it would be quite untenable for their families and themselves to be placed in the situation whereby they were not properly protected by parliament and the government when they act in what they believe is the public interest. That is always a very subjective test, and it is very important that there is no doubt because, if there is any doubt, I think you could deter people from wanting to enter the parliamentary arena. There are all sorts of difficulties today getting people with talent, on all sides of politics—without security of tenure and all those sorts of things, it is difficult to get competent people to come into parliament—and, if there was that sort of impediment, I would be concerned that you would deter people from various backgrounds who have particular skills which I believe future parliaments will require.

The Hon. M.D. RANN: Perhaps if I start before referring to the Auditor-General. I understand the point made by the member for Stuart. In the last few years I have been involved in a couple of legal cases where I was not indemnified, at substantial cost to myself. No-one is suggesting that the indemnity should be taken away from ministers who are the subject of defamation proceedings. However, there is a view that this must be put into a proper legal perspective. For instance, there has to be a proper sorting out between the public interest and private interest, and also in terms of political interest—whether ministers are acting recklessly in incurring defamation proceedings. All those things need to be looked at. It comes into matters of judgment, as all these things do.

I think that we have to be careful that ministers do not see this privilege as a kind of a blank cheque for abusive comments and, essentially, an extension of parliamentary privilege outside the parliament. I invite the Auditor-General to respond.

Mr MacPHERSON: Thank you, Premier. If I could just add to what the Premier has said, the intent of our review is to make sure that, when payments are made, there is a lawful basis for making them. Where a minister is acting in the course of his ministerial duties and he or she defames someone, we are not suggesting that the minister should not be supported and protected in that. However, where we are coming from is the question of whether or not that is a benefit or entitlement which a minister receives and which should be dealt with by the processes of the Parliamentary Remuneration Act.

The way we see it, we would suggest that that is a benefit that is received by a minister by virtue of that minister's being a member of parliament. The question is whether or not the Parliamentary Remuneration Act, as drafted, currently covers that situation and, prima facie, I do not think it does. I think that there is a very strong argument that that is a benefit receivable by a member of parliament otherwise than as is approved by the Parliamentary Remuneration Act. We will be reporting on that, hopefully, in the spring session and suggesting that clarification be made in the Parliamentary Remuneration Act.

The Hon. G.M. GUNN: As a supplementary question, would the Premier then comment on what are the circumstances in relation to a senior member of the Public Service who is then sued for defamation by a member of the public? Will the same set of rules and guidelines then apply to that person who also might be acting in what they believe to be their best interests? Will the same test be applied to them?

The Hon. M.D. RANN: I will ask the Auditor-General to respond to that question.

Mr MacPHERSON: In my experience, Mr Gunn, it is a harsher test for the Public Service, because they have to run the gauntlet. Police officers are often caught in this situation, as well as others who have a direct interface with members of the public. They are often not as well covered in terms of knowing where they stand as are members of parliament.

The Hon. G.M. GUNN: I do not think members of parliament get protection; it is only ministers.

Mr MacPHERSON: I'm sorry, the member is right; it is ministers of the crown. There are quite rigorous controls in the Public Service over when people are and are not indemnified, and sometimes they have to run the gauntlet of basically establishing the fact that they are not liable before they are entitled to be reimbursed.

The CHAIRMAN: To let members on my right know, does the Leader of the Opposition wish to proceed to omnibus questions?

The Hon. R.G. KERIN: Because we are ahead of schedule, I will read my omnibus questions in now rather than later. It is only for the first day, because I think that on most other days they will be tabled. There are only six questions, which are as follows:

1. For all departments and agencies reporting to the Premier, are there any examples since March 2002 where federal funds have not been received in South Australia, or will not be received during the forward estimates period, because the state government has not been prepared to provide state funds for federal-state agreements? If so, what issues and what level of government funds have been lost or will be lost?

2. Have all departments and agencies reporting to the Premier met all required budget savings targets for 2002-03 set for them in last year's budget? If not, what specific proposed project and program cuts were not implemented?

3. Will the Premier provide a detailed breakdown of expenditure on consultants in 2002-03 for all departments and agencies reporting to the Premier, listing the name of the consultant, cost, and work undertaken?

4. For each department or agency reporting to the Premier, how many surplus employees are there and, for each surplus employee, what is the title or classification and the TEC of the employee?

5. In the financial year 2001-02, for all departments and agencies reporting to the Premier, what underspending on projects and programs was not approved by cabinet for carryover expenditure in 2002-03?

6. For all departments and agencies reporting to the Premier, what is the estimated level of underexpenditure for 2002-03, and has cabinet approved any carryover expenditure into 2003-04?

The CHAIRMAN: That completes the examination of the line relating to the Auditor-General, and I therefore declare the examination closed.

The Hon. M.D. RANN: I thank the Auditor-General, Mr McGlen and Mr Knight for assisting the committee.

Membership:

Mr Brokenshire substituted for the Hon. R.G. Kerin.
Mr Snelling substituted for Ms Breuer.

Additional Departmental Advisers:

Ms J. Rankine, Parliamentary Secretary to the Premier.

Ms C. Mex, General Manager, Office of Volunteers.

The CHAIRMAN: The committee will now deal with the Office of Volunteers. Would you like to make an opening statement, Mr Brokenshire?

Mr BROKENSHERE: In a bipartisan way, and as the shadow minister and on behalf of the opposition, I join with the government and the Premier in acknowledging the work of the Office for Volunteers, a structure we had the privilege of setting up when in government and one that has been kept by the Premier. Whilst at times the opposition and the government must have opposing views, it is good to see that in an area such as that involving volunteers there is bipartisanship, because both Labor and Liberal realise the great sacrifice that volunteers make for the benefit of South Australia. That was again highlighted at a successful Volunteers Day on the Adelaide Cup long weekend. I enjoyed my opportunity, with the Premier, to acknowledge those volunteers and I encourage that to happen on a bipartisan basis. I acknowledge and thank all volunteers for what they are doing and I am happy to ask the Premier some questions.

The Hon. M.D. RANN: I thank the honourable member for his bipartisanship, which I know is appreciated by Jennifer Rankine. It is really important. Some things are bigger than politics and the contribution made by hundreds of thousands of South Australian volunteers in our community deserves that bipartisan support and I thank him for it.

Mr BROKENSHERE: I refer to a delicate issue but one which the government, the parliament and the opposition have to work with, namely, matters concerning child sexual abuse and paedophilia and its relevance to volunteering from the viewpoint of police checks and the cost of those police checks being \$45 for each volunteer. If you are a bus driver and you are to get a living from driving that bus, you should pay for that police check, but as we see more legislative changes coming before the parliament there will be more of a demand on volunteers to have police checks. As an example, a person who has been a volunteer in the Port Augusta area for decades shifted to another area where he was then to do some voluntary work for the hospital and was advised that he had to pay \$45. Would the Premier have his department look at the possibility of waiving the \$45 fee for organisations and individual volunteers if they are not-for-profit organisations, based on the fact that it is quite an impost and will become more so in future if individuals or volunteer not-for-profit organisations have to pay the \$45?

The Hon. M.D. RANN: After 12 months of extensive consultation with the volunteer community and government agencies, the government has listened to the volunteer community and learned about many issues of concern to them. For the first time in South Australia a partnership has been signed between the government and the volunteer sector entitled Advancing the Community Together—a Partnership between the Volunteer Sector and the South Australian Government. That document was launched at the Adelaide Cup and Volunteers Day on 19 May, as acknowledged by the honourable member. The outcomes that will result from commitments made in the document will be many, in my view, and processes will be put in place to actively identify and respond to issues that impede volunteering.

In addition, appropriate policies and practices will be developed to ensure that future policy decisions take into account any concerns that will affect the volunteer community, and the government will ensure that it continues to listen to the concerns of the volunteer community. To undertake

this task, the government will establish a new volunteer ministerial advisory group consisting of many sectors of the volunteer community with whom the government will consult on a regular basis. This is one of the issues I have no doubt will be discussed with that group, but I will ask Jennifer Rankine to respond further.

Ms RANKINE: The role of the ministerial advisory group is to prioritise issues of concern with the volunteer community and work through with government ways we can address any of those issues. We will be looking for guidance from that advisory group.

Mr BROKENSHERE: We will look forward to the response in due course and I can assure you of bipartisanship on the matter of \$45 not being required if it is a recommendation of the working group. I refer to Budget Paper 4, Volume 1, page 1.14, which shows employee entitlements for the Office of Volunteers for this budget period being \$850 000, as against an estimated result of \$1.077 million for 2002-03, with a budget then allocated of \$1.121 million. It also shows a reduction of over \$250 000 in employee entitlements and shows supplies and services coming down to around \$70 000, so that the total operating expenses come back to at least \$300 000. Is that a cut, or why is there a reduction in the overall budget for the Office of Volunteers?

The Hon. M.D. RANN: The advice I have is that the overall budget for the Office of Volunteers for 2003-04 will be largely equivalent to the core funding of previous years. In 2003-04 the \$300 000 worth of carry-over funds will not be required as they were in 2002-03. Budget savings will include salary and administration costs. Aggregate funding to volunteer organisations will not be affected by these savings initiatives.

Mr BROKENSHERE: I am pleased to hear that it will not affect volunteers directly. Will the Premier confirm whether there will be any reduction in employee numbers in the Office of Volunteers?

The Hon. M.D. RANN: In the Office of Volunteers there will be a reduction in employee numbers of three FTEs. The government, in terms of the impact on volunteers, will invest an additional \$200 000 for the implementation of the partnership that we signed in May over the next 12 months. Savings initiatives for the office include reduced administration costs and fewer FTEs in 2003-04, but the grant program entitled the Volunteers Support Fund will remain.

Mr BROKENSHERE: As to the \$200 000 for promoting volunteers, particularly the Advancing the Community Together document that was signed, I gather that the Premier is saying that that is a brand new \$200 000. The budget line shows \$200 000 for this year, with forward estimates of \$150 000 recurrent.

The Hon. M.D. RANN: From memory (and I hope I am not wrong, because I never like to mislead anybody), I think that will kick off the process. This is a new process, and it will be maintained.

