

HOUSE OF ASSEMBLY

Tuesday 24 June 2003

ESTIMATES COMMITTEE A**Chairman:**

The Hon. R.B. Such

Members:

Mr P. Caica
 The Hon. D.C. Kotz
 Mr T. Koutsantonis
 Mr E.J. Meier
 Mr M.F. O'Brien
 Mrs I.M. Redmond

The Committee met at 11 a.m.

Department for Administrative and Information
 Services, \$119 011 000
 Administered Items for the Department of Administrative
 and Information Services, \$5 254 000

Witness:

The Hon. M.J. Wright, Minister for Recreation, Sport and
 Racing, Minister for Industrial Relations.

Departmental Advisers:

Mr. G. Foreman, Chief Executive, Department of
 Administrative and Information Services.

Ms A. Allison, General Manager, Financial and Business
 Services, Department of Administrative and Information
 Services.

Mr D. Harvey, Director, Office for Racing.

Mr T. Arbon, Principal Policy and Planning Manager,
 Office for Racing.

The CHAIRMAN: Changes to committee membership will be notified as they occur. Members should ensure the chair is provided with a completed request to be discharged form. If the minister undertakes to supply information at a later date, it must be submitted to the committee secretary by no later than Friday 25 July.

The minister and the lead speaker for the opposition can make a brief opening statement if they wish. There will be a flexible approach to giving the call for asking questions based on approximately on three questions per member alternating each side unless some other arrangement is made between the two sides. 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. I do not insist that people read it out because it takes up time, but, if they wander too far, I will. Members unable to complete their questions during proceedings may submit them as questions on notice for inclusion in the assembly *Notice Paper*.

There is no formal facility for the tabling of documents before the committee. However, documents can be supplied to the chair for distribution to the committee. The incorporation of material in *Hansard* is permitted on the same basis as

applies in the house. That is, it must be purely statistical and no more than one page in length. All questions are to be directed to the minister, not to the minister's advisers. The minister may, however, refer questions to the advisers for a response. I advise that for the purpose of the committee, some freedom will be allowed for television coverage by permitting 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 and part 6, pages 6.1 to 6.13, Volume 2 of the Portfolio Statements. Does the minister wish to make a brief statement?

The Hon. M.J. WRIGHT: I would like to make a brief opening statement about the racing portfolio. The Office for Racing is the administrative vehicle through which the government works to initiate, develop and assist with the implementation of strategies designed to maintain and improve the overall viability of the racing industry in South Australia. This work is undertaken in close collaboration with key industry stakeholders and through the Racing Industry Advisory Council. Ongoing commitment to the role of the office and of the council reinforces the emphasis of the government on its development and advisory role as distinct from being the traditional funding provider or lender of last resort, as was the case in previous years prior to the corporatisation of the racing codes and the privatisation of the TAB.

The racing industry in South Australia and indeed nationally is facing a number of critical challenges affecting its future financial viability. Two of these significant national issues are cross-border betting by corporate bookmaker organisations operating out of the ACT and the Northern Territory, and the emergence of new internet-based wagering technology in the form of betting exchanges operating out of the United Kingdom. Both of these activities have the potential to impact significantly on the future wellbeing of the racing industry at the state and national level. The Office for Racing has been represented on both these betting-related task forces that were established by Australian racing ministers at recent national conference forums. The South Australian office is chairing the current betting exchange task force, which is due to report its findings to racing ministers in the near future.

The racing industry has received funding allocations in recent years under the Office of Recreation and Sport's Management and Development Program. This funding, amounting to \$650 000, has been allocated to the racing codes based on their ability to promote government health messages via sponsorship of selected racing events. Funding of this order has been provided for many years and originally represented tobacco replacement sponsorship.

Last year, I announced that a review would be undertaken of all grants administered by the Office of Recreation and Sport. The ministerial advisory committee that I established to conduct this review did not, in accordance with my direction, report on funding options or specific guidelines for the racing industry. Rather, I sought advice on these issues from the Office of Recreation and Sport and from the Office for Racing. The role of the ministerial advisory committee was to provide recommendations relevant to all aspects of the grant programs, and not necessarily to focus on any one particular grant recipient. In fact, the clear expectation was that members of the advisory committee were not to be sport or club specific, but rather were charged with reviewing grants from a whole of program perspective. The review process has now been completed and I am currently considering a number of recommendations that have been presented

to me by the advisory committee and by the respective offices of recreation, sport and racing.

With the current round of Management and Development Program (MDP) grants being the last round of funding to be distributed under the existing criteria, it is appropriate that I give notice that future allocations to the racing industry and all other recipients from the MDP source may not be allocated under the same criteria as has been the case in past years. I advised each of the racing industry controlling authorities last year that, while the MDP grants were not subject to any reduction in the 2002-03 financial year, future allocations could be subject to recommendations emanating from the grants review. Given the timing of the review process and the need to fully consider all the review recommendations and stakeholder feedback, I have agreed to the racing industry's application for MDP funding for the 2003-04 year to be considered in accordance with existing criteria and guidelines so as to enable appropriate transitional planning by the industry for subsequent years.

I anticipate that, in the future, the racing industry will still be eligible to apply for funding under any new MDP guidelines, and the codes will have their applications assessed on merit against any new program criteria. Other peak sporting bodies that have similarly received funding under the banner of tobacco replacement sponsorship will also be required to adapt to any new assessment criteria. I look forward to working with the racing industry in order to build upon the already constructive relationships that have been developed through the Office for Racing and the Racing Industry Advisory Council.

The Hon. D.C. KOTZ: I would like to make some comments and use them as the background to my first question. In recent months, we have seen, I guess, South Australians looking at calamities of procrastination as well as funding cuts that have meant the demise of recreational events that previously brought accolades and economic benefits to South Australia. Only after intense public lobbying was the International Horse Trials given a last minute reprieve and allocated funding to enable it to survive for another year. Another event—a most prestigious event—which has an extremely high profile supporting an equally high profile industry, will be lost to South Australia without appropriate government support, and its loss could severely affect the racing industry.

The Interdominion championship series, to be held in 2005, has received notification from the South Australian Tourism Commission Major Events that funding to assist this event has been withdrawn. No matter what bucket of money this event could draw from, as the Minister for Recreation, Sport and Racing in this state, what measures has the minister taken to assist the South Australian Harness Racing Club to ensure that South Australia does not lose the Interdominion?

The Hon. M.J. WRIGHT: Harness racing is now controlled and administered by a corporate entity, Harness Racing SA Ltd. It is acknowledged that the code is experiencing financial difficulty, as evidenced by the reluctance of sections of the industry, including the metropolitan club, to accept the responsibility for South Australia to host the 2005 Interdominion championship series. The code's diminishing market share of TAB turnover and, therefore, profit allocations, is also contributing to its current financial position. Further, the industry clawback of \$2 million per annum, commencing in 2004-05, and increasing to \$3 million per annum in 2006-07, will exacerbate this problem for harness

racing, in particular. Harness racing's share of the clawback will be in the order of \$300 000 to \$500 000 per annum.

The South Australian Harness Racing Club's application this year to Australian Major Events for funding assistance towards the costs of staging the Interdominion was not approved, as the member has already said. Harness Racing SA is required to confirm, by October this year, whether it will conduct the 2005 Interdominion pacing and trotting championships. I understand that funds required to conduct both the pacing and trotting championships are in the order of \$500 000. The pacing championship would require approximately \$300 000. A subcommittee involving Harness Racing SA Ltd and representatives of the South Australian Harness Racing Club has developed a business and sponsorship plan designed to raise necessary sponsorship and funding. Harness Racing SA is seeking a major naming rights sponsor for approximately \$200 000, and up to 10 minor sponsors for \$30 000 each.

In correspondence from Harness Racing SA dated 5 June 2003, I have been advised that a company, Complete Sportsbetting, owned by Mr Curly Seal, has offered to be the major underwriter of the pacing championship. Mr Seal is a licensed bookmaker. A condition of this sponsorship offer, however, is that the company be permitted to accept bets via the internet on a wider range of sports betting options on a 24-hour, seven-day a week basis. This is an issue about which Mr Seal and the South Australian Bookmakers' League Incorporated has approached the Minister for Gambling (who is responsible for the Authorised Betting Operations Act), and is currently under consideration. I am advised that Harness Racing SA and Mr Seal are well aware that this request for internet betting options is at odds with the exclusivity conditions granted to the South Australian TAB at the time of its sale.

I think it would be fair to say that it would be a great shame if South Australia ultimately did not host the Interdominion. The Interdominion, of course, is the equivalent, in harness terms, of the Melbourne Cup and it basically rotates from state to state on an annual basis, and it also goes to New Zealand. South Australia has a proud record not only in harness but also of hosting the Interdominion. Certainly, I would hope and expect that the industry does everything possible to ensure that it continues to have a presence in South Australia and, of course, ultimately we are looking for that responsibility that rests with us for hosting the event in 2005.

Of course, it was the previous government which corporatised the racing industry and which also sold the TAB. I am sure that the member, as a former minister for racing, would be aware (although I do not think that she was the minister at the time who was responsible for these areas) that, once you corporatise, as has been done with the racing industry, there are certain responsibilities that go hand in hand with that. It was the choice of the racing industry at the time (and perhaps it was its best choice) for the industry to be corporatised and, of course, for the TAB to be sold. But along with that was a range of commitments that the industry has undertaken. One of those commitments, of course, is this clawback to which I referred earlier in my answer. As a result of payments that have been made to the racing industry as a result of the sale of the TAB, this clawback that will take effect from 2004-05, obviously, will impose significant financial responsibilities upon the racing industry that it will be expected to meet. Of course, going along with that is its responsibility as a corporatised entity. As a corporatised

entity, the racing industry knows full well that the government no longer has the responsibility that it once had with regard to the funding of the racing industry. So, it is now the responsibility of the racing industry to undertake those responsibilities, as has been provided to it as a result of the legislation that the previous government brought to the parliament.

If there is any way that I, as Minister for Recreation, Sport and Racing, can assist the harness industry in respect of its endeavour to host the Interdominion without providing it direct financial support, of course, I would look to do that. I have met with both the Chairman and the Chief Executive Officer of Harness Racing SA and made that very point to them—that, if we as a government, if I as a minister, if the Racing Industry Advisory Council, are able to provide them some assistance in kind in their attempts to gain sponsorship, in their endeavours to ensure that the Interdominion is hosted here in South Australia, of course, we would be willing to help. But we are not in the business of simply handing out money, as has previously occurred before the corporatisation of the racing industry; before the sale of the TAB.

One of the government's challenges, which we have had to meet head-on in our first 12 months or so of being in office, is to convince the broad cross-section of the racing industry that the parameters to racing have changed, and they need to be aware of that. I guess there are certain people in the racing industry, particularly those who were involved in the deliberations about the sale of the TAB and the corporatisation of the racing industry, who have a better understanding of that than perhaps the broader cross-section. But everyone in the racing industry must fully understand that the ground rules have changed forever with regard to the financial responsibility that the government now has for the racing industry.

The Hon. D.C. KOTZ: I thank the minister for his comprehensive answer. However, I do not know that you can have it both ways. Before corporatisation there was sponsorship, as the minister duly accounted for, and post corporatisation there is the hope that sponsorship will still be part of what brings these events into South Australia, but also the assistance of government. Prior to the sale of the TAB, there still was funding that came from government. Post the sale of the TAB, regardless of what has gone in the past, there is the hope again that the government will also look sympathetically towards the requirement of holding this Interdominion. I am quite sure that the minister also is aware, as he stated, that there is a guarantee that is required by October this year to make sure that the rostered allocation of the Interdominion comes to South Australia.