Mr BROKENSHERE: To clarify that answer, it is \$200 000 of brand new money for this budget, and then \$150 000, with forward estimates of \$150 000 recurrent.

The Hon. M.D. RANN: Yes.

Mr BROKENSHERE: Will the Premier advise the committee of where he envisages that \$200 000 will be allocated specifically? What will it provide and generate for volunteers?

The Hon. M.D. RANN: As I mentioned, in terms of the Advancing the Community Together, a partnership between the volunteer sector and the South Australian government

which was launched in May, 29 community representatives of the stage volunteer reference group and I formally signed the partnership in front of almost 2 000 volunteers attending a Volunteers Day function hosted by me.

The Advancing the Community Together partnership document provides a framework for the relationship between the government and the volunteer sector and aims to strengthen the relationship, to redress issues that impede volunteering, and to promote volunteering. The partnership seeks commitments from both the government and the volunteer sector in areas of accountability, communications, equity, inclusiveness, policy, legislative development, recruitment, retention, resources, risk management, and training.

Further, the government commits to taking the partnership forward in a timely manner through the development of a process for implementation of the framework. To undertake this task, the government intends to establish a new volunteer ministerial advisory group with responsibility for developing an implementation plan with priorities for action. As Minister for Volunteers, I will meet regularly with the advisory group, which will host an annual volunteer congress to set priorities and targets, to review progress, and to provide an annual report to the volunteer community on the progress of the partnership. The Office for Volunteers will coordinate implementation of the ACT partnership, and funding of \$200 000 will be utilised for this purpose. So, it will be based on the advice of the volunteer sector.

Ms CICCARELLO: I refer to Portfolio Statements, Budget Paper 4, Volume 1, pages 1.0 and 1.14. How will the Advancing the Community Together partnership benefit the volunteer community?

The Hon. M.D. RANN: I think I have already answered that question. However, following on from the issue raised by the shadow minister, we announced shared commitments, what the volunteer sector would do, and what the South Australian government would do. Our commitments included:

- ensuring that the Office for Volunteers is kept informed and up to date on all government grants relating to volunteering;
- facilitating research and developing strategies to enhance volunteering, as well as sharing information and ideas;
- ensuring that the volunteer sector is kept informed and advised in a timely manner of any relevant issues or developments; and
- ensuring that documentation, information and applications are accessible, appropriate, clear, and available in relevant community languages.

We also acknowledge that the understanding and definition of 'volunteer' and 'volunteering' may vary between cultural groups. We undertake to ensure that this diversity is recognised in the allocation of resources and also to consult with indigenous and culturally and linguistically diverse groups or organisations before instituting legislation which may affect their volunteer committees. Part of the role will be to consult with peak volunteer organisations when proposed legislation or policy has significant impact on volunteering, to provide information and advice, and to work together with the volunteer sector in relation to the impact of any legislative or policy changes. Obviously, that also involves:

- recognising the right of organisations to take appropriate screening measures when recruiting volunteers;
- fostering, encouraging, and promoting volunteering throughout the community;

- providing opportunities for volunteering within government agencies where appropriate;
- ensuring sufficient financial and staffing resources when providing volunteering opportunities within government agencies;
- working with the volunteer sector to review and modify its application guidelines and processes to ensure consistent and clear guidelines, equitable access to resources, and appropriate agreements;
- disseminating information on issues of liability, insurance and risk management which impact on the role of volunteers and the management of volunteer organisations; and
- initiating legislative action, or release policy guidelines, to ensure protection and support nominated groups of volunteers where appropriate.

Membership:

Mrs Redmond substituted for Mr Scalzi.

Mr BROKENSHERE: I will now raise with the Premier the issue of public liability and the enormous impact that we know public liability costs are having on volunteer organisations, from the local football, netball and horse riding clubs through to organisations that are doing great work for the elderly.

Whilst I appreciate that legislation has been passed by the parliament (again, in a bipartisan way), at that time I noted that the Treasurer indicated that he still believed that it probably would not have a big impact on reducing costs. Having had several volunteer organisations come to me in recent months saying that they are at their wit's end about how they will be able to continue to provide their services, primarily because of the exorbitant increases in public liability costs, will the government consider bringing the not-for-profit organisations under the umbrella of SAICORP, given that my understanding (and this can be checked in detail) is that many of these organisations have never made a claim? They are not like polo clubs, where people fall off horses. They have never made a claim, yet their premiums are going up. Alternatively, I have discussed with many volunteer organisations the option of the government, through the Office for Volunteers, considering a tender call. Will it consider making a bulk purchase, with support through facilitation and management of a tender call, thus aiding all the volunteer, not-for-profit organisations that are having difficulties? Will either of those initiatives be considered by the Office for Volunteers?

The Hon. M.D. RANN: I am pleased that the honourable member has raised this significant issue, which is a vexed one, both nationally and internationally. The Volunteer Protection Act 2001, of which the honourable member is well aware (and I congratulate the former government for its role in this measure), commenced on 15 January 2002. The act protects individual volunteers from personal liability whilst they are undertaking volunteer duties on behalf of an incorporated organisation. The liability transfers to the volunteer's parent organisation. However, this does not affect the cost of insurance for community organisations.

To ensure a whole-of-government approach, staff from the Office for Volunteers have liaised with officials from Treasury and Finance who, in turn, are working with their national counterparts to identify strategies to resolve the issue. In November 2002, ministers agreed in principle on nationally consistent legislation to be enacted separately by each jurisdiction. South Australia's second stage of legisla-

tion in response to the national committee's recommendations on liability was, from memory, introduced into the parliament in April this year.

Community groups have been particularly hard hit by the problems in the public liability insurance market. In South Australia, many of these groups have been assisted by Local Government Risk Services, which for many years has brokered public liability and other insurance covers for clubs and community groups associated with councils. After approaches from SAICORP and discussions that the Treasurer held with the Local Government Association and with the support of their underwriter, Local Government Risk Services was able to offer its public liability and other insurance covers to a wider range of community groups.

In May this year, following the introduction into parliament of the second stage of our insurance reform legislation, the Community Care Underwriting Agency, a joint venture arrangement between QBE Insurance, NRMA Insurance and Allianz Australia, advised the Treasurer that they had decided to provide public liability insurance to community groups in South Australia. The government has received some advice from the Insurance Council of Australia that the legislative reforms that we have introduced will assist in reducing claims costs.

Perhaps more importantly, the government also expects that the reforms will bring about greater certainty for insurers and that this will lead to more competition in insurance markets. To further assist community organisations, the Office of Volunteers implemented a risk management education program in 2002-03, which included 41 free workshops across South Australia. This program will continue with funding from SAICORP in 2003-04.

Mr BROKENSHIRE: I may need to raise that matter further in the parliament, once I have had a chance to absorb all that the Premier said in his answer. With respect to the volunteer partnership, a point was raised by a person who came to see me straight after the Volunteers Day ceremony at Festival Theatre. The point was that, if we are going to have true partnerships, will those partnerships involve consultation with volunteers? I do not want the Premier to get me wrong on this, because I support the compact that was signed with the peak bodies. We started that work and it has been rebadged, but it has bipartisan support. However, this person brought up an interesting point.

I looked at the issue that he raised, and some others, and in the last 12 months under this government, although not necessarily within the Premier's portfolio, in several cases volunteers have been the victims of a lack of consultation. I will give the committee some examples of that. There was the demolition of Lonzar's Lodge on Kangaroo Island, and the relocation of the Coffin Bay ponies is still a huge issue on the West Coast and to some people right across this state. A number of volunteers who were on working parties for the crime prevention programs did not feel they had any consultation with the Attorney-General's office as to whether or not those programs should or could be cut. Finally, a lot of concerns have been raised with me about the fact that in regional areas, particularly the Riverland and the Mid North, the closure of the regional ambulance call centres has affected hundreds of South Australian Ambulance Service volunteers.

The message coming through is that, if we are going to have true volunteer partnerships, can we have true volunteer consultation on issues that affect volunteers, that they have worked hard on, rather than no consultation and the decision

made by government? I would appreciate some comment on that.

The Hon. M.D. RANN: I am happy to get a report back on that. We hope that the ongoing volunteer group will substantially assist the consultation and communication process. That is one of the things that really was laid down in this report. Obviously there are thousands of volunteer groups and hundreds of thousands of volunteers. The whole issue of communication is why we have set up not only the compact and the advisory group but also why we have the volunteer congress each year as a clearing house.

No-one pretends that the partnership is instantly going to solve all problems between volunteers and government. It is about establishing a better process to work through those issues. It is going to take commitment and hard work by both sides. If there is anything specific, perhaps we can report back to the honourable member.

Ms RANKINE: One of the commitments that the volunteer sector made in the partnership document—and it was a recognition that came out of the consultation process—was that volunteer peak bodies and organisations have a great deal of responsibility in consulting with their individual volunteers on the ground, as well. They recognise they need to improve those processes themselves.

Mr BROKENSHIRE: Whilst I acknowledge that, these instances were clearly decisions taken by the government, so I would appreciate more detail in due course from the Premier's office.

The Hon. M.D. RANN: I will ask my officers to make sure that is done.

Mr BROKENSHIRE: As to growth or decline in the number of volunteers across the state, does the Premier know where the volunteer numbers are this year as against last year and the year before? If not, what work is the Office of Volunteers doing to track the number of volunteers? Many volunteers have told me that they have been volunteering for 40 or 50 years, that we have an ageing population, that they are getting tired, and at some stage those volunteers will need other volunteers to look after them, as well as the services they provide. What is the office doing about that? I know that we put some initiatives into place in government that have been kept, such as Active8, which is a great program for bringing on young people, but it is a very important area, particularly in some of the declining rural and regional areas of the state.

The Hon. M.D. RANN: In terms of the survey of figures about how many volunteers there are this year and where, compared with last year, that is done every five years by the ABS. In terms of recruitment, retention and the recent partnership that was signed, the shared commitments between us included to promote and acknowledge the contribution of volunteers in providing services, advocating for necessary change and improved services and building communities, irrespective of whether they are working within an organisation, group or individuals; to promote and support young people's participation in volunteering; to recognise the contribution of employers who release staff to deliver volunteer services; to ensure that volunteering is not used as a substitute for paid work; and to recognise and advance the important role of volunteer management within government and the volunteer sector.