Each year, as the minister knows, harness racing provides some \$70 000 to the Interdominion national pool. By this method, South Australian harness racing invests some \$450 000, which is returned by the national board when it is South Australia's responsibility to host the event every seven years. South Australian racing will lose this investment of \$450 000 if it is unable to hold the event in 2005.

It is very hard to believe that there is nothing that this minister can do, other than to offer in-kind resources or, when the approval of funding for sponsorship in 2005 was rejected, for Major Events to state that it was most happy to provide web site access for the Interdominion should it manage to host it. If, of course, they do not, that is a rather ambiguous offer. I should have thought that the minister, looking at the importance of hosting the Interdominion (with two years to spare) would look at the funding and would know that

harness racing has put together a very extensive sponsorship program that is liable to bring sponsorship to South Australia that probably will undercut the necessity for funds from government, because the industry recognises that corporatisation has changed and it needs to conduct its business in a different manner from before.

Unless there is a guarantee by October that can be taken to the national body that in 2005 South Australia will host the Interdominion, harness racing will lose \$450 000, which I am quite sure the minister realises is not a very good thing to happen to this state or to harness racing. If the Interdominion is not held in South Australia, with the problems that racing is having at the moment, where does harness racing sit after such a profile event as the Interdominion is no longer available to this state? I imagine that the impact on the ongoing harness racing events held in this state would be seriously affected as well. The question is whether the minister is prepared to sit back and do nothing, because offering in-kind resources is nothing.

The Hon. M.J. WRIGHT: That is an interpretation that the member wishes to put on my answer. Obviously, I do not agree with that interpretation: quite the opposite. The member for Newland may not appreciate or agree with the points that I have made; however, I will make them again.

The Office for Racing has said to Harness Racing SA, 'If we are able to support you, if we are able to work with you, we are happy to do so. However, there is no commitment of a financial nature from government.' So, Harness Racing SA can be left in no doubt that it is now for it to get the sponsorship. It is on notice that it needs to do so. To sit around and argue the merits, or lack thereof, in regard to the funding from Major Events will not serve its purpose, nor that of the opposition.

We have stated our position. Clearly, the responsibility, with the racing industry having been corporatised, is for it to get on with its business and to run its business. I do not need to remind the member that it was the previous government that sold the TAB and corporatised the racing industry. At the same time, whilst the previous government was making those arguments, it was the Labor opposition which very vigorously opposed both those measures that were before the parliament and which articulated its position—not only to the parliament but also to the broad cross-section of the racing industry.

In opposition, Labor lost that debate in the parliament. The racing industry was convinced of the merits—

The Hon. D.C. Kotz interjecting:

The Hon. M.J. WRIGHT: I did not interrupt the member when she was asking her question.

The Hon. D.C. Kotz interjecting:

The CHAIRMAN: Order! The member for Newland will listen in silence to the minister.

The Hon. M.J. WRIGHT: Thank you, sir. I apologise for the member's rudeness. The previous government sold the merits of the sale of the TAB and sold the merits of the corporatisation of the racing industry. Some people in the racing industry, now reflecting on those decisions and their outcome, are not so happy about the previous government's role in how it articulated its position regarding the sale of the TAB and the corporatisation of the racing industry.

As I said at the time (and as I will repeat for the member for Newland), once that decision was taken to sell the TAB, together with the twin decision of corporatising the racing industry, the relationship with government changed forever. You cannot have it both ways.

Mr Koutsantonis: Spoilt brat!

The Hon. M.J. WRIGHT: I wouldn't call her a spoilt brat.

The Hon. D.C. KOTZ: On your head be it, minister. The minister has two years to take all the pain—

The CHAIRMAN: Order!

The Hon. D.C. KOTZ: —that will come with this issue. South Australia will know quite clearly that the minister—

The CHAIRMAN: I call the member for Colton.

The Hon. D.C. KOTZ: —has categorically denied any funding.

The CHAIRMAN: Order! The member for Newland is talking over the chair. I warn the member for Newland. I have called the member for Colton.

Mr CAICA: I refer to Budget Paper 4, Volume 2, subprogram 3.2. What is the role of the Racing Industry Advisory Council?

The Hon. M.J. WRIGHT: The Racing Industry Advisory Council was established to ensure that opportunities are available for key industry stakeholders to have regular meetings with me to discuss important industry initiatives and potential reform measures considered necessary for the continued success and long-term viability of the state's racing industry.

Since the council's establishment in August 2002, I have met with that body on three occasions, with a further meeting scheduled. The formation and subsequent operation of the council has been well received by racing industry participants and is seen as a means of discussing issues that affect the total industry, not just a single code.

The Office for Racing, which participates in council meetings, meets with the Chief Executives of the three racing codes after each meeting to discuss outcomes arising from those meetings and other current issues. Some of the agenda items discussed by members of the council to date include the development of an industry plan by the three racing codes to cultivate opportunities for the racing industry; opportunities for racing industry training; WorkCover for jockeys and apprentices; and emerging wagering developments. I look forward to the ongoing role of the council and its focus and deliberations on key strategic issues that impact on the racing industry in South Australia.

This was another election commitment provided by Labor in opposition—to establish a Racing Industry Advisory Council so that there would be a direct link with those people in the racing industry with the minister of the day, providing them with an opportunity on a regular basis to come to the table to put forward their issues, so that the government could be aware of what the grassroots were thinking and saying about the racing industry. In addition, the controlling authorities under the new corporatised structure participate in the Racing Industry Advisory Council.

Mr CAICA: My second question—

The Hon. D.C. KOTZ: We are going to be gagged on this side, are we, with two minutes to go? That was excellent, minister.

The CHAIRMAN: Order! I will come back to the member for Newland at the appropriate time. She just needs to calm down. The member for Colton.

Mr CAICA: I do not think there ever will be an appropriate time, sir. I refer to Budget Paper 4, Volume 2, subprogram 3.2. Are the respective state and territory racing ministers examining issues relating to the emergence of betting exchanges? If so, when will the minister consider these issues?

The Hon. M.J. WRIGHT: A task force of government officers has been established to conduct an examination of all aspects of betting exchanges. The Director of the South Australian Office for Racing is chairing this task force, which is to report to racing ministers on 30 June 2003.

Consultation with the three national peak bodies of the Australian racing industry controlling authorities from each of the states and territories, TABs and bookmaker associations has occurred as part of the review process. Consultation also occurred with Betfair at the task force meeting in Launceston held on 9 April via videoconference link with senior officers of the London-based company.

The principal term of reference of the task force is to identify and assess any and all possible implications, risks and opportunities arising from the establishment of betting exchanges. Strategic options will be thoroughly researched in consultation with governments at the state, territory and commonwealth levels and with racing industry authorities and established wagering providers.

The commonwealth's Interactive Gambling Act 2001 is currently being reviewed and is due for completion by June 2003. It is likely that the Australian Racing Board, acting on behalf of the three national peak bodies, will refer the issue of the introduction of betting exchanges to this review. I referred to the company Betfair earlier in the response. Betfair is the trading name of Sporting Exchange Limited, a company registered in England and founded in August 1999. Betfair operates its betting exchange web site under the Betting, Gaming and Lotteries Act 1963 and holds a bookmaker's permit in England and Wales.

Recent media reports refer to the launch of Betfair's web site in June 2000, commencing with a staff of three and growth to 160 staff by December 2002. Matched bets on the site have risen from five million pounds per week in December 2001 to 50 million—

The Hon. D.C. KOTZ: I believe that the time for concluding this particular line was 11.30. We are now two minutes over that particular time. Considering that, at this point, we have asked only two questions on this side and been gagged by the minister and the government, the time is now beyond the appointed time—

The CHAIRMAN: Order!

Mr Caica interjecting:

The CHAIRMAN: Order! The member for Colton and the member for Newland will come to order. The minister cannot gag anyone. It is courtesy to allow him to finish his response. The time set down is an approximation. I was coming back to the member for Newland. If members want to conclude exactly at 11.30 it does not bother the chair. Does the minister wish to conclude his response?

The Hon. M.J. WRIGHT: Thank you, sir.

The Hon. D.C. Kotz interjecting:

The CHAIRMAN: Order!

The Hon. D.C. Kotz interjecting:

The CHAIRMAN: Order! We have got through estimates thus far. I think that this is, maybe, the fifth or the sixth day I have chaired and we do not want to end on a sour note. Will the minister finish his answer?

The Hon. M.J. WRIGHT: That was like being beaten with a wet lettuce. Matched bets on the site have risen from five million pounds per week in December to 50 million pounds per week in December 2002. While this represents—

An honourable member interjecting:

The Hon. M.J. WRIGHT: Well, if you listen you might learn. While this represents phenomenal growth for the

business, the amount of turnover involved and the number of customers from around the globe who have been attracted to this form of wagering introduces a number of critical issues for both the national racing industry and for governments across Australia. Critical issues to be considered with respect to betting exchanges include integrity of the racing or sporting product (including both real and perceived integrity) and the impact on revenue streams.

The current business models of established betting exchanges do not provide satisfactory revenue streams to the racing industry, particularly if there is simply a transfer from the traditional TAB and bookmaker wagering sources. State and territory governments and the Australian racing industry need carefully to research the opportunities and threats likely to emerge from the introduction of betting exchanges both locally and overseas, challenge traditional thinking about racing and wagering operations and develop an appropriate response to this new wagering technology.

The betting exchange task force will address all these critical issues and will put forward a series of recommendations for consideration by Australian racing ministers. An essential process in the task force's considerations has been and will continue to be close liaison with the peak national racing industry bodies and key stakeholders.

The CHAIRMAN: Did the member for Newland wish to continue in this category?

The Hon. D.C. KOTZ: We have now moved into the hour allocated for recreation and sport. I do not know that that is sufficient time for those questions.

Mr Caica interjecting:

The Hon. D.C. KOTZ: No, we did not agree to it at all; we could not get any extensions.

The CHAIRMAN: I am not asking for an address: I am asking whether the member for Newland wishes to ask her third question on the Office for Racing.

The Hon. D.C. KOTZ: If I get an extension of time on the next budget line I will certainly ask another question on racing.

The CHAIRMAN: We can always go into lunch time a little. Will the member for Newland ask her third question on racing, please.

The Hon. D.C. KOTZ: Minister, at page 6.12, 'Racing—the performance commentary' states:

... promoting the long-term viability of the South Australian racing industry through the development and implementation of the racing industry policy.

And the minister has mentioned that. The quote continues:

This involves consultation and collaboration with relevant industry stakeholders, including participation in national conferences with state government racing ministers, attendance at Racing Industry Council meetings and responding to inquiries from the general parties and other government agencies.

I have a series of omnibus questions relevant to that particular paragraph. If the minister would bear with me I would like to put them all to him. If he would like to take them on notice or answer them at this point that will be entirely up to him, of course. What promotion has been undertaken to support the long-term viability of the industry? Has the development of a racing industry policy been completed and what implementation has taken place? How many Racing Ministerial Councils have been held in the past 15 months and how many has the minister attended? How many Racing Industry Advisory Council meetings have been held over the past 15 months and how many has the minister attended?

The Hon. M.J. WRIGHT: Before I take those questions, can I seek your clarification, Mr Chairman. This session was due to finish at 11.30, although if the honourable member wishes to ask questions about racing it does not greatly concern me.

The CHAIRMAN: The honourable member is suggesting that the minister can take those questions on notice. The minister can answer them by the required date. He does not have to answer the questions immediately.