From the volunteering sector's point of view, one of its commitments was to provide opportunities for all people to volunteer in an area that matches their abilities and interests while contributing to the organisational goals. We must keep

on in the management, recruitment, training and retention strategies, particularly with an emphasis on getting more young people involved. As for numbers, that really comes out of the ABS every five years.

Mr BROKENSHIRE: Whilst I take those points, I wonder whether, with a lot of the contact that the Office of Volunteers has, there could not be some sort of survey structure. I know that numbers fluctuate from year to year in different organisations, but with all the material and the database that the office has, it might be worth while doing it between the ABS five-year stats. We could track it better and faster, because that five years inevitably becomes six or seven by the time the material is put in a useful form.

I now want to move to the area of commissioning research—and there are two fronts there. We have established that there are some cuts in the budget for the Office for Volunteers. The Program 2: Performance Criteria (Budget Paper 4, Volume 1, page 1.14) also appears to have had a significant cut—the net cost to the sub-programs going from a budget last year of \$2.369 million to a budget this year of \$1.983 million. I would like to know why that has been cut, given the performance commentary in there.

The Hon. M.D. RANN: I will obtain a report on that matter. The fact is that it was important to be financially responsible, and that required making cuts in a whole range of areas. I thought that I should show leadership in my own departments, and that is why we announced the 11 per cent cut in Premier's areas. I think there was a similar announcement by the Treasurer/Deputy Premier in his areas. I think that, where we are expanding in other areas, it is important to be financially rigorous. It would be great to be able to have the money to do everything, but that is not real life. I am happy to obtain some material for the member.

Mr BROKENSHIRE: I would appreciate that material, because I am well aware, from when we were in government, of the difficulties of budget constraints and cuts. It all gets back to priorities. I feel that this is an area where we need to keep the priority focus, in all ways. Under Performance Criteria, the Performance Commentary talks about the commissioning of research. Can the Premier advise me what sort of research he intends to commission and how many dollars will be put into that research?

The Hon. M.D. RANN: The priorities for research will be established through the compact process; through the partnership. So, essentially, again, it is not about us saying what is good for volunteers: it is about making sure that the partnership is an active one.

Mr BROKENSHIRE: With respect to the allocation of money, I agree that it is no good we, as politicians, thinking that we are right on what should be commissioned for research: we are probably the last people, in some cases, who should make that decision. I support the Premier on that matter. But I hope that that will move along, so that some of that research can occur during this year and we do not have slippage to next year. Secondly, what sort of ballpark dollars is the Premier looking to put into that commissioned research?

The Hon. M.D. RANN: Can I outline some of the things where we are putting in some support, just to give a bit of an overview. The Office for Volunteers facilitates support to the volunteer community through a range of programs and initiatives. Volunteer training is a significant activity of the Office for Volunteers. Some \$150 000 will be allocated to the volunteer sector for volunteer training in rural and metropolitan areas, and this training will be delivered by the various

volunteer resource centres, including Volunteering SA. Future training priorities for the volunteer community will be established in line with the commitments identified within the volunteer partnership.

The importance of volunteer management continues to be recognised with the allocation of \$20 000 for scholarships for professional development opportunities. Volunteer managers working in the not for profit sector are eligible to apply for funding to undertake studies in volunteer management at the Onkaparinga TAFE. The Australasian Association of Volunteer Administrators is funded to provide a scholarship program for professional development of volunteers, including conferences and other training opportunities. The Volunteers Support Fund will again provide small grants of up to \$1 500 to non-profit community organisations for projects supporting their volunteers. A total of \$150 000 is available during 2003-04 to support this program for projects that provide training and development opportunities for volunteers, for recruitment activities and to purchase equipment. In 2002-03, 145 projects received grants through this program.

Volunteer recruitment and retention is supported by this government through the state wide promotion program, in partnership with the volunteer centres. This initiative has increased the online inquiries to at least one of the state's volunteer centres by 250 per cent, which demonstrates its effectiveness in assisting volunteer organisations to recruit volunteers. Volunteer organisations have also benefited by partnership programs between the University of South Australia and the Office for Volunteers. Information technology students have created web sites for organisations at no charge, with 226 volunteer groups participating in this program, which is fantastic. Journalism students are also assisting community organisations by providing free communications and publicity support, and volunteers are formally recognised by the government through complimentary certificates of recognition, Volunteers Day and Volunteers Week celebrations. This recognition is greatly appreciated by our valuable volunteers, who contribute almost \$5 billion to our state's economy through their many selfless endeavours. I know that the honourable member is a volunteer, like me, and appreciates that acknowledgment.

Mrs REDMOND: I have a supplementary question. In relation to the grant of \$150 000, which was for, as I understand it, retaining volunteers and equipment purchase, is that equipment purchase restricted to the purchase of necessary equipment—for instance, a uniform for a CFS volunteer—or is it a general purpose equipment purchase under that grant?

The Hon. M.D. RANN: It does not include the CFS.

Mrs REDMOND: No, I am sorry; that was a bad example. Is it specifically for equipment needed for new volunteers, or is it a general grant available for equipment purchased for volunteers generally?

The Hon. M.D. RANN: There are criteria for the grants. I mentioned that 145 projects received grants through this program. I am happy to provide the member with the criteria for the grants.

Mrs REDMOND: The point of the question is that, earlier in his answer, the Premier said that the overall amount available was \$150 000, which was for the—

The Hon. M.D. RANN: I will read it again. A total of \$150 000 is available during 2003-04 to support this program for projects that provide training and development opportuni-

ties for volunteers, for recruitment activities and to purchase equipment.

Mrs REDMOND: My question concerns the 'and to purchase equipment'. Is the equipment to be purchased under those grants specifically only equipment that is needed because someone is a new volunteer and they need a uniform or some equipment, or is it generally available to all volunteer organisations to apply for it?

The Hon. M.D. RANN: It is generally available, but we will obtain some criteria for the member. It is to help the volunteers do their work.

Mrs REDMOND: In relation to the Office for Volunteers, one of the things that I find, from talking to volunteers around the place, is that some of the organisations lack, for instance, someone with accounting expertise to keep their books or to apply for grants. Does the funding for the Office for Volunteers enable there to be, through that office, specific assistance to volunteers to provide assistance with grant applications or with the book keeping processes necessary for an incorporated not for profit organisation?

The Hon. M.D. RANN: I am aware that Business SA has a program—and, in fact, I remember attending a function that was about, from memory, Business SA matching people from the business sector to assist volunteer organisations on things such as that—whether it is marketing or accounting, and so on. Business SA had received funding from the government in order to help undertake that mentoring process—kind of putting businesses, business skills and expertise alongside volunteer organisations in order to increase their capacity and development.

Mrs REDMOND: So, it is not provided through the Office of Volunteers?

The Hon. M.D. RANN: That money for Business SA was provided, from memory, from the Office of Volunteers, I think at the time when the member for Mawson was the minister. But, certainly, one thing we are doing is working with the volunteer sector to review and modify application guidelines and processes to ensure consistent and clear guidelines, equitable access to resources and appropriate agreements.

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

Arts SA, \$89 337 000

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.

Membership:

Mr Hamilton-Smith substituted for Mr Brokenshire.

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

the Budget Statement and part 1, pages 1.30 to 1.43, Volume 1 of the Portfolio Statements.

The Hon. M.D. RANN: At the outset I would like to take this opportunity to acknowledge the outstanding contribution made to the arts, as well as other areas of government, by the Hon. Diana Laidlaw, who has just retired after more than 20 years as a member of the Legislative Council, as a shadow minister and as a minister in both the Brown and Olsen governments. During her term as arts minister a great deal was accomplished, including the establishment of the Windmill Performing Arts Company for children and families, the establishment of the Cabaret Festival (which, I am sure, many members have enjoyed in recent time), the Festival of Ideas, the redevelopment of the Festival Centre, the major capital program to upgrade the North Terrace cultural institutions and, of course, the mounting of Wagners *Ring Cycle* in 1998.

It is appropriate that we acknowledge Diana Laidlaw's outstanding contribution to the arts in this state. The Labor government's arts initiatives for 2003-04 will bring long-term benefits, in my view, for all South Australians, not just for those directly involved in the arts. Despite the current economic changes faced by the state, this budget reinforces the government's commitment to the arts in South Australia by building on the solid foundations we already have in the performing arts, visual arts, contemporary music and film. The total operating budget for the arts will increase to \$85.02 million, up 5.1 per cent from \$80.93 million last year. So, despite various articles in the newspaper predicting massive cuts to the arts involving millions of dollars, in fact, there was a 5.1 per cent increase in the total operating budget for the arts.

I know that some people—perhaps with less experience—have tried to confuse capital works and recurrent, but anyone who has been a minister or who wants to be a minister would know the clear difference. Those increases and funding for new arts initiatives have been funded from both additional government funding and from the reallocation of Arts SA's resources to reflect the government's priorities.

Through the whole of government savings strategy, the government has required all departments to contribute towards the required savings target. The arts portfolio has developed savings initiatives resulting in savings of \$1.198 million in 2003-04. These savings are made up of a combination of reductions in grant funding and the implementation of operational efficiencies.

It has been put to me that the Hon. Dean Brown said earlier this year that money invested to secure two film productions—*Peaches* and *Thunderstruck*—for South Australia would be better spent employing more nurses in the health system. Of course, we are employing more nurses in the health system after what we had seen done to the health system by our predecessors. I can assure the Hon. Dean Brown that savings made from Arts SA's Health Promotion Through the Arts program, obviously, will be redirected to other government priorities, for instance, health, as well as education.

The iconic Adelaide Festival of Arts and the reborn Adelaide Film Festival will be the key beneficiaries of significantly increased funding for the arts in South Australia. There will be major new funding commitments for the Adelaide Festival Centre, the Art Gallery of South Australia for live music and for four key regional theatres in Mount Gambier, Port Pirie, Whyalla and Renmark.