The Hon. M.J. WRIGHT: I am just making the point that this session finishes at 12.30.

The CHAIRMAN: The session on recreation and sport, yes.

The Hon. D.C. KOTZ: You are saying that you will not extend the other—

The Hon. M.J. WRIGHT: Correct weight, yes; correct weight.

The Hon. D.C. KOTZ: That is quite all right; you make the established rules, and if you don't want questions asked—

The Hon. M.J. WRIGHT: And you agreed to them.

The Hon. D.C. KOTZ: No, I did not agree—

The Hon. M.J. WRIGHT: And the honourable member agreed to them. The honourable member agreed to the rules.

The Hon. D.C. Kotz interjecting:

The Hon. M.J. WRIGHT: Yes, you did. You agreed to the timetable that has been set.

The CHAIRMAN: Order! Both of you are heading for a clash with the chair. I do not know what you people have had for breakfast but perhaps you should revert to cereal and toast. Minister, you can take these questions on notice. I am sure that we can pick up five minutes during the remaining session. You can answer the questions on notice if you wish; you do not have to answer them now.

The Hon. M.J. WRIGHT: I do not have to answer them at all because this session finishes at 11.30. The point I am making is that the session on recreation and sport finishes at 12.30. That is the agreed timetable. This timetable was agreed to between our leader and the opposition's leader. I am sure that the honourable member would not want to dispute the decision of her leader.

The CHAIRMAN: Order! We have wasted more time than would have been taken up by answering the question. One of the unknowns is how long ministers will take with an opening statement. There must be some degree of flexibility, otherwise it becomes ludicrous. If someone has an opening statement that takes half an hour there would be no questions. That is an extreme case. If the minister does not want to answer the question I cannot compel him to answer. He can take them on notice and report back by the July date. If there are no further questions in this session we will move on.

The Hon. M.J. WRIGHT: One of the questions the honourable member asked was how many meetings of the Racing Industry Advisory Council there have been and how many have I attended. There have been three meetings and I have attended all three.

The CHAIRMAN: We will now move on to an examination of the Office for Recreation and Sport.

Additional Departmental Advisers:

Dr P. Hamdorf, Executive Director, Office for Recreation and Sport.

Ms J. Hughes, Director, Strategic and Operational Services.

Mr P. Schwarz, Manager, Grants.

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

The Hon. M.J. WRIGHT: Yes, please. The government's recreation and sport program is delivered by the Office for Recreation and Sport, a business unit of the Department for Administrative and Information Services. The work of this office is statewide and is in partnership with clubs, associations, community groups and local government as well as with other state and federal bodies. Sport and recreation play a vital role in building better and healthier communities, and the government will continue to develop strategies that assist in improving the health and wellbeing of all South Australians. This is an objective that will be achieved by ensuring that each dollar spent is targeted for maximum benefit to the community.

In December last year I received the final report from a review of the three key grant programs—Active Club, Community Recreation and Sport Facilities, and the Management and Development Program. This arose from an election commitment to review the principles and guidelines for the awarding of all grants money. The review process was comprehensive, with consideration given to the nature of the current grant schemes as well as an examination of the changing trends of participation in recreation and sport.

The committee also looked at national and international grant initiatives and the scope and range of alternative funding models. A critical element in the development of the report was consultation with stakeholders. The review was also released for a further period of public comment, and I am currently considering the recommendations and feedback from stakeholders prior to the government's decision regarding the recommendations.

The Recreational Trails strategy has been completed and will be considered by cabinet in the near future. The strategy has a time line of 2010 and seeks to maximise the cross-government allocation of funds for trails. Complementing this was the April launch of the *SA Trails Guide* and web site, a comprehensive publication produced in partnership across several government agencies. This has been very successful, and the demand for the guide and hits on the web site have surpassed expectations.

The Boxing and Martial Arts Act 2000 has been implemented and an advisory committee has been established, and it has been providing advice to me on related issues since October of last year.

The development of a youth recreation strategy is under way and a great deal of progress has been made in terms of researching the needs of this group. Through a partnership with regional areas and other government and non-government partners, the need for the development of unstructured activities has been identified.

One of the challenges still facing us relates to the development of state level aquatics facilities. The first of two elements of this issue is the access to the Adelaide Aquatic Centre for sporting groups such as swimming, diving and water polo groups. The second element is the investigation of the feasibility of a state level aquatics facility through the PPP process. The final business case for the PPP proposal and the output specification have been completed. Consultation with peak industry groups and the Marion council and Adelaide City Council is occurring. Adelaide and Marion councils will also provide a submission by the end of August 2003 on their respective commitments to the development of an aquatic centre, including any terms and conditions they may have.

The sum of \$500 000 has been set aside in the forward budget projections for 2005-06 to account for the annual payment that may arise through this process. In the interim, an agreement has been reached with the Adelaide City Council regarding a state government subsidy of \$210 000 per annum for aquatic sports use at the Adelaide Aquatic Centre. This subsidy of \$210 000 per annum is indexed to the CPI for the next two years and will continue until the long-term policy issues of state aquatic facilities are finalised. The agreement contains the following key points:

- Pool hire rate for prime time pool hire charge will be held at the most recent increase and thereafter increased during the term by CPI in the beginning of April each year.
- Gate entry fees will continue to be paid by Swim SA. The current arrangement with Swim SA will remain, with the user groups paying gate entry fees unless attending a carnival or competition.
- A commercial hire rate for events will apply. However, Swim SA will receive a 40 per cent discount on all official Swim SA carnivals.
- Accommodation for Swim SA will be limited to the existing rate of \$26 per annum plus CPI and outgoings.

I am advised that this information has been made available to Swim SA through correspondence by the council. This access arrangement has been achieved within the \$210 000 annual payment, which is a considerable reduction on the \$500 000 originally proposed by the council.

Another of the more significant achievements flagged last year as a priority for the office, and one that I expect will have a lasting impact on South Australians for many years to come, is the establishment of the ministerial physical activity forum. To this end, I have already formally met with my cabinet colleagues to reach agreement on the best way to proceed and ensure that government funding, programs and resources are allocated in the most efficient way. Many recreation and sporting activities rely heavily on volunteers, both in the community at grass roots level and from state sporting associations. The office recognises the valuable contribution these people make and works in a dedicated manner to ensure that these individuals are supported.

The South Australian Sports Institute continues to deliver high quality programs to elite athletes, both able-bodied and disabled, and has had athletes achieve success in the national and international sporting arena.

In closing, I want to stress once again the importance of a state physical activity strategy and the benefits that this will bring to our entire community.

The Hon. D.C. KOTZ: Under the operating statement, program 3, page 612, the actual budget figures for 2001-02 show a net cost program of \$24.314 million. In the previous budget the minister identified that an amount of \$4 million was outstanding to provide payment for grants to the community approved in that year. The minister also made it quite clear that cabinet had refused to approve a carryover of that amount to be transferred to the 2002-03 budget and that the outstanding \$4 million had to be expended from the 2002-03 budget year. Although the target for the 2002-03 budget year was \$21.469 million, the estimated result for last year was \$20.567 million. However, the \$4 million outstanding payments, once paid, meant a \$4 million reduction in the overall 2002-03 budget, and expenditure for that year's budget was only \$16.567 million, not \$20.56 million. This budget in the 2003-04 year provides the figure of \$22.143 million. Will the minister advise whether there is an amount of funds still owing on grant approvals or any other

expenditure not yet met from the 2002-03 budget but committed from last year's budget and still to be paid?

The Hon. M.J. WRIGHT: I thank the member for her question. All existing commitments are fully funded in the forward estimates. Obviously, the member put to me a fair bit of detail and a fair few numbers, so I am not certain whether that specifically answers what the member wanted.

The Hon. D.C. KOTZ: In the last estimates the minister advised that that budget was fully funded and would pay for the \$4 million that had not been carried over from the year before. So, if he is telling me that this is fully funded, I am not sure what that means. I am seeking to know whether we have a similar situation in the coming budget to previous years where there is a non-expended amount of funds from the previous budget that may have to be expended from the current year's budget, which apparently happened last year with the \$4 million amount.

The Hon. M.J. WRIGHT: It might be best if I take that question on notice, and I will get the detail for the member.

The Hon. D.C. KOTZ: Which programs were cut from last year's budget due to the reduction of the \$4 million from the previous year's budget?

The Hon. M.J. WRIGHT: Is the member talking about this year's budget?

The Hon. D.C. KOTZ: I am talking about which programs were cut throughout last year's budget because of the reduction in the overall expenditure related to the \$4 million cut from the previous year. Minister, you had grant funds that were unmet from the previous year's budget that you were not allowed to carry over.

The ACTING CHAIRMAN (Mr Koutsantonis): Order! Does the minister want to take this question on notice, or does he want a better explanation of what the member is talking about?

The Hon. M.J. WRIGHT: I have to be honest; I am not trying to be coy. I do not follow what the member is asking.

The Hon. D.C. KOTZ: In the 2001-02 year, I believe it was—

The ACTING CHAIRMAN: Does the member want to refer to a budget line? Perhaps that would clear it up.

The Hon. D.C. KOTZ: No, it is a budget line. The minister's explanation to this estimates committee last year was that there was \$4 million unmet expenditure that still had to be met because of grant approvals that had been approved in that year. The minister's budget last year was not allowed to carry over the \$4 million still outstanding that had to be paid into last year's budget. That \$4 million then became a reduction in the minister's overall budget, because he had to take it out of his existing budget—the minister was not allowed the excess funds. So, I am asking whether the same has occurred in this previous year where unmet expenditure is still there to be met to our constituency and how much those funds might be.

The Hon. M.J. WRIGHT: Let us see whether we can at least attempt to answer the member's question. If she is still not happy, as I have already said in answer to an earlier question, we can take it on notice and try to get the detail for her. I think that the member is basically talking about cash flows and carryovers. The advice I have received is that the grant programs are each funded from the financial year allocation. However, the timing and nature of the grant programs means that not all grant funds are expended in the year allocated, as the member, as a former minister in this area, would well know. This is particularly the case for the Community Recreation and Sport Facilities Program, where

the projects are jointly funded and involve contract negotiation and various approvals once the grant has been approved by the Office of Recreation and Sport.

Accordingly, ORS has traditionally carried forward funds to meet these commitments and, as part of the government's savings strategy, this carry-forward process of unspent funds is no longer being recognised by Treasury. Based on analysis by Treasury, it has been projected that ORS will be able to meet its grant outflows for the various programs from within the yearly allocations. All existing grants awarded and committed to eligible organisations will be honoured and paid as organisations meet their acquittal requirements. I think that is probably the nub of the answer to the member's question: all existing grants awarded and committed to eligible organisations will be honoured and paid as organisations meet their acquittal requirements, and that happens as a result of the cash flow arrangements. So, where the Office of Recreation and Sport is unable to meet the cash flow requirements in the current year for the committed grants—for example, should funds be acquitted at a faster rate than has historically been the case, such that it impacts on the overall levels of commitment—cabinet will be asked to consider providing carryover amounts.

The Hon. D.C. KOTZ: I understand, minister; it was just a clarification. I ask the minister to consider my question and take it on notice. I am aware of the background of how the expenses and revenues match up, but I do not think that it quite answers my question.

The Hon. M.J. WRIGHT: With respect, I think that it does. I have made the point to you, and I have read it out twice, and I will read it out a third time. With regard to the member's most recent question: all existing grants awarded and committed to eligible organisations will be honoured.

The Hon. D.C. KOTZ: I am not questioning their being honoured; I am not questioning that at all.