The government will inject an additional \$1.5 million into the 2004 Adelaide Festival of Arts, and that will go some way to restoring our festival to its former status as one of the world's leading arts festival. This will give the festival an opportunity to develop an innovative and diverse program which will be able to include a major international attraction. An extra \$1 million per festival will be given to the Adelaide Film Festival to enable it to commission films, especially for the 2005 festival. This raises total funding for each festival to \$2 million, making the Adelaide Film Festival one of the best funded film festivals in the southern hemisphere, if not the world, in terms of government funding.

I ask honourable members to compare our funding for the Adelaide Film Festival to the funding for the film festivals in Sydney, Melbourne, Brisbane and Perth. We massively exceed their funding for the 2005 festival, and for the next festival in 2007 I assure members there will be a commitment to allow the film festival to develop to become one of the world's great film festivals which will commission its own films and be involved in joint ventures.

I want our film festival to be a much bigger player in South Australia's economy, which means using our expertise and depth of film production skill to expand our industry and further enhance our reputation as Australia's home of independent film making. I am especially proud to announce this extra commitment to the film festival and film making in this state in the wake of the incredible success of this year's festival, which was the first held in over 20 years. I congratulate Katrina Sedgwick, who is artistic director, and Cheryl Bart and her board who did an outstanding job in a brief time. The 2005 festival will learn from the festival we have held this year but, with essentially virtual quadrupling of its funding, will be able to stage, as I have said, a world event.

The Adelaide Festival Centre will receive an additional \$500 000 in addition to a one-off allocation of an extra \$900 000 in the current financial year to enable the AFC to continue its role of encouraging artistic, cultural and performing arts activities in South Australia. I think that is really important, and I am glad that this has been mentioned. My advice is that the AFC will receive an additional \$500 000 as well as the one-off allocation of an extra \$900 000 in the current financial year.

The Art Gallery of South Australia will receive a one-off grant of \$200 000 to allow for an upgrade of the gallery's outdated surveillance and security system so as to ensure that the state's \$500 million, I am told, worth of art treasures are adequately protected. And there will be an additional annual funding of \$75 000 to enable the gallery to appoint a new curator of Asian art, who will actively manage and enhance the gallery's unique and valuable Asian art collection. That is something I agreed to with the Chair of the Art Gallery, Michael Abbott QC. I pay tribute to the board—to Michael and other members—and am pleased to announce that Anne Fulwood has been appointed to the board of the Art Gallery. Of course, members would know that Anne Fulwood is on the board of the New South Wales Art Gallery and has been appointed to positions by both the Premier of New South Wales and the Prime Minister, from memory.

Our key regional theatres will benefit from a grant of \$500 000 to Country Arts SA towards improvements to theatres, which will provide for better arts facilities for these regional areas and neighbouring communities. I have an announcement to make today which I think will be of interest. I have a press release which I will read into the record:

Premier Mike Rann has announced how the \$750 000 being invested in South Australian live music will be spent in 2003-04. The package of initiatives, including a new annual live music festival, was announced today. . . 'The state government wants to support live musicians and bands that play in pubs and clubs in our city and suburbs'. . .

'This allocation of \$750 000 in 2003-04 and \$500 000 each year from 2004-05 is the largest ongoing commitment of funding to the live local music scene in the state's history and shows this government is serious about supporting local musicians. In March 2003 we held the Contemporary Music Forum, which invited SA musicians to give their views on how the money should be spent and initiatives announced today are the state government's response to suggestions which came straight from the local live music industry.' The live music package includes:

- A three-day long annual Live Music Festival in November—coinciding with the national industry event Music Business Adelaide and based around Adelaide's West End precinct.
- A Musicians in Schools program will be run by Carclew to inspire interest in music among primary and secondary students.
- An SA Music on Line Website—including a gig guide, as well as enabling individual bands and artists to have their own web page.
- New support for community radio to play local live music.
- A Live Music Grants Program giving local artists access to a dedicated fund for support to record and for regional touring across the state. Support will also be available for training and development.

. . . a panel will be established to oversee the Live Music Grants and a steering committee will be set up to run the Live Music Festival.

I am pleased about that, and I think it is important to show how important youth arts are to us, and it is particularly important to see live music being recognised in this way. In terms of other areas, increasing community involvement in the arts at every level is one of the prime aims of the government. This means 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. Obviously, there is a range of things happening. This is evidenced by the exciting development of the first Australian production of *The Ring Cycle* by the State Opera of South Australia, planned for late 2004. The fact that 72 per cent of tickets have already been sold, many to interstate and overseas patrons, is testament to South Australia's reputation for innovation and excellence in the arts.

I acknowledge the outstanding work undertaken by the broader arts industry in delivering strong social inclusion practices. I am aware that many organisations are meeting the twin goals of producing high quality artistic content as well as adopting inclusive activities and working with people who are disadvantaged. This is evidenced through our festivals including: High Beam; the Adelaide Festival and Fringe; Feast; and the Come Out Festival.

In conclusion, I want to say how pleased I am that the government has provided special funding of \$155 000 towards the development of the four arts centres in the Anangu Pitjantjatjara lands. The outcentres at Ernabella, Fregon, Indulkana and Amata are at the heart of AP arts. Each is managed by an arts coordinator who also undertakes a broader community role. I think this is a very positive program for the future and should be welcomed.

Mr HAMILTON-SMITH: I thank the Premier for acknowledging the efforts of Diana Laidlaw of the former Liberal government in rebuilding the key arts institutions on North Terrace. Our vision in a third term was to then reinvest in arts industry development, access to artistic product, access

to art and museum heritage services, and the preservation of state collections.

However, looking at accounts in this budget and in the last budget, there has been no real increase in arts funding since 2001-02, and it is our view that the new initiatives that the Premier has outlined—all of which are commendable and welcomed and which the opposition supports—have, in effect, been funded by cuts elsewhere within the arts sector. You have acknowledged a further \$1.198 million cut in 2003-04 as part of the efficiency measures. Last year there was a \$3.26 million cut in efficiency measures. I understand from the estimates in *Hansard* that that is \$4.458 million so far. But a solid look at the accounts reveals that, in terms of dollars being spent in the arts economy within the state, there have been serious steps backwards and, in terms of the resources available to Arts SA to do its job, and particularly in relation to grants and subsidies to the people most in need, we feel there have been massive steps backwards in order to compensate for the new ideas. I would be delighted to be enlightened otherwise during the course of the estimates.

I refer to Budget Paper 3, page 2.9 to 2.10, in which the Premier outlines the savings and new initiatives planned over the next four years. Is it correct that planned cuts to the arts over the coming four years add up to \$6.634 million, and that this exceeds new initiatives which total \$5.5 million over the same period?

The Hon. M.D. RANN: One of the most important things in politics is the ability to be able to count. The total operating budget for the arts will increase from \$85.02 million, up 5.1 per cent from \$80.93 million last year. I think that the Department of the Premier and Cabinet's areas are at a 11 per cent cut, and here is a 5.1 per cent increase. You can be like a salami slicer in reverse, and constantly add on things such as Windmill or the Adelaide Film Festival, the additional \$1.5 million for the Arts Festival, the extra money for the Art Gallery, or the extra money for the regional theatres, but it has to come from somewhere. This is the Hindmarsh Soccer Stadium mentality of the previous government that basically shows a lack of fiscal rigour and financial responsibility.

We are putting more money into the arts' recurrent operating budget; it is as simple as that. That means that you have to redirect priorities. At one point, you have the shadow minister calling for more money for things, and I have seen his statement today, 'Rann punishes the arts,' with a lovely photograph of himself on the front—

An honourable member: A work of art!

The Hon. M.D. RANN:—which is a work of art in itself. I note that Dean Brown said earlier this year that money invested to secure two film productions (*Peaches* and *Thunderstruck*) for South Australia would be better going into employing more nurses in the health system. You cannot have it both ways. You cannot have your deputy leader attacking us for spending money on film while, at the same time, you are saying that we are punishing the arts. The fact is that arts is getting a 5.1 per cent increase. I do not know whether there is some blue between the member and the deputy leader, but you cannot have it both ways.

Membership:

Mr Scalzi substituted for Mr Gunn.

Mr HAMILTON-SMITH: The Premier has not answered my question. I refer again to Budget Paper 3, page 2.9 to 2.10: cuts over four years ahead are to be reversal of funds to arts boards \$6.25 million; corporate services to Arts SA,

\$1.7 million; administration savings to Arts SA, \$0.509 million; and reduction in funding in grants and subsidies that matter the most, \$3.8 million (that is \$6.634 million). The new initiatives are Adelaide Festival Centre, \$0.5 million, top-up funding for the Film Festival, \$2 million; Art Gallery Curator, \$0.3 million; Art Gallery security video upgrade, \$0.2 million, live music, \$2 million; and country theatres, \$0.5 million (that is \$5.5 million). The opposition can count, Premier, and there is a \$1.134 million gap that the government will cut over the coming four years, and I ask whether or not those figures are correct.

The Hon. M.D. RANN: I can tell the member that there will be more new initiatives, and I look forward to his celebration of those new initiatives in future budgets. I think the shadow minister for the arts has demonstrated a worrying lack of understanding of funding for the arts portfolio in his statement to parliament on 3 June 2003 and in his media release on 5 June 2003.

I will comment on only three of the inaccuracies to highlight the degree of misinterpretation brought to bear by the shadow minister. My advice is that he notes that the Liberal Party spent \$105 million on the arts in 2001-02 whereas the budget for 2003-04 is \$94 million. This is true. However, I am advised that the 2001-02 expenditure included \$7.2 million more capital works expenditure on the State Library project than 2003-04—that must be because the State Library is being opened this year—as well as the final instalment of \$6.7 million for the Adelaide Festival Centre project. Once this is taken into account, the funding for 2003-04 actually reflects an increase. Am I wrong in believing that the opposition is suggesting that we keep on funding the capital works on the library once it is completed, because that is dopey?

Secondly, when referring to the program artistic development and access to artistic product, the shadow minister states that there will be a reduction of almost \$7 million since 2001-02 from \$47.4 million in 2001-02 to \$40.8 million in 2003-04. What the shadow minister does not take into account is that the 2001-02 allocation included the final expenditure of \$6.7 million on the Adelaide Festival Centre redevelopment. Clearly, this expenditure would not be repeated once the redevelopment was completed. So, are we suggesting in this kind of bizarre world in which the shadow minister exists that maybe we should just keep on funding capital works once they have been completed? You cannot mix capital and recurrent expenditure. It is the whole problem that the shadow minister's government got into in the past.

I could go on, but I will provide only one more example. The shadow minister states that grants and subsidies have been savaged for the program access to art, museum and heritage services and preservation of state collections to the extent of a cut of \$1.7 million from \$19 million in 2002-03 to \$17.3 million in 2003-04. Once again, I am advised that this interpretation is incorrect. The 2002-03 expenditure included the final expenditure allocation of \$1.654 million for the SA Museum Natural Sciences Building redevelopment and \$200 000 expenditure on the provision of safe storage facilities for the SA Museum's spirits collection. After adjusting for these once-off expenditures, the net expenditure on grants and subsidies has been maintained.

Other misinterpretations have resulted from the shadow minister's not understanding the categorisation of expenditure and overlooking carryover amounts and once-off capital and other funding. As I have stated previously, the actual situation is that the total operating budget for the arts will increase to

\$85.02 million in 2003-04, up 5.1 per cent from \$80.93 million last year—an increase of 5.1 per cent in operating expenditure. Everyone else understands it. People have your letter that you sent out, so maybe you should get a research officer to help you prepare them next time.

Mr HAMILTON-SMITH: We are obviously not going to get answers to the questions that I have asked, so we will move on.

The Hon. M.D. RANN: Questions could be raised about what was said in parliament back when the shadow minister said that. The shadow minister has to be very careful on this. I do not intend to pursue this matter, but the shadow minister should really check before he speaks.

Mr HAMILTON-SMITH: I am asking you, Premier, the same question I asked as question one. Do the cuts you intend to make to the arts over the next four years, in accordance with the budget paper and page number I have quoted, exceed the new initiatives you have stated on the same page?

The Hon. M.D. RANN: There are more new initiatives to come, but I will not be announcing them all today.

Mr HAMILTON-SMITH: Okay.

Membership:

Ms Breuer substituted for Mr Snelling.

Ms CICCARELLO: In the opening statement the Premier alluded to many initiatives. Will he expand on some of them? I refer to Budget Paper 4, Volume 1, pages 1.31 and 1.38—program arts industry development and access to artistic product. What is the government's intention in directing an additional \$1 million to each Adelaide Film Festival and what have been the achievements of the inaugural 2003 Adelaide International Film Festival?

The Hon. M.D. RANN: South Australia's film industry is one of our economic strengths. It also has the potential to generate significant investment, creating jobs and putting South Australia on the international map as the home of independent film making in Australia. Under the previous government we had the commissioning of films such as *Tracker*, *Rabbit Proof Fence*, *Australian Rules*, *The Honourable Wally Norman*, and so on. The acting talent displayed in *The Honourable Wally Norman* is the best I have seen since Sir Laurence Olivier in *Henry V*. These films have been winning awards. They have been shown in London and New York and bring us great advantage, and that is why I cannot understand why Dean Brown apparently suggested that we should not fund two films this year. I would like to know whether the shadow minister for the arts agrees with his deputy leader on that.

The creation of the Adelaide International Film Festival, now to be known as the Adelaide Film Festival, was a resounding success earlier this year under Katrina Sedgwick's leadership and signals the great importance the government places on the creative and economic strengths of our film and associated audio visual industries. We have backed the Adelaide Film Festival with \$1 million for 2005 and we are to direct a further \$1 million to the commissioning of new films by that festival—so \$2 million for the festival. The extra \$1 million for the commissioning of new films will be done through the South Australian Film Corporation, whose role it is to develop film and screen based industries in this state. I have been meeting with people from the film industry in the past few days to discuss joint collaborations.

This sends the strongest possible signal that South Australia intends to lead the way in these industries and

I intend that our film industry will grow to rank among the best in the world. The 2003 Film Festival made a unique impact for the event in its inaugural year—it is a smaller festival. The festival featured more than 127 films and video presentations from 30 nations, including 44 feature films, 40 documentaries, 10 compilation programs, 36 shorts and 23 animations. There were 47 Australian premieres and nine world premieres, along with a packed program of special events and forums. The festival attracted more than 30 000 attendances, of which nearly 18 000 were for ticketed events. There was a great response to the opening screening and gala event at the Adelaide Town Hall, so much so that a similar event will open the 2005 festival. There was a great response to the contemporary screen streams, such as the digital program and the cross-over event. The festival presented an extraordinary range of events and screen experience to a wide audience range, including hip-hop events for young people.

The East End of Adelaide provided an outstanding cafe environment for the event and the festival featured films from culturally diverse communities such as the Hong Kong stream, which brought local Chinese audiences, who love being part of the event. The presentation of the Don Dunstan Award to actor David Gulpilil was a genuine highlight, as was the celebration of South Australian film history and the focus on the South Australian Film Corporation, which celebrated its thirtieth birthday at the festival. It is great to look back at their achievements.

I have mentioned some of the recent films that are winning world awards, but we can go back to *Breaker Morant*, *Picnic at Hanging Rock*, and so on. The festival generated a genuine sense of excitement and anticipation in audiences, who happily queued for screenings. The festival came in close to budget which, for an inaugural event of its size, was a genuine achievement. The final financial result is a deficit of approximately \$52 000, which will come from the festival's next 2003-04 budget. The only negative side was the weather. With the outdoor event on the opening weekend we had bizarrely cold weather in a period in which we have normally good weather. We have been lucky with WOMAD over the years and I am pleased to have signed it as an annual event. The festival was an outstanding result, which is why we are backing it with increased funding.

Ms CICCARELLO: I now refer to Budget Paper 4, Volume 1, page 1.31—program arts industry development and access to artistic product. We have seen a much more positive attitude towards the Festival of Arts at the moment. Will the Premier say why the Adelaide festival is to receive additional funding?

The Hon. M.D. RANN: Apart from those films commissioned at the last festival and other highlights, such as the world-class Writers' Week, which was clearly in my view the great Writers' Week of the world, the previous festival was surrounded in enormous controversy and there were constant reports of bail-outs and images of Hitler and everything else. I was concerned about the widespread negative publicity that was attracted to the last festival. I was determined, after we got into government, to work hard to restore our eminence both nationally and internationally in terms of putting on a world-class event. There is no doubt that the Adelaide Festival of Arts over decades has built an international reputation.

I asked Ross Adler, the former head of Santos, to take on the chair of the festival. He has outstanding abilities in terms of business management. I have also changed slightly the composition of the board. Leigh Warren was appointed.

Sandra Sdraulig, the head of Film Victoria and former artistic director of the Melbourne International Film Festival, has been put on the board. There have been additions, including Simon Bogle, who has been appointed as General Manager, which is an excellent appointment—all working with Stephen Page. I was delighted yesterday to be at a function where Adelaide Bank's Barry Fitzpatrick announced that they would be the major naming rights sponsors of the festival. It is the biggest naming rights sponsorship deal in the festival's history and the biggest sponsorship deal in the history of Adelaide Bank. I have confidence in that combination of the Chairman, Stephen Page, Simon Bogle and the board.

The 2004 Adelaide festival is to receive additional funding of \$1.5 million, which will allow it to present the scale of program that Adelaide audiences expect and to regain its pre-eminent position as one of the very best arts festivals in the world. Additional funding has also recognised the important contribution in terms of economic benefits and tourism that the festival makes to South Australia. We have only seen a sneak preview and it will be an outstanding event next year. WOMAD will be in the middle of it now that we have WOMAD as a yearly event.

Ms CICCARELLO: As the Premier mentioned WOMAD, perhaps I will ask a question about that. I refer to Portfolio Statements, Budget Paper 4, Volume 1, page 1.31, arts industry access to artistic product. What is the outcome of the 2003 WOMAD event? Is the additional annual government funding for WOMAD justified?

Mr HAMILTON-SMITH: I have a point of order. I understand WOMAD is now the responsibility of the Minister for Tourism and does not fall within the arts portfolio. In that case, the question should be ruled out of order.

The CHAIRMAN: I refer to Budget Paper 4, page 1.31, where I am sure that I saw some mention of WOMAD.

Mr HAMILTON-SMITH: In 2003-04, that event will be—

The Hon. M.D. RANN: Perhaps the honourable member does not understand that this looks also at the estimates for the previous year and for this year. Obviously, it covers WOMAD. It has been an outstanding event for this state, and I hope that it has bipartisan support. The likely financial outcome of the 2003 Womadelaide event is an operating surplus of about \$12 000. The 2003 WOMAD event featured 47 acts, 23 of which were international groups and 24 were Australian. As well as providing employment for a significant number of artists, WOMAD employed over 200 technical crew and support staff, the majority of whom, I am told, were South Australian.

WOMAD is a key event in South Australia, with a strong national and international profile. The economic benefit to the state of each WOMAD event is estimated, I am told, to be around \$3.625 million, with a multiplier effect giving a second round benefit of over \$9 million. I am pleased to advise that the government has secured the future of the WOMAD event for Adelaide until 2009. Most importantly, from 2004, the WOMAD will become an annual event, as it is in England, Spain, Italy and Greece.

Each WOMAD event has a total budget of about \$3 million. The state government's financial commitment towards this budget is to be increased to \$500 000 per annum from 2004-09, inclusive. In return, the UK based WOMAD Limited, which grants licences for the WOMAD events held throughout the world, will bear all the risk of the event from

2004 to 2009. WOMAD is expected to generate the difference through its box office income and sponsorship support.

Mr HAMILTON-SMITH: Before I proceed with my next question, I raise a point of procedure. I have a list of about 40 questions for the Premier from arts industry bodies, individual artists and groups who have suffered cuts as a consequence of this budget. We have just had three dorothy dixers from the government's side that have taken nearly 15 minutes. So that we do not waste time, in the interests of openness and accountability, will the Premier indulge the opposition and let us continue with our questions so that the arts industry and others can have some feedback.