The Hon. M.J. WRIGHT: The member asked me what cuts there were.

The Hon. D.C. KOTZ: That is exactly right.

The Hon. M.J. WRIGHT: I am telling the member that all existing grants awarded and committed to eligible organisations will be honoured and paid as organisations meet their acquittal requirements.

The ACTING CHAIRMAN: Minister, have you completed your answer?

The Hon. M.J. WRIGHT: Yes, I have.

The ACTING CHAIRMAN: The member for Colton.

The Hon. D.C. KOTZ: No, I have one more question.

The ACTING CHAIRMAN: The member has asked the last three questions. The member for Colton.

The Hon. D.C. KOTZ: No, I have not; there was a clarification.

The ACTING CHAIRMAN: Order! The member for Colton.

The Hon. D.C. KOTZ: No, I am the member for Newland.

The ACTING CHAIRMAN: Exactly. The member for Colton.

Mr CAICA: Thank you, sir. I refer to Budget Paper 4, Volume 2, page 6.5. Minister, what is the government doing to address the increasing concern over the declining physical activity levels of South Australians?

The Hon. M.J. WRIGHT: I thank the member for Colton for his question. The government is concerned about the prevalence of physical inactivity within our community and its effect upon health and therefore its cost to government

through diseases such as high blood pressure, elevated cholesterol, overweight and obesity, cardiovascular disease, diabetes, and some forms of cancer. Despite wide recognition of the critical role of physical activity as part of an active and healthy lifestyle and in disease prevention, the South Australian Physical Activity Survey of 2001 found that half the community are not sufficiently physically active to accrue health benefits. At present, the government's approach to physical activity has been relatively uncoordinated, resulting in a failure to achieve best value on the current investment in physical activity initiatives.

Currently, a number of government agencies are devoting human and financial resources to physical activity initiatives in South Australia. Most of these agencies are operating independently and undertaking projects and developments that meet their own strategic outcomes and direction, with potential duplication, gaps in services, lack of coordination, and limited chances of achieving significant change.

Whilst they are increasing, there are limited partnership arrangements across government agencies, and there is currently no whole of government approach to the issue of the facilitation of and support for increasing physical activity for all South Australians. In February this year, cabinet approved the formation of the Ministerial Physical Activity Forum, comprising the ministers responsible for recreation and sport, health, transport, education, tourism, planning and local government. The Ministerial Physical Activity Forum will focus on the delivery of a coordinated whole of government approach to the promotion of physical activity and healthy lifestyles for all South Australians.

One of the goals of creating a Ministerial Physical Activity Forum is to ensure that the investment made by government in physical activity is coordinated across all agencies. The inaugural meeting of the Ministerial Physical Activity Forum was conducted on Wednesday 7 May, and the following recommendations were approved by the forum:

- the creation of a physical activity council;
- the development of a state physical activity strategy; and
- the usage of the 'be active' message as the whole of government physical activity message.

The physical activity council will include suitably qualified members of the community as well as representatives from the relevant government agencies. The Physical Activity Council will provide expert advice to the ministerial physical activity forum and will lead the development, implementation, evaluation and review of a state physical activity strategy on behalf of the ministerial physical activity forum. The development of a state physical activity strategy will provide a framework to ensure a coordinated and strategic approach to the promotion of increased physical activity throughout the community.

Given the health benefits of 30 minutes of moderate exercise most days of the week, implementation of the state physical activity strategy will offer significant savings in health care costs and quality of life for South Australians. It is estimated that a 10 per cent increase in community participation in physical activity could yield a net benefit to the Australian economy of \$590 million. It is fair to say that the government has a high priority on physical activity, a recognition that government has not done it as well as it could have in the past, that we must be more coordinated and must work with the community in getting a coordinated response. It is important to go out there and the government needs to be selling the same message.

We hope that, by establishing the forum and bringing in the key ministers related to the particular issue, that is a step in the right direction. To establish the council will bring in people from the local community with the expertise to work with government and it is then important to get a strategy in place to try to make sure we turn around those figures, which must be alarming to everybody. Something like about half the community are not sufficiently physically active to accrue health benefits. We need to turn around those figures if we are serious about having a difference in regard to a health benefit from the viewpoint of regular physical activity.

Mr CAICA: I refer to Budget Paper 4, Volume 2, output class 3.1. What distribution has the government made towards community and regional level sport and recreation facilities?

The Hon. M.J. WRIGHT: The Community Recreation and Sport Facilities Program was established to provide financial assistance to community based sport and active recreation organisations, schools, local government and state sporting and active recreation associations in order to develop improved community and regional level recreation and sport facilities throughout the state. These grants are provided to organisations on a dollar for dollar basis, with applicants being able to include the value of their volunteer labour and services as part of their financial contribution towards the project.

There are two categories that organisations may apply under: community level grants and regional level grants. Community level grants are intended to assist local and community based organisations in developing and improving the standard of recreation and sport facilities at a local community level. Grants between \$20 000 and \$50 000 are available. Larger grants may be considered if the project demonstrates sufficient community need. Regional level grants are for developing and improving a well located network of regional level sporting and recreational facilities throughout South Australia.

Facilities that are regionally significant often have a user catchment of more than one council area, and appeal to participants who will travel some distance to use the facility. Grants of between \$20 000 and \$150 000 are available under this scheme. The budget for the 2002-03 Community Recreation and Sports Facilities program funding round was \$3.4 million. This amount comprised the existing base level of support for the program, together with funds allocated under the Community Infrastructure Fund.

The 2002-03 funding round for the Community Recreation and Sports Facilities program closed on 31 January 2003 with 140 applications received. I am pleased to announce that 61 organisations have been offered grants, totalling \$3 395 800. The types of projects being funded vary between organisations. In this funding round, the projects most in demand have been the establishment of skate parks, the development of playgrounds, the resurfacing of tennis and netball courts, lighting and clubroom development. Of the 61 organisations offered grants, 25 sporting clubs were successful in receiving a total of \$1 548 750. The types of sports include hockey, netball, football, tennis, soccer, water sports, polo cross and athletics. Seventeen local government councils were successful in being offered funding, totalling \$1 036 800, with the majority of projects being funded for the establishment of skate parks. The emergence of the development of skate park facilities coincides with the growing demand to meet the needs of unstructured youth recreation. Many of these skate park developments are occurring in country centres where there is specific demand to access these types of services.

Eight community centres have also been offered grants, totalling \$387 250 in funding. Six schools were successful in being allocated funding, totalling \$202 000, for a variety of projects, including new playground equipment, hard play areas, an indoor climbing facility, a multi-purpose hall and multi-purpose courts. An amount of \$151 000 has been allocated to three recreation organisations for the upgrading of changerooms, the refurbishment of existing clubrooms and the installation of irrigation. One Scout organisation has been offered \$20 000 in funding to erect a new hall.

A further 18 organisations received a total of \$918 700 for surface upgrades and hard court reconstruction. The types of sports benefiting include tennis, bowling and netball clubs. Three organisations have been offered funding of a total of \$155 950 for flood lighting: hockey, soccer and a community club were successful in these types of grants. Of the total allocation of \$3 395 000 \$1 907 100 has been allocated to country organisations in this round and \$1 488 700 has been allocated to metropolitan organisations. As a percentage country organisations represent 56 per cent of the total money allocated and metropolitan organisations represent 44 per cent.

Mr CAICA: From the same budget line, what is the government doing to assist the recreation and sport industry in regional areas of South Australia?

The Hon. M.J. WRIGHT: The Office of Recreation and Sport is involved in a number of initiatives focused on regional South Australia. It is involved in the development of regional recreation, sport and open space plans. These plans aim to develop strategies to increase participation in recreation and sport, to ensure high quality and well managed facilities and programs are provided at all levels and to identify economic development opportunities related to recreation, sport and open space.

Working in partnership with regional local government authorities, the office host, Active Australia, provide management development workshops. These workshops aim to improve the management practices of community sport and recreation clubs. The office employs active community field officers in a number of regions throughout the state, including Whyalla, Port Augusta, Eastern Eyre Peninsula, Port Lincoln and the Riverland. Additionally, field officers are currently being recruited for the South East and Murraylands regions. These officers work locally to form networks of recreation and sport providers, local government, schools and other key agencies to establish structures and programs that support the development of active recreation and sport. Community sport and recreation networks are being developed by the office, with five currently established in rural and regional areas of South Australia. These important networks become the driving force within the community to initiate change and implement programs and services to meet community needs.

The Country Athletes Award Scheme provides scholarships to 30 junior athletes from rural areas to achieve their sporting potential and access elite training and competition programs. Three indigenous sports officers are employed to service the ATSIC regions within South Australia with the aim of increasing active participation of Aboriginal and Torres Strait Islander peoples in sport and recreation.

The office is committed to the enhancement and development of South Australia's recreational trails network, which includes the Riesling, Mawson, Heysen and Yurrebilla trails, the River Murray canoe guides, Blinman Pools Walk and the Mount Lofty walking trails network. Planning is under way for the Kidman and Pioneer Women's trails and the Cudlee

Creek forest mountain bike and trail network. Trails increase the economic contribution that recreation makes to regional South Australia by providing a significant attraction for visitors.

The Active Club program provides over \$1.8 million each financial year to grassroots community based sport and recreation clubs statewide. In the past funding round of this program, an amount of \$240 000 was allocated to clubs located within country and rural electorates. The Community Recreation and Sports Facilities Grants program provides \$3.4 million to state and regional associations, local government and schools to assist in developing and improving the network of regional level sporting and recreation facilities throughout South Australia.

The government recognises the importance that recreation and sport plays in the regional areas of South Australia and has ensured that recreation and sporting organisations in these areas continue to receive support, and I am sure all members would be delighted to know that the office is paying very high regard to the regional areas and making sure that regional South Australia gets its due attention.

Mrs REDMOND: The minister mentioned funding for the Pioneer Women's Trail, and I know that the key issue with that trail at the moment is the inability to get across the creek, so they are seeking a bridge for it. What funding is being made available? Will the funding that the minister spoke about get them across the creek?

The Hon. M.J. WRIGHT: It never surprises me when the member for Heysen, unlike some of her colleagues, knows what she is talking about. In the past, in a true bipartisan spirit, I have offered sound advice to the opposition that it should elevate her immediately to the shadow ministry, and it has ignored that advice. It is at the opposition's peril that it does so. Once again, the member for Heysen is correct. She has identified an ongoing issue in respect of the Pioneer Women's Trail, and the impediment that she spoke about—the bridge—is being discussed and hopefully it can be resolved. It is a significant issue.

Work has been carried out by the Office of Recreation and Sport, working with local government and Transport SA. I cannot give a commitment here and now that it will be overcome, because it is a serious issue, which has some significant financial considerations, but I assure the honourable member that work is being undertaken. She has identified a serious issue where major work is being done. I hope it can be resolved. Like all these issues, it depends on the discussions that occur and the costings that are associated with those discussions.

Mrs REDMOND: I thank the minister for his answer.

The Hon. D.C. KOTZ: The operating statement shows operating expenses under 'Other' as some \$18.507 million, which is the bulk of the recreation, sport and racing budget. Will the minister provide the details of that expenditure and its breakdown into specific areas, including specific programs and any grant funding that might be aligned to those programs?

The Hon. M.J. WRIGHT: I will get the detail of that answer for the honourable member. The majority of that money, although not all of it, is the grants money.

The Hon. D.C. KOTZ: The savings initiatives that are being undertaken throughout the minister's budget have affected the South Australian Sports Institute program, with a \$60 000 cut this year and a total of \$549 000 being cut from the budget over four years. Can the minister advise what has

been cut from the SASI program this year and what will be reduced over the next three years?