The Hon. M.D. RANN: I have been attending estimates committees for donkey's years, as a member, a minister, a shadow minister, a deputy leader of the opposition, an opposition leader and as Premier, and it has always been this way. I understood that there was an understanding from the opposition about the way that these were to be conducted. Is the member now saying that he wants to change the rules of estimates committees?

Mr HAMILTON-SMITH: It's at your will, Premier, if you would like the questions to be asked.

The CHAIRMAN: Order!

The Hon. M.D. RANN: Why doesn't the member start asking questions so that we can get through some of them?

The CHAIRMAN: Order! I remind the member for Waite that, according to the information read out previously, he has the opportunity to place any questions on notice, as is the normal process. Please proceed with the questions.

The Hon. M.D. RANN: All those questions can be put on notice, and that has always been the procedure, as far as I am aware.

Mr HAMILTON-SMITH: Let us move on to the next question. I refer to Budget Paper 3, pages 2.9 to 2.1. Why has it been necessary to provide the Adelaide Festival Centre with the extraordinary \$500 000? How will that money be spent? Are there any problems with the Adelaide Festival Centre that have necessitated the additional funding? Will there be a need for more extraordinary funding over the next two years?

The Hon. M.D. RANN: Thank you for that dorothy dixer! The government is providing an additional \$500 000 to the Adelaide Festival Centre to overcome an ongoing structural funding problem, as identified by an independent review commissioned by the former government. This additional funding will enable it to fulfil its legislative obligations of encouraging and facilitating artistic, cultural and performing arts activities throughout the state and to deliver the outcomes that are expected of it as a flagship for the arts in South Australia.

The Festival Centre has implemented significant cost savings in recent years to improve its financial position. It has generated \$1.6 million per annum net operational savings since 1997 (from memory, at the time of the previous government), equivalent to 8 per cent of total expenditure. Nevertheless, the Festival Centre's financial position has continued to be affected by the economic downturn in the arts entertainment sector, which has increased operating cost pressures and reduced opportunities to such an extent that profit margins on entrepreneurial activities are negligible or non-existent. I think that it does an outstanding job, as it is at the moment with the Cabaret Festival, and we look forward to it continuing its role—not only as a venue but also, of course, as a producer.

Mr HAMILTON-SMITH: What is the amount of reduced funding for the Australian Dance Theatre for the next four years, particularly next year and the year beyond? How will the reduction in its funding affect its national and international operations? Is the board of the ADT one of the boards targeted by the government in the reversal of funding for arts boards? Is its funding tied up with the board? What is the government's vision for the ADT? How does its funding of the ADT reflect that vision?

The Hon. M.D. RANN: The savings for the ADT are \$75 000 in 2003-04 and \$150 000 in 2004-05, which I am quite happy to review following discussions with the board.

Mr HAMILTON-SMITH: Is the Premier aware that a level of funding cut of that magnitude is likely to close the ADT and cause it to cease operations? Is the Premier aware that there are 10 performers and seven staff who may lose their job? Is the Premier aware that the ADT has contractual obligations that may create financial liabilities for the state, irrespective of its funding cut? If the Premier is aware of those issues and if he is now offering to reverse that funding cut after consultation, why did he not talk to the board before making the funding cut, instead of advising the ADT that it would lose its money?

The Hon. M.D. RANN: The ADT will not close and has no reason to do so. We have two contemporary dance theatres in South Australia, and the member is aware of the Leigh Warren group. I think that he will also be aware that I recently stepped in to assist the ADT when it moved. The ADT was moved by the member's government into the railway building in the Festival Centre precinct, which was a disaster for them—a total, absolute disaster.

We not only supported their being relocated to Mitcham (the old Wonderland ballroom) but also I stepped in to provide the money from the government to install the special flooring that was needed. So, the ADT has been doing very well and has no need to close. The ADT has been overseas—to New York and to other parts of the United States, to London, where it has performed recently, to Dublin, to Holland, and to other parts of Europe. I think that the ADT has tremendous support from the government and from me personally and will continue to do so.

Mr HAMILTON-SMITH: I have a supplementary question. If that is the case, will the Premier reverse a 26 per cent funding cut which he has just advised that the ADT will suffer over the next two years?

The Hon. M.D. RANN: I will discuss the ADT's funding with the ADT. It was well aware of the \$75 000 cut.

Members interjecting:

The Hon. M.D. RANN: The ADT was made well aware of that cut. We do not go out and reveal the budget beforehand, and the company would be aware of the cut now in terms of its budget. I am happy to talk with the company about it, if there is a particular problem. The ADT has been travelling a lot overseas. It has been to a lot of places around the world, and that has been good for the state. There have been lots and lots of overseas performances, and I am happy to discuss that with the ADT. It is well aware of my support for the company, and I will not allow it to close.

Ms CICCARELLO: I refer the Premier to Portfolio Statements, Budget Paper 4, Volume 1, pages 1.31 and 1.35: access to art, museum, heritage services and preservation of state collection. How is the government working to display and protect South Australia's art treasures?

The Hon. M.D. RANN: From 2003-04 onwards, the government will provide the Art Gallery of South Australia

with an ongoing amount of \$75 000 to enable it to employ a curator of Asian art. The Director of the Art Gallery informs me that South Australia has a unique Asian art collection that the gallery wishes to enrich and extend. The combination of a dedicated curator, funded by this government, and the generosity of a number of private donors will enable the Art Gallery to achieve this objective.

The Asian art collection is only part of an exceptional collection of art treasures housed in the Art Gallery, which I am advised are valued at over \$500 million. The Art Gallery must be able to provide sufficient protection for these art treasures. The gallery's existing security system is outdated. In the event of a security incident such as vandalism or theft of an art work, the Art Gallery would not be able to record images of the perpetrators of the incident properly, so to overcome this problem the government will provide an additional one-off amount of \$200 000 in 2003-04 to fund the installation of a new security and video surveillance system at the gallery.

The Art Gallery's magnificent collection of works of art is irreplaceable, and the government has a commitment to preserving and protecting South Australia's cultural heritage. I am pleased to put in some extra money there.

Ms BREUER: Can the Premier tell the committee whether the government has supported the development of art centres in the Anangu Pitjantjatjara lands?

The Hon. M.D. RANN: I was really impressed at WOMAD, with the indigenous art sculpture there, and also from meetings that I had with Colin Koch, who has been working with the Pitjantjatjara communities in the AP lands, about the outstanding work being produced mainly by Pitjantjatjara women. The South Australian government has provided special funding of \$155 000 towards the development of the four arts centres in the Anangu Pitjantjatjara lands. The art centres at Ernabella, Fregon, Indulkana and Amata are the heart of AP arts. They are each managed by an arts coordinator, who also undertakes a broader community role. Both the centres and the coordinators are greatly under-resourced in terms of equipment, personnel and money.

Strategically applied assistance can ensure the future of AP arts and its attendant social health, cultural and economic benefits. In a whole of government approach, funding of \$155 000 has been provided in 2002-03 to the Anangu Arts and Culture Aboriginal Corporation, whose membership is the entire body of AP artists for the first year of a three-year business plan. The business plan is designed to improve management, production and marketing capabilities, while increasing the direct participation of Anangu in all support processes and expanding the range of media in which the artists work. In particular, artists' workshops and projects will involve young people and men, both groups having few vocational opportunities locally.

It is not just about the Aboriginal women, although they make up a considerable proportion of the artists whom we are trying to assist. The grant was supported by the departments of Human Services, Environment and Heritage, Transport and Urban Planning, Justice, the Anangu Education Unit, the Social Inclusion Unit, Tourism Commission and Arts SA. It was a great example of collaboration.

Ms CICCARELLO: I refer to Portfolio Statements, Budget Paper 4, Volume 1, page 1.31: arts industry development and access to artistic product. Can the Premier tell us what is the cost of the arts summit?

The Hon. M.D. RANN: The cost of the arts summit is approximately \$35 000, and the tight budget includes hire and

catering costs at the Adelaide Festival Centre, the cost of engaging facilitators and the summit's guest speaker, Professor David Throsby, who is quite famous internationally for his work on the importance of the arts and the economy. Julie McCrossin is to be involved as a facilitator. The amount is being provided by the Department of the Premier and Cabinet.

Just as the economic summit looked at where we want to be economically in 2013 and how we can get there, I want the arts summit to be a similar process about where we want to be in 2013, what our strengths and weaknesses are, and to look at independent peer assessment, to determine whether or not the arts community really wants us to continue with independent peer assessment, or whether it would prefer the government or ministers to make the decisions. If it wants independent peer assessment to continue, we need to determine how that could be better run.

Mr HAMILTON-SMITH: Budget Paper 3, pages 2.9 to 2.10, reveals that corporate services within Arts SA will be cut by \$1.7 million over four years. Which corporate services are to go? How many people will go? What will be the impact in this downsizing of Arts SA?

The Hon. M.D. RANN: I invite Mr McCann to respond, but one of the things that I wanted to do was look at cuts at a time of expansion. This is one thing that people do not always understand: that you can put in more money but at the same time you can make cuts in some areas. I thought it was important to put the extra money into new initiatives, but at the same time cut back on bureaucracy. I invite Mr McCann to respond.

Mr McCANN: Arts SA joined the Department of Premier and Cabinet in the formation of the new government, and it brought with it, of course, its own corporate capacity. But there also exists within the Department of Premier and Cabinet corporate capacity. The purpose of this exercise is to look at whether those two groups can be brought together and whether we might, in that process, identify some possible savings. A review recently has been commissioned to undertake that exercise, and that review is not yet completed. So, it is too early to nominate which positions will be saved. But through that process we can expect that we will be able, without losing any corporate capacity between the two organisations, to make some savings.

Mr HAMILTON-SMITH: I refer to grants and subsidies (Budget Paper 3, pages 2.9 to 2.10). There is an indicated reduction in funding grants and subsidies of \$3.8 million over four years, and that follows cuts last year. Can the Premier advise which existing grants and subsidies are to be cut, and which proposed grants and subsidies will now not be made?