The Hon. M.J. WRIGHT: The member is correct in relation to the figures that she quoted for the SASI program. The savings in this area will be of an administrative nature. Obviously, the expectation is to provide for general efficiencies. The member also asked about the increasing nature of the numbers that are before us, because in 2003-04 it is \$60 000, growing to \$161 000 in 2004-05, \$163 000 in 2005-06 and 165 000 in 2006-07. With that increase in number, more work will need to be undertaken in regard to the detail but, as I said at the outset, the general nature is efficiency measures and also administrative savings.

The Hon. D.C. KOTZ: The minister would also be aware that SASI undertook a comprehensive risk review some two years ago into athlete travel practices, and identified that the South Australian government's insurance arrangements, administered by SAICORP, do not extend to SASI athletes. The review pointed out that, unless additional funding was approved, a potential decrease in the number of SASI athletes achieving national representation and international success would occur due to the athletes not being able to commit the required time and resources to their training and competition. It could also lead to a greater number of athletes choosing to leave South Australia to seek greater support for their training and competition needs interstate. SASI athletes need to have travel and personal liability insurance whilst travelling on SASI endorsed excursions. There is increased risk of potential costs associated with a legal claim against the South Australian government through SASI if an effective risk management, cost-effective and coordinated approach to insurance is not provided. Individual athletes could not afford to purchase a costly insurance policy. Can the minister advise what additional funding is being provided to support our South Australian athletes in the lead-up to the 2004 Olympic Games?

The Hon. M.J. WRIGHT: Rather than read the member the long answer that I have in front of me (which may not hit the mark), perhaps I can give the member the general tenor of what I think is being asked. The advice that I have received is that, within the SASI budget, money is allocated for travel and also for insurance. The whole issue of insurance, as the member would be fully aware, is a complex issue that not only relates to South Australian athletes but also, of course, to athletes from other states.

The advice I have received is that there is no additional money for SASI. The member also talked about the next round of events—obviously, the Olympics in 2004 and the Commonwealth Games in 2006. What does take place, and what is occurring on a regular basis (because I sign off on them on a regular basis, as I am sure did the member when she was minister), is that people are travelling overseas on a regular basis (maybe not the same person on a regular basis, but people from SASI) and, obviously, on many of these occasions the sporting association also meets some of the financial commitment involved, which is obviously important. There is a range of programs, of course, in which SASI is involved. I will not go through all of them, because the member would be aware of them. There is the talent search, the talent scholarship program and the various programs that are run with respect to a number of sports, including baseball, basketball, the SASI tennis program, the netball program, the men's soccer program, the volleyball program, and so the list goes on.

Mr O'BRIEN: I refer to Budget Paper 4, Volume 2, Output Class 3.1. What distribution has the government made to the community-based sport and recreation clubs from funds available from gaming machine tax revenue through the Active Club program?

The Hon. M.J. WRIGHT: Under the Gaming Machines (Miscellaneous) Amendment Act 1996, a sport and recreation fund was established, which from time to time is applied in accordance with the directions of the Minister for Recreation, Sport and Racing for financial assistance for sporting and recreation organisations. From the sport and recreation fund, the Active Club program has been established to provide financial assistance to community-based grassroots sport and recreation clubs. The government holds a strong commitment to increasing participation levels in sport and active recreation and maximising the benefits for all South Australians. It is vital that grassroots South Australian sporting and recreational communities are supported. Active Club grants aim to assist clubs to increase participation, to improve the level of their services and to provide quality sport and recreation facilities throughout the community. Since 1996, a total of \$8 259 000 has been allocated through 2 839 individual grants through this program. The amount of funds specifically sourced from gaming machine revenue for the Active Club program is \$940 000, and the government committed an additional amount of \$940 000 from the recurrent budget to the Active Club program, providing a total of \$1.88 million through this program in the 2002-03 financial year.

The budget is allocated over two funding rounds per annum, and these rounds are timed to allow access for both summer and winter sports. The first round of grants for the 2002-03 financial year closed in December of 2002. A total of 432 organisations applied for a grant in the December 2002 round. A total of 227 organisations were successful in obtaining a share of \$746 090 made available under the Active Club program from the funding round in December 2002. This shows that more than half the number of applicants are able to access these funds. These organisations represent over 55 different sport and recreation activities, representing a large and diverse cross-section of the sport and recreation community. The activities range from scouting, kindergym and orienteering through to football, tennis and lawn bowling. These activities were allocated a varying degree of financial assistance, ranging from \$1 900 for diving through to \$85 220 for tennis-related activities. The types of projects being funded vary between organisations.

Most in demand is assistance for minor equipment purchases, \$298 000; junior sport programs, \$50 000; and floodlighting, \$76 400. The amounts allocated to these types of projects are relative to the number of applications received for that project type. For example, there were 156 applications for minor equipment purchases, compared to 19 applications requesting assistance for floodlighting. Of the \$746 000 allocated in the December 2002 round, \$240 000 has been allocated to country clubs. This represents 32 per cent of the total amount allocated in this round.

Historically, the smaller proportion of the budget is spent in the first round, with the remaining balance allocated in the second round. The second final funding round for 2002-03 closed 30 on May this year. Applications are presently being assessed by the Sport and Recreation Funding Committee. Allocations will be announced in the near future.

The Hon. D.C. KOTZ: I have one quick question, in addition to one to put on notice.

Mr KOUTSANTONIS: I raise a point of order. The government is considerate of the timetable that has been agreed to by the opposition. The member says that she has questions on notice, not questions to ask. I want to get on to the next line of the budget, which is industrial relations.

The CHAIRMAN: I made the point before that the times are a guide, and it depends on the opening statement whether there is much time left for questions. There is not a lot of time left to look at quite major expenditure lines. The member can read them quickly into *Hansard* and obtain a copy later.

The Hon. D.C. KOTZ: The Minister for Administrative Services suggested that I ask Minister Wright this question about the State Aquatic Centre at Marion, which is noted in minister Weatherill's budget papers. Minister Wright quite rightly pointed out that no funding was allocated in this budget in anybody's lines until the out years 2005-06 and 2006-07.

My question to minister Weatherill was that nothing was being done about this project, because there was no allocation. He advised me that a feasibility study was being undertaken. However, as he apparently does not have any funding in his budget for even a feasibility statement at this point, he suggested that I ask minister Wright, because minister Weatherill's department was assisting this minister's department in a feasibility study. The bottom line is: what is the cost of a feasibility study? Where has it been budgeted for in the budget papers?

The Hon. M.J. WRIGHT: I do not know what the figure is, but it is funded out of Treasury. My advice is that it is expected to be approximately \$150 000. The money is in a Treasury line.

The Hon. D.C. KOTZ: Will the minister take it on notice and advise me where I can find that allocated in the Treasury items?

The Hon. M.J. WRIGHT: It is under the PPP unit in the Treasury department.

The Hon. D.C. KOTZ: Will the minister take on notice what reviews or research have been undertaken throughout the departments of racing, sport and recreation over the past 15 months? What are the results of those reviews? Will the minister table the reviews? What are the costs that relate to those reviews? Will the minister also identify any consultancies, their names, their nature, and the related costs throughout the last 15 months?

The Hon. M.J. WRIGHT: I will take those questions on notice.

The CHAIRMAN: The committee will now move to Workplace Services.

Additional Departmental Advisers:

Ms M. Patterson, Executive Director, Workplace Services.
Mr T. McRostie, Director, Workplace Relations Policy.
Mr M. Ats, Ministerial Adviser, Industrial Relations.

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

The Hon. M.J. WRIGHT: Yes, I do. Workplace Services' role is important to all South Australians. Workplace Services is a regulator, an enforcement agency, a provider of policy advice, and an educator assisting employers and workers in understanding their rights and responsibilities.

Workplace Services' contribution to South Australian workplaces and to the public cannot be underestimated. Dedicated information and inspectorate services assist in

improving our industrial relations system and workplace safety performance. This benefits all South Australians by supporting economic development. The improvement of these systems was of major importance in considering the 2003-04 Workplace Services' budget allocations. Workplace Services has been funded to:

- increase the occupational health and safety inspectorate, promising a significant positive economic impact for business and the wider community by reducing occupational injuries and illnesses and reducing workers compensation liabilities in the longer term;
- establish a major hazard facilities unit to enhance the protection of workers and the wider community by enhanced regulation of those facilities;
- modernise industrial awards so that they are easy to understand and accessible to business and workers; and
- develop templates for enterprise agreements to encourage and assist small businesses to improve their capacity to compete with larger businesses that have already accessed the benefits of the enterprise bargaining system.

I will expand on the first point relating to the increased occupational health and safety inspectorate funding in South Australia. Reducing Australia's continuing high rate of injury and disease presents a significant challenge to all South Australians. In 2000-01, based on workers' compensation data, 319 Australian men and women died from accidents or exposure in the workplace. These figures do not include those who die from work-related diseases estimated to be over 2 000 per year. The personal cost of workplace injuries and deaths is enormous. The loss or injury of a family member is tragic. Those who witness workplace deaths or injuries find the memory of the tragic incident indelibly etched in their mind. There is a very significant cost to business as well. The cost to South Australia of work-related injury and illness is conservatively estimated at \$2 billion per year.

These costs are borne mainly by employers. The only means of significantly reducing long-term liabilities and therefore direct cost to employers is through a reduction of injury and illness within the workplace. For some time stakeholders in South Australia have been making ongoing demands for increased resourcing of the occupational health and safety inspectorate. In the past, South Australia has been considered a poor performer in regard to occupational health and safety, and rightly so. There has been some progress in improving compliance with occupational health and safety legislation in recent times.

In 2000-01 there was only one prosecution under the Occupational Health, Safety and Welfare Act. In 2001-02 there were eight. This year, over 20 prosecutions are under way. We still have some way to go in preventing work-related death, injury and disease. Preventing the unacceptably high toll of workplace deaths and injuries, and fostering sustainable safe and healthy workplaces throughout South Australia, requires appropriate resourcing. The government's commitment to this has been demonstrated in this year's budget allocation of an additional \$2.5 million to Workplace Services to expand the occupational health and safety inspectorate.

The additional funding will be increased to \$3.5 million in subsequent years. Increased resourcing will enable prevention efforts and a greater focus on outcomes that improve South Australia's performance in reducing the toll of work injuries and illness and its impact on business and the community. Small business will also gain by the extra funding. The extra resources will increase the government's

capacity to deliver services to assist it to comply with occupational health and safety legislation. The increased funding will also ensure that the inspectorate has a greater presence in the field.

The funding will also increase Workplace Services' capacity to improve its approach to targeting nationally agreed high risk sectors, such as construction, transport, manufacturing and health and community services. Improved compliance in these industries must be achieved if we are significantly to lower the costs of workplace injury and disease in South Australia. Expanding the occupational health and safety inspectorate will bring South Australia's ratio of inspectors to overall employee numbers in line with other jurisdictions and improve South Australia's capacity to reduce the toll of workplace injury and illness.

Membership:

Mr Evans substituted for Mrs Kotz.

The Hon. I.F. EVANS: We have no opening statement. The Employee Ombudsman has suffered a significant cut this year of \$15 000 and a further cut of \$150 000 over three years, or \$165 000 over four years. Why has the minister cut the Ombudsman's budget so severely, and what programs of the Employee Ombudsman will be cut due to the reduction and will his staff allocation be reduced?

The Hon. M.J. WRIGHT: The honourable member says that the Employee Ombudsman's budget has suffered 'severe cuts'. I would not put it in those terms. What has been asked and expected of the Employee Ombudsman is no more than what is being asked in other areas within his and other agencies over which I have ministerial responsibility.

The Hon. I.F. Evans interjecting:

The Hon. M.J. WRIGHT: Did you ever cut yours?

The Hon. I.F. EVANS: Yes. It is a bigger cut than your ministerial office got.

The Hon. M.J. WRIGHT: As has been the case in almost all areas of government, the Office of the Employee Ombudsman has had to deliver savings efficiencies. The need to make these savings has been forced on this government by the poor economic management of the previous Liberal government. Tough decisions have had to be made to put South Australia back on track. The state government has carefully assessed each area of government services to determine how best to deliver a responsible budget which shares the effect of necessary budget cuts.

Almost all agencies have been required to assist in strategically reducing their expenditure while maximising their service delivery to the public. In this context, the Office of the Employee Ombudsman will contribute to the overall budget strategy. I am certain that the Office of the Employee Ombudsman will continue to strive to deliver the best possible service to all South Australians.

The Hon. I.F. EVANS: Is the minister going to answer the questions about which programs of the Employee Ombudsman will be cut due to the reduction and whether his staff allocation will be reduced?

The Hon. M.J. WRIGHT: It is now for the Employee Ombudsman to work with the budget he has been given. I am sure that he will come up with the options he thinks will best achieve that. To the best of my knowledge, I have not had any advice from the Employee Ombudsman with respect to the specific areas about which the honourable member has questioned me.

The Hon. I.F. EVANS: The minister says that he has had no advice from the Employee Ombudsman. That raises the question: has the minister sought any advice? Has consultation occurred between the Employee Ombudsman and the minister's office prior to the announcement of the budget cuts? That question then leads to this question: which of the functions under section 62 of the act will be compromised as a result of the budget cuts, and has the minister asked the Employee Ombudsman whether any of the functions of the act will be compromised through the cuts?

The Hon. M.J. WRIGHT: I think that the first part of the honourable member's question related to discussions that have taken place with the Employee Ombudsman. They have occurred at a departmental level and I am happy for the Chief Executive Officer to make some comment on that. To what did the second part of the question relate?

The Hon. I.F. EVANS: Which of the functions under section 62 will be compromised as a result of the budget cuts, and has the minister or his office asked the Employee Ombudsman whether any of the functions under the act will be compromised through the cuts?

The Hon. M.J. WRIGHT: I will hand over to Mr Foreman to give some detail in regard to the latter parts of the question.

Mr FOREMAN: The Employee Ombudsman's office has been asked to look at efficiency savings within its operations. We have had discussions with the office about how that might be achieved and we will be working with it into the future in terms of how they will be achieved. At this point it is not anticipated that any of the functions to which the honourable member has referred will be compromised. In fact, we will be working with the Employee Ombudsman to do whatever we can to ensure they are not compromised. It may be that the Employee Ombudsman will need to look at the priorities he assigns to different parts of the work he does.

It may be that some services that are provided elsewhere in government can help assist the Employee Ombudsman if his office experiences difficulties in meeting all of its demands. However, as a department (and his office is part of our department), we will be working with him to ensure that he is able to perform his function as set out in his act.

The Hon. I.F. EVANS: I have a supplementary question. What other—

The ACTING CHAIRMAN (Mr Koutsantonis): This is the member for Davenport's last question.

The Hon. I.F. EVANS: This is a supplementary question.

The ACTING CHAIRMAN: No.

The Hon. I.F. EVANS: Are we not allowed to ask supplementary questions?

The ACTING CHAIRMAN: You have asked four supplementary questions already, so this is your last question.

The Hon. I.F. EVANS: If that is the chair's ruling, I guess it is a sign of arrogance on the part of the government, but so be it. But I have not used the word 'supplementary' once and the chair has not indicated to me at any time that any question was a supplementary question.

The ACTING CHAIRMAN: I have allowed you to interrupt the minister; I have allowed you to elaborate on your questions; and I have given you lots of latitude. This is your third and final question.

The Hon. I.F. EVANS: Is the minister seeking to undermine the independence of the Employee Ombudsman by transferring the money from his budget, which the minister cannot direct or control, to the inspectorate function, which the minister can control? So, is this just another grab

for power by the minister? He wants to take WorkCover under his control; he wants to take OH&S to an area where he controls it more; and he wants to take money from the Employee Ombudsman so he can control it more. Is this just another grab for power?

The Hon. M.J. WRIGHT: Not at all.

Mr CAICA: I refer to Budget Paper 4, Volume 2, page 6.11. What is the government doing to ensure that South Australia implements strategies to achieve the nationally identified targets for reducing death and injury at work over the next 10 years?

The Hon. M.J. WRIGHT: I thank the member for Colton for his ongoing interest and commitment in this area. The National Occupational Health and Safety Strategy embraces the adoption of systematic approaches for the prevention of death and injury by government and industry and is based on the following principles. First, that a comprehensive and systemic approach to occupational health and safety risk management should be a part of day-to-day business operations. Secondly, it is essential to pursue responsibility for eliminating or controlling risk at the source of the risk, be that with the designer, the manufacturer, the supplier or in the workplace. Thirdly, there should be cooperation and commitment of all people at the workplace to identify issues and initiate preventive action (this means everybody at the workplace being actively involved).

Fourthly, that prevention also requires the parties in the workplace to be appropriately skilled in occupational health and safety so they can participate effectively in consultations and in identifying and implementing improvements. Fifthly, that governments in their capacity as major employers, regulators and procurers have significant influence over the achievement of better occupational health and safety outcomes, and governments should actively pursue opportunities to make an impact. Finally, major stakeholders, including governments, need to be committed to coordinated, consistent and cooperative approaches to occupational health and safety improvement.

Information published by the National Occupational Health and Safety Commission for the World Day for Safety and Health at Work, which was held on 28 April this year, illustrates the importance of occupational health and safety in the workplace. For example, I have already talked about the 319 Australians who died from accidents or exposures in the workplace in 2000-01, that more than 2 000 deaths each year are caused by work related diseases, that poor occupational health and safety performances cost Australians over \$20 billion per year, and more Australians die from work-related causes than from road accidents.

South Australian initiatives include that, given these figures, the government is committed to these principles and is showing its commitment through a number of different initiatives. In line with the National Occupational Health and Safety Strategy, South Australia is concentrating efforts aimed at the prevention of fatalities and injuries in the priority industries of manufacturing, construction, transport and storage, and health and community services. In particular, there is a focus on injuries caused by slips, trips and falls and hitting and being hit by objects. In the manufacturing industry, we have implemented a targeted compliance program relating to high risk power press use. This program is aimed at achieving a reduction in amputation and crush-type injuries.

In relation to the construction industry, we are participating in the national construction reference group which is

reviewing national industry standards to address high risk activities such as working at heights, demolition, and pre-cast and tilt-up construction. This review has included consideration of existing national and international regulations, standards, codes of practice and guidance material.

South Australia also has in place a targeted industry program covering local compliance issues related to working at heights, scaffolding, electrical hazards, plant safety and general hazards. It is also important to point out that South Australia is working with the National Road Transport Council to develop a code of practice designed to systematically manage the issues associated with fatigue experienced by drivers. A targeted compliance program has also been implemented relating to high risk transport operations associated with pneumatic loaders, livestock carriers, vehicle carriers and bulk tankers.

Mr CAICA: I refer to the same budget paper and the same line, minister. In light of the SA Longford report, what has the government done to address the danger posed to the South Australian community by major hazard facilities?

The Hon. M.J. WRIGHT: I thank the member for Colton for his second question, and it is a very important question. As members would appreciate, the tragedy at the Longford gas plant has led to a significant re-evaluation of the way Australian governments regulate major hazard facilities. In the first instance, I commend the previous government for initiating a project to explore the need for enhanced regulation of major hazard facilities in South Australia. I make reference to the previous estimates committee of 1 August 2002 where I confirmed that the government was committed to continuing this work by making provision of \$75 000 in the current financial year's budget. This provision was made to fund continuing project work in relation to the development of a regulatory model. This government has now provided a further \$1.6 million over the next four financial years to bring the process to fruition and to implement enhanced regulatory arrangements for these facilities in South Australia.

The Esso Longford disaster happened in Victoria in 1998 when an explosion occurred after a major pump failure. Two workers died, eight were injured and Victoria was without gas for 10 days. The disaster had a terrible impact on business and the broader community. The direct cost to Esso associated with this disaster is in excess of \$202 million. These costs are likely to increase following a recent prediction by Victorian Supreme Court Justice Bill Gillard that the company may have to pay nearly \$1 billion compensation to businesses as a result of the explosion and loss of gas in 1998. Fires and explosions at some of the identified major hazard facilities in South Australia have further reinforced the need to upgrade safety requirements for the management and operation of these plants.

Workplace Services initiated a review of the Victorian Royal Commission report into the Esso Longford gas plant accident. The aims of this review were to ascertain if there were any significant lessons for South Australia and what benefits or impact the commission's recommendations would have on equivalent facilities if they were implemented here. Some of the key points from the report are worthy of note. The Royal Commission stated that, had Esso been required to submit a safety case for its facilities at Longford before the disaster, it is likely that it would have identified the very hazards that contributed to the disaster. Secondly, the Royal Commission reached the conclusion that one legislative change which is both necessary and desirable is the introduc-

tion of legislation requiring the operator of a major hazard facility to conform to a safety case procedure.

Finally, the Esso plant is, of course, only one of many major hazard facilities in Victoria, and the royal commission went on to recommend that a government authority would be required to administer a safety case procedure, and that its powers should extend to all major hazard facilities within the state. I should point out that a safety case is the means by which an operator of a major hazard facility demonstrates that they have developed and implemented a comprehensive and integrated management system for all aspects of control measures adopted in relation to major hazards and major incidents.

In relation to the review of existing legislation relative to major hazards in South Australia, I can report that the government has almost completed this review covering facilities. A highly consultative process has been used in undertaking this review. An industry consultation paper was released to stakeholders on 5 July 2002, and this paper raised four regulatory options for consideration and comment.

At last year's estimates committee hearing, I informed the committee that a major consideration in the adoption of any new regulatory models is determining who will meet the cost of introducing and enforcing the new arrangements. To explore this issue, I indicated that the government would consult with key stakeholders prior to making a final decision on how to regulate major hazard facilities, and a budget of \$75 000 was allocated to pursue this work. As part of the review, Workplace Services established that, using the national standard for control of major hazard facilities definition of a major hazard facility, South Australia has potentially 14 separate sites that would classify as a major hazard facility.

The current legislation provides a broad but unspecific duty on operators of major hazard facilities to actively manage major hazards and major incidents. Overall, Workplace Services concluded that the South Australian legislation was in most parts deficient in the specific control of major hazards and major incidents. The exception would be the Petroleum Act, which imposes a safety case requirement on the Santos Moomba gas operations and the associated 780 kilometre gas pipeline to Adelaide.

[Sitting suspended from 1.03 to 2 p.m.]

Membership:

Mr Rau substituted for Mr O'Brien.

Mr CAICA: I refer to Budget Paper 4, Volume 2, page 6.11. What action is the government taking to control the use of firecrackers and other fireworks in South Australia?

The Hon. M.J. WRIGHT: I thank the member for Colton for his question. The government continues to be proactive in furthering the safety of fireworks in South Australia. Police patrols responded to public complaints about fireworks use on 256 occasions during the Christmas-New Year period of 2002-03. This underscores the continuing need for enforcement of the strict controls for fireworks introduced in 2001, with the strong support of the government, when in opposition.