The Hon. M.D. RANN: I will ask Kathie Massey to respond to that question.

Ms MASSEY: In 2003-04, there will be cuts of approximately \$775 000 in grant programs, three main grant areas, and \$100 000, being a reduction in CPI increases, across the 20 lead agencies.

Mr HAMILTON-SMITH: I gather that the health promotions through the arts is one of the programs that fits in this category. I am wondering specifically how much that fund will be reduced. Also, there are reductions in funding in other arts industry development programs there, particularly in Partnerships for Healthy Communities. Is that one of the programs? Can you be more specific about how much those two programs might—

Ms MASSEY: There is no reduction in Partnerships for Healthy Communities. That is being maintained at \$250 000.

There will be a reduction of approximately \$415 000 in health promotion through the arts general sponsorships, \$250 000 in a category called Other Arts Assistance and \$110 000 in arts industry development. That totals \$775 000.

Mr HAMILTON-SMITH: My next question relates to Budget Paper 3, pages 2.9 to 2.10—arts boards. The budget papers declare a reversal of funding for arts boards of \$625 000 over four years. Which boards have been targeted to be either disbanded or cut, when will these boards be disbanded or cut and in each case, importantly, why? What process will be put in place to manage arts organisations that will have no board? Boards often raise funding and lift the profile of an organisation.

The Hon. M.D. RANN: There is no suggestion that we will axe every board. What we are saying is that we believe that some of the boards are very well paid, and it may be that people would rather have the money being spent on the particular area. We are looking at achieving savings. We are looking across the board at how we can save money on boards and committees. No-one has anything to fear from that. Even if we cut funding for some of the boards in terms of board fees, I reckon that people would love to be involved in these boards—they get to go to the opening nights and all the rest of it. I think that people would like to make a contribution. We are looking at saving some money on board fees, and I do not expect there to be many screams.

Mr HAMILTON-SMITH: Does that mean that no boards will be cut?

The Hon. M.D. RANN: I am not saying that no boards will be cut. We are looking across government, as I have already announced today. We have heaps of committees throughout government. I think that our state is over-governed. I have said that for years—and I regard the upper house as having a role in that, too. Some might call it life before death, I do not know, or maybe the reverse. But the point of the matter is that we are looking at savings with respect to boards and committees. I think that that is appropriate. I think that only the other day there was a suggested amalgamation of two arts boards—and that was suggested by them, and it is a good thing.

Mr HAMILTON-SMITH: Can the Premier indicate the amount of funding that will be available to Country Arts SA over the next four years, and also indicate whether there has been a reduction and, if so, whether it will affect its ongoing operations? What is the Premier's vision for Country Arts SA for the next four years?

The Hon. M.D. RANN: Minister Hill has responsibility for country arts. I invite him to answer the question.

The Hon. J.D. HILL: I thank the honourable member for the question because it gives me an opportunity to put on the record the truth about Country Arts SA and to counter some of the scurrilous misinformation that has been promulgated by the shadow minister in a most reprehensible way in country media and in such a way that people have been fearful that the country arts theatres are about to be closed down. It is a set of allegations based on absolutely nothing at all except the honourable member's own dishonest interpretation of what he thought was going on.

Mr HAMILTON-SMITH: On a point of order, madam chair, I ask that that word be withdrawn; it is unparliamentary and it is unsubstantiated. I ask the minister to withdraw the term 'dishonest'.

The Hon. J.D. HILL: I am happy to withdraw the term 'dishonest'. I repeat, though, that the member for Waite went around the countryside making absolutely scurrilous,

outrageous and baseless comments about the country theatres because the additional funding that had been put into those theatres did not satisfy a Liberal Party promise prior to the election. The honourable member has gone around the countryside saying that we have cut \$7.2 million from funding to country theatres, and that is totally untrue. There was never any money in the budget.

This government is the first to put money into the budget to address the needs of country theatres. In fact, we have allocated \$500 000 over the next budget year to address occupational health, safety and welfare issues of the state's four regional theatres in Renmark, Whyalla Mount Gambier and Port Pirie. That money will be spent in the following ways: the Middleback Theatre will get an extra \$151 000, approximately; the Keith Mitchell Theatre will get, approximately, an extra \$119 500; the Chaffey Theatre will receive an extra \$117 000, approximately; and the Helpmann Theatre will receive \$103 500. That is extra money that will help with occupational health and safety issues.

In terms of operating grants, I am pleased to say that there will be an increase in funding to country arts. The funding will increase in this calendar year from \$4 628 000 to \$4 725 000. So, there is an increase in funding. This government is serious about its commitment to country arts. I have attended many country arts events with the chair (who does an excellent job), the Chief Executive Officer and the board. We are determined to provide good arts opportunities for people in the country. I am exploring with the board and with members of the executive future opportunities to extend on the good work that is already occurring.

Mrs REDMOND: Can I ask a supplementary question of minister Hill on that answer?

The CHAIRMAN: It may count as a question. Ask your question.

Mrs REDMOND: Minister, you just gave the committee the amounts to be spent on the four regional theatres. Can you tell us whether you are satisfied that the amounts being spent will be sufficient to meet the occupational health and safety issues arising with each of those theatres in that refurbishment?

The Hon. J.D. HILL: Advice to me is that the report produced into the four theatres said that the cost of fixing up the urgent occupational health and safety issues was about \$500 000; and we have provided all of that money. To make the claim that they are going to be closed because there is not sufficient funding is just absolutely outrageous. It scared people in the country who thought there was going to be some change to the provision of their amenity in each of those areas. Certainly, it would be nice to spend \$7.2 million on those theatres, but that money was not required to fix up the urgent occupational health and safety measures.

If it pleases the committee, I have a great deal of detail about how that \$500 000 will be expended and the kinds of things that will be worked on: fire protection, emergency lighting and facilities, staff/patron safety, and electrical installations. I must say that these theatres required this work not just when we came to government but over a period of years, and the former government neglected them. This government is doing something about those problems.

Mr HAMILTON-SMITH: I refer to Budget Paper 3, pages 2.9 to 2.10. How many staff were cut in 2002-03, and how many will be cut in 2003-04, in particular, within that corporate services area? Will any Arts SA services be outsourced to private contractors as a consequence, and what other plans exist to downsize Arts SA?

The Hon. M.D. RANN: I think that we are reducing six: five have left and there is one to go.

Mr HAMILTON-SMITH: Budget Paper 4, Volume 1 page 1, Library and Information Services, indicates that there has been about a 50 per cent cut in supplies and services, from \$600 000 to \$305 000. Could you explain why the supplies and services function within the library has been cut by 50 per cent?

The Hon. J.D. HILL: The reduction in supplies and services expenditure reflects the combination of the reclassification of expenditure items associated with electricity supplementation and the state government contribution and the industry adjustment package agreed as part of the major performing arts inquiry and carryovers.

Mr HAMILTON-SMITH: In regard to Budget Paper 3, pages 2.9 to 2.10, referring to top-up funding for the Adelaide International Film Festival, there is \$2 million over four years, as you have mentioned. What is now the total budget for the film festival? What was the total budget in 2002-03? How much did we spend, and did we run over?

The Hon. M.D. RANN: I have already said that. I think if you check the record it was originally going to be \$1 million for 2005, which means really half a million a year, and we have decided to make it \$2 million for 2005, which is \$1 million a year, because there is not one next year. But that extra \$1 million will assist the film festival, through the film corporation, to commission films. Of course, the budget for this year's festival is well known to the shadow minister.

Mr HAMILTON-SMITH: In regard to the upcoming film festival, how was the money spent? If you have this information now, I would appreciate your providing it but, if you do not have it, I would appreciate it being provided on notice.

The Hon. M.D. RANN: The upcoming film festival, and how it has been spent?

Mr HAMILTON-SMITH: The last film festival, and how you propose to spend it on the forthcoming film festival, particularly how much you intend to spend on film product, advertising, marketing, administration, wages and other costs.

The Hon. M.D. RANN: I point out that \$1 million has been set aside for the commissioning of new films, which obviously would be in partnership with the South Australian Film Corporation. Of course, the rest (the other \$1 million) is there to put on a bigger event with more films, premieres and special related events in an expanded version of what we had this year.

Mr HAMILTON-SMITH: You mentioned earlier that funding had gone up from \$80.93 million to \$85.02 million, a 5 per cent increase—

The Hon. M.D. RANN: A 5.1 per cent increase, I think.

Mr HAMILTON-SMITH: Could you refer to the page in the budget papers that spells that out clearly?

The Hon. M.D. RANN: I am advised that those figures are accurate, but I do not have them in front of me. We are quite happy to sit down and detail it for the shadow minister. In fact, we would have been happy to do that before he issued his statement, and made his statement in parliament, and embarrassed himself.

Mr HAMILTON-SMITH: I just make the point, Premier, that if it is not in the budget papers—

The Hon. M.D. RANN: Earlier in the year, there was an article that talked about this massive funds cut to arts, which did not actually happen. We wondered where they got that information from: someone had obviously lied to them over the telephone.

Mr HAMILTON-SMITH: I take that as an offer for a briefing, Premier, on how that figure has been established—

The Hon. M.D. RANN: I am more than happy to give the shadow minister a briefing.

Mr HAMILTON-SMITH:—because it is not apparent from the budget papers, as the Premier would know.

The Hon. M.D. RANN: Because the budget papers show carryovers and capital. What the shadow minister apparently does not understand is the difference between capital and recurrent, and that is certainly clear. He can be assisted by his friend with the shaking of the head, but he is unlikely to take the field marshal's baton if he cannot understand the difference between capital and recurrent.

Mr HAMILTON-SMITH: Let us move on. I refer to Budget Paper 4, Volume 1, page 1.37, in regard to arts industry development and access to artistic product. I note the Premier's earlier explanation, in part, of the reason for this anomaly. That page shows a \$10.048 million cut in the financial year 2003-04 compared to the last Liberal budget in 2001-02. The Premier partly explained that earlier, but perhaps he could now more fully explain—

The Hon. M.D. RANN: The member has said that he has all these questions to ask, but now that we have not been having questions from the other side, he is asking questions about things we have already answered. We might have to give the member some dorothy dixers.