Other examples of the dangers posed by these products include a serious incident in Queensland which left one child dead and several people badly injured. In addition, there are recent examples of a significant explosion at Mount Carmel

in Western Australia and at MovieWorld on the Queensland South Coast.

Six major investigations by Workplace Services' explosives inspectors are currently under way for breaches of regulations relating to storage, importing, sales and the use of fireworks. Collectively, more than 3 300 kilograms of fireworks have been seized. In 2002, three prosecutions were conducted, resulting in fines of over \$7 000, and fireworks totalling 3 850 kilograms were forfeited to the crown for destruction. The offences included importing explosives without notifying Workplace Services, storing explosives in excess of the licensed quantity, and importing prohibited explosives.

Increases in the Workplace Services' Inspectorate, particularly in the expected addition of seven technical/specialist inspectors (which was provided for by the increased resources from the May budget) will allow a boost to resourcing for inspectorial activity dealing with fireworks and other explosives.

These reviews will enable better liaison with police, local government and emergency services in identifying and dealing with illegal activity, and will also allow better resourcing of investigations and response to complaints. This provides a direct tangible benefit for the South Australian community.

The government has strongly lobbied the federal government to deal with illegal fireworks at the point of entry into the country. As a result, Workplace Services is working with the commonwealth as part of a national effort to reduce the importation of illegal fireworks into Australia. This will involve an upgrade in the extent of liaison with the Australian Customs Service to enable a greater level of detection of illegal imports at the point of entry into Australia. This is necessary because of the extent of illegal transport of fireworks between states, particularly out of the ACT. The move is supported by all jurisdictions.

The government continues to lobby the commonwealth to upgrade its classification of fireworks imports to require even closer scrutiny at the point of entry into Australia. These problems are not unique to South Australia, and the recent police seizure of a total of 1 500 kilograms of illegal fireworks in Victoria highlights the need for a stronger level of control in this area.

In keeping with the commitment given in 2001, when the regulations came into effect, Workplace Services will shortly commence a review of the control of fireworks in South Australia. The review will include consultation with fireworks industry operators, local government, community groups, other relevant government agencies and the general public. This review will include all aspects of the control of fireworks, including the regulations introduced in December 2001, and issues arising from interstate and overseas experience with fireworks and their use. Any consequent proposal for changes to legislation will be subject to stakeholder comment before being brought to the parliament.

The Hon. I.F. EVANS: In relation to Budget Paper 3, will the minister detail the savings initiatives of \$174 000 across Workplace Services and around \$1.3 million savings from the Industrial Relations Court and Commission? What is the make-up of them?

The Hon. M.J. WRIGHT: It is a double-barrelled question: one being about the savings in Workplace Services of \$174 000 and the other being about the court and commission, which the member identified as \$1.3 million. The \$174 000 savings will be for administrative efficiencies. That

will need to be applied across a range of functions. With respect to the other part of the question for the court and commission, that will include areas of improvements to IT, improvements in transcripts and may well include others identified as the court and commission works towards achieving those budget outcomes.

The Hon. I.F. EVANS: Thank you for that detailed answer: it clarifies it greatly. ‘Cutting across a range of functions’—I would never have thought of it.

The Hon. M.J. WRIGHT: I had a very good teacher: I learnt from you.

The Hon. I.F. EVANS: With regard to the number of OHS investigations finalised and submitted, there are some interesting figures. It seems you are saying in the figures that prosecutions will increase from 25 this year to 80, but there is a reduction in the OHS investigations, with a touch over 1 500 now down to 1 500. The budget last year was for 2 000 and now it is down to 1 500. You are spending \$13 million over four years to increase the number of inspectors, the number of investigations will reduce, but the number of prosecutions will increase. How can that occur?

The Hon. M.J. WRIGHT: I draw the honourable member’s attention to the second point in sub-program 2.3 and will ask the Director of Workplace Services to give an expansion on that. If we look at that point, implementation of a revised investigation/decision-making process, including selection criteria for investigations to proceed, is reflected in pure investigations progressing. Investigations are more focused on successful compliance outcomes. I will ask Ms Patterson to elaborate on the detail of how the prosecution will work from a practical sense.

Ms PATTERSON: The number of investigations referred to in the budget papers is less than the target amount for this year because it is somewhat dependent on the number of notifiable incidents and complaints received by Workplace Services. In this case the number of investigations that have occurred is roughly equivalent to the number of received notifications of serious incidents and dangerous occurrences and complaints. We are trying to work more efficiently by ensuring that we investigate only the serious incidents, occurrences and complaints that warrant further action, by which I mean investigation that will lead to some sort of improvement in safety in the workplace.

We have rationalised the expectation for next year in terms of next year’s target to match what we would anticipate the number of notified incidents to be. As far as prosecutions go, it has been mentioned that we are coming from a base of one prosecution resulting in a conviction in 2000-01, eight last year, around 24 or 25 this year and an anticipated significant increase next year. That is part of the same strategy that ensures that Workplace Services makes every effort to balance the prevention activities across the education, information, compliance and enforcement activities.

The Hon. I.F. EVANS: By way of supplementary question, I understand there will be virtually a doubling of the number of workplace inspections from 8 000 to 15 500; you are spending \$13 million extra over four years on inspectorate services and will double the number of inspections; the number of workplace investigations finalised will reduce (it was 1 153 in 2001-02 and will now be only 1 100, so it has gone down); your own budget figures show that the number of investigations completed will not be as many as in 2001-02; and, as a result of that, you somehow assume you will get 80 prosecutions from doing fewer inspections with \$13 million extra for inspectors to do twice the number of

inspections. Those figures do not add up. I assume you have to visit every complaint you receive by phone to decide whether it is worth pursuing by way of prosecution. I assume if someone rings in with a complaint you have to go out and visit the site and make a judgment whether or not to prosecute.

Ms PATTERSON: You may have to visit—it depends on the assessment of the complaint or the notification of the incident received as to whether or not a visit is necessary, and that is what I was alluding to before. There has been a situation where sometimes a visit has occurred in the past where we can now, by asking a series of questions on the telephone, perhaps get to a better understanding of the nature of the incident and whether or not it requires further investigation in the form of a site visit.

You said that there will be increased inspections of work sites, which will involve (as mentioned in the explanatory note No. 3) increasing many of the planned prevention activities as well, that is, the information, education and compliance auditing projects, which are very much prevention based to ensure that we try to move the emphasis of the inspectors’ work to before an injury or incident occurs.

The Hon. I.F. EVANS: What is the break-up of the 15 500—is it half compliance?

Ms PATTERSON: Our definition of a compliance activity includes information, education, compliance and enforcement activities. We try to ensure that there is at least as much information and education as enforcement activities. The record for the past couple of years has indicated considerably less enforcement activity on that end of the spectrum than there has been information, so it is about rebalancing that.

The Hon. I.F. EVANS: Is it true, then, that you are planning on fewer investigations to be finalised this year than in 2001-02?

Ms PATTERSON: It is the criteria for what we define as an investigation that are changing, that is, including something that requires further action, whereas it has been defined differently in the past and has included everything from the initial query through to the site visit. We are limiting the site visits in response to those types of notified events.

The Hon. I.F. EVANS: What you are trying to tell me is that the word ‘investigation’ has a different meaning in the 2003-04 target than it does in the 2001-02 target?

Ms PATTERSON: The response activity is defined differently, as mentioned in the explanatory note under point 2.

The Hon. I.F. EVANS: Can I compare them fairly or not? What you are telling me is that I cannot compare them.

Mr KOUTSANTONIS: On a point of order, sir, standing orders state that members of the committee cannot ask direct questions of the public servants.

The Hon. I.F. Evans interjecting:

Mr KOUTSANTONIS: No, you were badgering her.

The CHAIRMAN: Order! I uphold the point of order. I was going to make that point but I did not want to interrupt that conversation. However, for the guidance of the member for Davenport, I advise him that he must ask questions through the minister. Otherwise, we might encourage the advisers to become politicians, which would not be a good thing. The quality might go up and we do not want that because we would look bad! The member for Davenport must ask the minister and then he can ask his adviser.

The Hon. I.F. EVANS: Is the officer giving an answer to the effect that we cannot compare the 2003-04 target for

investigations to be finalised, which at 1 100 is less than 1 153 in 2001-02, because the definition of 'investigation' is now different? If that is the case, why are they on the same line? Why have they been put into the budget as a comparison? They should be on different lines.

The Hon. M.J. WRIGHT: The answer has already been given on a number of occasions by both the officer and me. The explanation to the question that the honourable member is asking is in the Workplace Services, subprogram 2.3, performance commentary. In specific reference to the honourable member's most recent question or two, point 2 provides that implementation of a revised investigation decision-making process (including selection criteria for investigations to proceed) is reflected in fewer investigations progressing. Point 3 gives an explanation of what is occurring and uses the same terminology: revised investigation and case management processes, coupled with targeted workplace projects and auditing, will increase investigations referred for prosecution.

To draw back to some generalities that have been referred to by Ms Patterson, the work undertaken includes prevention, education and information, and it needs to include enforcement, as well. So there is a balance of those that are undertaken by the inspectors.

The Hon. I.F. EVANS: Can the minister outline to the committee the total cost of the Greg Stevens' consultancy, including a breakdown of what Mr Stevens was paid, other than staff costs and incidentals? Has Mr Stevens conducted any further work since the original consultancy for the government and, if so, at what cost and how much was Mr Stevens paid?

The Hon. M.J. WRIGHT: The advice that I have received is as follows. The total direct cost of the review was \$51 535. Of this figure, \$41 469 related to professional fees paid directly to Mr Stevens for his work. The remainder, \$10 066, related to travel and accommodation expenses for Mr Stevens and departmental officers, advertising, printing and other expenses associated with the preparation of the report. Mr Stevens' expenses for travel, accommodation and meals were less than \$2 000 for the review period. My advice is that Mr Stevens has not done any other work for Workplace Services.

The Hon. I.F. EVANS: The question was whether he has done any other work for the government.

The Hon. M.J. WRIGHT: I will take that on notice because I am not sure of the answer.

Mr KOUTSANTONIS: I refer to Budget Paper 4, Volume 2, page 6.11. What funding has been committed in the budget to provide for assistance in improved industrial relations outcomes in South Australia?

The Hon. M.J. WRIGHT: Improving our industrial relations system is crucial to supporting South Australia's economic growth. Attractive employment opportunities are the key to ensuring that South Australia is recognised as a good place to live and work, a place where workplace cooperation, protection, flexibility and fairness provide increased job security and job opportunities. This government has focused on initiatives that will achieve fairer industrial outcomes for South Australian workers and employers delivering significant social and economic benefits.

The first steps in improving the state's industrial relations system have been addressed in the state budget for 2003-04 by providing funding for two key initiatives in the industrial relations arena in this state. Funding will be provided over four financial years from January 2004 to December 2006 to

allow the updating of awards and to develop templates to assist small business to develop enterprise agreements. Initial funding of \$100 000 for the 2003-04 year will be provided, with \$500 000 in total to be provided in 2004-05 and 2006-07.

These initiatives, based on recommendations from the recent review of the South Australian industrial relations system undertaken by Mr Greg Stevens, will help to deal with fundamental changes that have occurred in the nature of employment relationships over the last 10 years. In the course of the review, Mr Stevens invited stakeholder comment on the South Australian industrial relations system. Submissions continually commented that awards need to be expressed in plain English, be kept up to date, and be relevant to reflect recent decisions and community standards.