The fact is that the 2001-02 actual result included the final expenditure allocation of \$6.7 million for the Adelaide Festival Centre redevelopment (which I have already said) as well as a \$2 million additional allocation for the 2002 Adelaide Festival of Arts. Does the member not remember the big bailout when the former government had to bail out Peter Sellars' disastrous festival? The 2003-04 budget incorporates the effect of the whole of government savings strategy implemented over the last two years, totalling approximately \$1.5 million. You do not keep funding the capital works on the new library development once it is finished, and the same applies to the Adelaide Festival Centre redevelopment. It would be laughable if any government in the world, even the Cuban government, did that.

Mr HAMILTON-SMITH: What has been the full extent of the reduction of funding for the Come Out Festival, and is the Come Out board one of those that has been targeted for a reduction in funding, amalgamation, or some other cut? What are the future plans for Come Out?

The Hon. J.D. HILL: I do not know on what basis the member asks these questions, but I am advised that there is no reduction in the Come Out Festival. The board has done an absolutely outstanding job in this current season. The 2003 Come Out Festival, which was held in March this year, was a huge success—artistically, financially and, most importantly, in its objective to engage the children and young people of South Australia.

The Australian Festival for Young People, which organises Come Out, has advised that approximately 135 000 children and young people from across South Australia participated in the festival. The festival attracted 73 322 children and young people from 270 schools across the state to ticketed performances and events throughout metropolitan and regional South Australia. Over 2 000 tickets were provided free to students, and their teachers, from schools in disadvantaged areas through the festival's 'Be my guest' program.

Over 400 teachers registered with the Come Out Festival as arts ambassadors. The Australian Festival for Young

People is projecting an operating surplus of about \$15 000 for the 2003 Come Out Festival. It has done an outstanding job, and there has been no reduction.

The Hon. M.D. RANN: Can I add that I have just looked at this media release again, which states:

... Labor have abandoned the Arts Agency Boards, cut ArtsSA Corporate Services and devastated the young end of town. But for pet projects at the top end of town there's more money for the Festival of Arts, more money for the Adelaide Film Festival and for Thinkers in Residence.

I will make sure that they are written to because clearly you do not approve of their extra funding. In terms of your comment that the most savage cuts to the arts has been in the youth arts areas, funding for the South Australian Youth Arts Board has increased by over 2 per cent in 2003-04, largely as a result of full indexation of grant funding to the small youth arts companies funded through SAYAB. The government has provided a once-off amount of \$100 000 through Arts SA to Kickstart its ARTSsmart strategy, a cross-agency strategy with the education portfolio, to enhance educational and life outcomes for children and young people through exposure to the arts. We have already announced this big increase for live music. Maybe that will be of interest to the devastated young end of town—the west end which will have this fantastic festival. I do not know who writes your press releases, but they are clearly taking magic mushrooms.

Mr HAMILTON-SMITH: Of course, that is not the full picture, because a lot of these arts boards have base funding and they depend on grants, and those grants come from the funds you have already indicated are to be fairly substantially cut, particularly the health funding grants. They need those funds in order to conduct their activities, do they not?

The Hon. M.D. RANN: The health funding grants have been cut, but your deputy leader called for arts money to be put into hospitals. You cannot have it both ways. Go and sit down with Dean Brown—your once and future king—and work out whether you are for the arts or against it, because you cannot have it both ways.

Mr HAMILTON-SMITH: I move on to the Southern Cross replica. Will the Premier put on the record what are his current plans in regard to disposal of the Southern Cross replica aircraft? What is the minister's current position on the Southern Cross replica and its disposal?

The Hon. J.D. HILL: I thank the member for his question. This is another example of his outrageous public statements colliding with the truth. I put on the record what the government is doing. This is another example of trying to scare people by creating mayhem and by making claims that are manifestly untrue. The government has initiated a process that will see ownership of the Southern Cross replica aircraft transferred to a community-based organisation. I have made comments along these lines in this house.

An advertisement appeared in the *Advertiser* of 10 June seeking expressions of interest from private or community based organisations that are interested in owning and operating that aircraft. I expect the successful applicant to demonstrate that they can repair the aircraft to airworthiness standards, ensure that the aircraft stays in South Australia and flies regularly in South Australian skies and ensure that the aircraft is operated in accordance with the requirements, importantly, of the Civil Aviation Safety Authority. That was something that did not necessarily happen in the past. I anticipate being able to transfer ownership of the aircraft to the successful applicant, along with the moneys provided by

the insurer to repair the aircraft, and those moneys total \$186 000; I expect all that to be done by 31 July this year.

Mrs REDMOND: I refer to Budget Paper 4, Volume 1. In your targets for 2003-04 I notice that three of the last four items all concern extra projects for the History Trust, the first being to commence a three-year audit by the History Trust of registered and accredited museums and for it to undertake an audit of the South Australia Maritime Museum and an audit of the loan collection of the National Motor Museum. Perhaps it is my ignorance in dealing with budget papers, but can the Premier point me to where extra funding appears for the History Trust to enable it to undertake those various audits?

The Hon. J.D. HILL: I thank the member for Heysen. The History Trust has not had a reduction in its funding, but the priorities it has identified this year are part of its ongoing program of looking after its areas of responsibility, and the Migration Museum, the National Motor Museum and the Port Adelaide Maritime Museum are its prime responsibility. As a body, it gives grants to smaller museums (many in rural areas) and to specialist projects, oral histories, and so on; however, the majority of its work is dealing with those museums. So, that is what it will be doing with its grant this year.

Mrs REDMOND: The minister said that there was no reduction. Does he mean that there is no increase in funding to accommodate that work?

The Hon. J.D. HILL: This is work that you expect the History Trust to do, because that is what it does—it looks after those institutions. As part of its program, it has not been instructed to do it: it has determined that that is what it will be doing this year.

The Hon. M.D. RANN: Again, referring to this notion that the small end of town is being disadvantaged compared with the big end of town, I have been advised by the arts department that the quantum for funding to small and medium sized companies has been maintained in real terms. There are 36 small and medium companies and, when you look at the quantum, you see that the funding has been maintained in real terms.

Mr Hamilton-Smith interjecting:

The Hon. M.D. RANN: Let me tell you—Adelaide Baroque, Adelaide Chamber Singers, Adelaide Philharmonia Chorus, Art Link, Arts in Action, Arts Law Centre, *Arts Monthly Australia*, Ausdance, Australian Copyright Council, Australian Network of Art and Tech, Australian String Quartet, Brink, Bakehouse Theatre, Community Arts Network, Contemporary Art Centre of South Australia, Central Studios, Craftsouth, Experimental Art Foundation, Feast, Folk Federation, Friendly Street Poets, Jazz Coordinator, Leigh Warren Dancers, Mainstreet Theatre, Music House (which is one of the 36), Musica Viva in Schools, Co*Opera, Nexus, Radio 5UV, May Gibbs, South Australian Council of Country Music, *Object Magazine*, Parallelo, SA Writers Centre, The Firm, Vitalstatistix, and Wakefield Press.

The quantum for all those organisations has been maintained in real terms. I think that someone mentioned that Music House has closed: it is open, or will be open, and is part of the live music push about which I am sure the opposition will put out a press release saying that it welcomes this support for the young end of town.

Mr HAMILTON-SMITH: In an earlier question we dealt with the issue of cuts over the next four years exceeding the new initiatives, and we noted that one of the new

initiatives was the live music funding of \$500 000. The budget papers are clear on the point that live music funding has been matched by cuts elsewhere within the arts, and it was noted that new initiatives will be introduced. I understand that the department has written to the live music industry indicating the five programs that were mentioned earlier. I seek an assurance from the Premier that the money he was promising to live music will be new money. For example, I note that the fourth program that has been announced is new live music grants, but it states that the program will include the current recording assistance program presently managed by Arts SA. So, will we have some sort of transfer of funding from one budget line to another? It seems to me that it is not really new money at all, because it is compensated for by cuts elsewhere over the next four years.

The Hon. M.D. RANN: I do not seem to remember the arrangements by which that money was procured and secured. I will ask the minister assisting to go through it. In November, I want you to come down to the West End and to Music House when it is reopened. I want you to help celebrate it, instead of knocking and whingeing all the time.

The Hon. J.D. HILL: As the member well knows, the upper house added a clause to a bill in relation to taxation on poker machines that required half a million dollars to be expended on live music. That is live music.

The Hon. M.D. RANN: That is live music.

The Hon. J.D. HILL: The government has complied with that legal requirement, and we are delighted to do it. Half a million dollars a year will be put into contemporary live music. There is half of that half a million from last year because we made a pro rata arrangement for last year, so there is \$750 000 for this next financial year and \$500 000 for the years in the forward estimates beyond that. We will expend that money to promote contemporary live music.

Some fantastic initiatives have come out of the forum that we conducted in March. As the Premier said, there will be a music festival associated with Music Business Adelaide. There will be a special fund that musicians can apply to for assistance to develop their career. There will be a musicians-in-schools program, which will not only employ musicians but expose young people to contemporary live music. Assistance will be provided to community-based radio stations to air live music, and a music online program will be finalised, which was started under the former government.

Mr Hamilton-Smith interjecting:

The Hon. J.D. HILL: Of course it is new money. It is money that is hypothecated in the budget bill.

Mr Hamilton-Smith interjecting:

The CHAIRMAN: Order!

The Hon. J.D. HILL: The member does not understand the way the budget operates, but this is new money. It has a fence around it and it is for contemporary live music and it will be spent on that.

The CHAIRMAN: The time agreed for the examination of these payments having expired, I declare the examination completed. Thank you Premier, minister and advisers.

The Hon. M.D. RANN: I thank you, madam, all members of the committee and the officers from all the departments for their assistance in the deliberations this afternoon, which I think have been appreciated by everybody.

ADJOURNMENT

At 6.17 p.m. the committee adjourned until Wednesday 18 June at 11 a.m.