At present, section 99 of the Industrial and Employee Relations Act 1994 requires the Industrial Relations Commission to review each award at least once every three years. On a review under this section, the commission may vary an award to ensure that the award: is consistent with the objects of the act; affects only to the minimum extent necessary the way work is carried out; leaves the practical application of its provisions to be worked out in the workplace; is consistent with industrial, technological, commercial and economic developments applicable to the relevant industry; and complies with other requirements prescribed by regulation.

Although the section 99 process has been in place for some time, it was noted in the Stevens report that almost all submissions to the review commenting on awards recognised the need for a more concerted effort towards the improvement of awards. The government's budget allocation for award improvement will assist in ensuring that, in the future, awards contain up-to-date and relevant provisions to reflect recent decisions and community standards, non-discriminatory provisions, easy to understand clauses, expressed in plain English, and consistent definitions. Small business, unions, employer groups and the public, utilising the state award system, will all benefit from the modernisation of industrial awards (that is section 99).

As noted in the Stevens report, there is evidence that it is apparent that small to medium size businesses have, largely, not participated in formal agreement making processes. Many of the objections voiced by small business to participating in enterprise agreement making relate to the perceived complexity, cost and formality of the processes involved. South Australia has a high ratio of small to medium size businesses. The Stevens report identified that opportunities to encourage small to medium size businesses to adopt agreements should be promoted. Ease of agreement making is considered to be imperative in providing the opportunities to assist small business.

The government is committed to improving the position of both workers and small business employers in South Australia. To encourage the uptake of enterprise agreements by small businesses, the government will develop template enterprise agreements for small business to make the process easier. Consistent with the government's desire to work in partnership with different industry groups, it is anticipated that a wide range of industry stakeholders will participate and contribute to the development of the template agreements. This budget allocation should support employment growth, and represents the government's commitment to South Australia's being a good place in which to live and to work.

Mr KOUTSANTONIS: My next question would probably be better asked by the member for Enfield, given his

attire today, but I will push on with it. I again refer to Budget Paper 4, Volume 2, page 6.11. What is the government doing to improve occupational health and safety outcomes in country regions of South Australia?

The Hon. M.J. WRIGHT: Quite a lot, now that the member has asked. As people know, this is the best government that country South Australia has ever had.

Members interjecting:

The Hon. M.J. WRIGHT: I know that even members of the opposition concur. Every time the member for Goyder asks me a question about Yorke Peninsula, I respond as quickly as possible to show our support for country South Australia. This government is serious about the country—this government is serious about the bush—unlike the previous government. As I was saying, the state government is committed to improving industrial relations and occupational health and safety outcomes for all South Australians. To ensure improved occupational health and safety outcomes in regional areas, a country team manager has been appointed for Workplace Services. The manager has significant experience in regional areas and the industrial and occupational health and safety issues that are of greatest importance to those regions. The country manager is based at the Mount Gambier office of Workplace Services, and manages all the regional offices. A component of the 50 per cent increase in occupational health and safety and technical or scientific specialist inspectors provided in this budget will be given to country offices.

To further improve occupational health and safety outcomes, Workplace Services is involved in various regional initiatives and projects. Examples of these initiatives and projects include the Indigenous Communities Project and the aquaculture project. The Indigenous Communities Project is aimed at increasing awareness of occupational health and safety responsibilities in indigenous communities. To achieve this, Workplace Services works with indigenous community leaders, businesses and community development employment programs. Service delivery is established in a collaborative way, and is tailored to meet the needs of each group. The aims of the project will be achieved through the establishment of formal lines of communication, education and advisory services. In particular, the project aims to address a high level of under reporting of workplace injuries and illness. Further projects tailored to meet the needs of this group will be developed as part of the project.

The Aquaculture and Ocean Fishing Project is aimed at addressing occupational health and safety issues in the aquaculture and ocean fishing industries. Studies from the National Occupational Health and Safety Commission have identified the fishing industry as having the second highest rate of fatalities of any industry in Australia. The objectives of the project are to increase awareness of and compliance with the relevant occupational safety legislation; to improve the procedures relating to notifiable accidents and injuries; and to change the industry culture relating to occupational health and safety. The Aquaculture and Ocean Fishing Project is another example of the collaboration between the regional and Adelaide offices of Workplace Services.

The CHAIRMAN: What can be done to protect young people in the workplace who are being exploited by a small minority of employers, particularly in the hospitality and the beauty industries, where they work, often without pay for a period, on the promise of something coming up, maybe? I am told that the law at the moment is deficient because, if they complain, they are almost certain to lose their job, or the

prospect of a job. The Employee Ombudsman has, I know, highlighted the fact that he is unable to do much for them. I hear of repeated situations where that abuse occurs, but the young person feels vulnerable. The parents do not want to complain, either, because the employer will know from where the complaint came. So, that situation continues, in particular, in those two industries—among, I stress, a minority of employers.

The Hon. M.J. WRIGHT: This is certainly a very serious issue, and it is something that has been identified in the Stevens report. The major issue here, as I think the Chairman has identified, relates to the power of the inspectors. Under the Industrial and Employee Relations Act, they can investigate only after a formal complaint has been made. I think there were about 220 recommendations (I may be slightly out) in the Stevens report. One of the recommendations that was made (and I might not have it technically correct), generally, was that there should be a targeted strategy with regard to compliance, which would mean that one could provide the opportunity for inspectors to go in and investigate in that situation without a formal complaint having been made. That is something to which the government would need to give consideration, because it would require change to legislation. As I said, there were over 220 recommendations in the Stevens report. But that was certainly one area about which he has identified his concern.

I think that, independent of what has been recommended by Greg Stevens, it is a genuine concern. I think the Chairman made a very real point: young people do feel threatened in that situation. And you could imagine that, as a parent, you may also not wish to intervene because of the consequences.

The member for West Torrens made comment that it may be in the interests of young people to join the appropriate industrial body to provide some representation. However, first and foremost, that current arrangement within the existing act with respect to the responsibility and the role of the inspectors is an area of concern to which the government is giving consideration.

The CHAIRMAN: The committee will now move to WorkCover.

Additional Departmental Advisers:

Mr G. Davey, Acting Chief Executive Officer, WorkCover Corporation.

Mr G. Troughton, General Counsel, WorkCover Corporation.

Mr R. Muncey, Director, Office for Government Enterprises, Department of Treasury and Finance.

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

The Hon. M.J. WRIGHT: Yes I do. Twelve months ago, before this committee I foreshadowed plans for a major review of occupational health and safety and workers rehabilitation compensation in this state. The review made a number of recommendations. I am sure that members are aware that the government has introduced legislation to progress the reform of occupational health, safety and welfare in South Australia.

As members are aware, I had concerns in opposition about aspects of WorkCover's funding. Upon coming to government, I continued to ask with concern about the state of the scheme. One of the most important issues in terms of the adequacy of assessments of the health of the scheme is the rates of claims discontinuance and the method by which that

discontinuance is achieved. We have learned that the previous assessments did not adequately reflect poor outcomes in terms of discontinuance.

The increase in the assessment of WorkCover's liabilities is fundamentally a recognition of the unacceptably low rates of return to work achieved by the scheme. I understand that rates of non-redemption discontinuance have essentially been in sustained decline since 1996.

In December 2002, I tabled the WorkCover Corporation annual report in parliament. It revealed a significant increase in the actuary's assessment of the claims liabilities. In March 2003, WorkCover reported that the assessment of its position as at 31 December 2002 had deteriorated to such an extent that there was an unfunded liability of some \$350 million. This confirmed the need for an increase in the average levy rate which the board determined would be 3 per cent for 2003-04. This average levy rate reflects two components: a rate of 2.4 per cent to cover the annual costs of the scheme and its administration, and .6 per cent to start to claw back the unfunded liability.

I have been critical of decisions that have contributed to the situation that the WorkCover Corporation now faces—not least the decision to provide a rate rebate and to reduce subsequently the average levy rate, thereby reducing levy collections by some \$135 million. As I have previously stated, this loss of revenue has certainly added to the existing problem. WorkCover Corporation's position also has been hit by the sustained slump in world investment markets. However, the funding position also has been severely impacted by WorkCover's failure to deliver the kind of outcomes in terms of claims management that I would like to see. In particular, I would like to see improvements in terms of returning injured employees to work. Clearly, the reassessment in WorkCover's position is of serious concern to the government. One aspect of the unacceptable rate of return to work being achieved relates to redemptions. I will refer to that shortly, and there is certainly a story to be told.

I have expressed my views to WorkCover that claims management and its outcomes should, in my opinion, be given the very highest priority. I made my views known to the board in writing. I told the board that, historically, non-redemption discontinuance rates have been substantially higher than in recent years. A return to the non-redemption discontinuance levels achieved in the past would have a very significant impact on liabilities, as well as better fulfilling legislative requirements.

In my view, the focus on claims management and outcomes should include, as a critical element, better delivery of rehabilitation services, improved assistance in returning injured employees to work and better retraining arrangements. All stakeholders would benefit from expeditious improvements in these areas. In my view, the return of non-redemption discontinuance levels to at least the peaks that WorkCover has achieved in the past should be the key focus of the WorkCover Corporation.

By improving non-redemption discontinuance rates, there are the obvious benefits to injured workers and their families. However, there is also the potential to deliver significant benefits in terms of reducing the claims liability of the scheme and improving the funding position. It must always be borne in mind that the WorkCover scheme is a long-term scheme. It can take many years for the full effects of changes to be felt. We are committed to addressing the problems that have been developing in the scheme since the mid 1990s, but

it is no small task. It will take time to return the scheme to the proper basis that we would all like to see.

A significant factor in the deterioration of discontinuance through return to work is the introduction of redemptions by the previous Liberal government. That is not say that redemptions have no place in our system. Clearly, they are strongly supported by stakeholders and have a valuable role to play. However, it has become apparent that, at the time redemptions were introduced, not enough parameters were put in place to ensure that they were used in the best interests of the workers compensation scheme.

One of the most critical aspects of ensuring the best possible outcomes in terms of claims management is WorkCover's management of its relationship with claims agents. As members are aware, claims agents are the private sector insurers who manage claims on behalf of WorkCover Corporation. In terms of sending messages to the claims agents, one of the most important tools WorkCover Corporation has is the incentive arrangements that exist for the claims agents. These arrangements are critical in giving the agents direction about what the WorkCover Corporation wants them to achieve in order to promote the best interests of the scheme.

WorkCover Corporation made it clear to the agents that it wanted them to achieve discontinuances. However, under the previous government, I am advised that incentive arrangements were introduced where no difference was accorded to discontinuances due to redemptions and discontinuances due to return to work. Quite clearly, generally speaking a return to work is a better outcome for the scheme, the injured worker and their family. Better outcomes for the scheme would mean lower liability assessments and the potential to look at reductions in the average levy rate. Action has now been taken to put the brakes on redemption activity.

WorkCover Corporation is undertaking further work to ensure that achieving discontinuances through return to work is the major focus in the management of claims. I am determined that, as a government, we do everything possible to ensure that the workers' rehabilitation and compensation scheme in South Australia is well managed and delivering the outcomes it should for injured workers and their employers. WorkCover has recognised that there is a need for change. The WorkCover Corporation is focusing on the very important task of restoring the scheme's funding position.

Improved non-redemption discontinuance rates have the potential to make a very significant contribution to reducing the scheme's liability. As I said, the WorkCover scheme is a long-term one. The fundamental issues with which we are really grappling now had their genesis in the mid 1990s. The government is committed to remedying the problems left to us by the former government. We have already started that process, but there is much more work to be done. I know that, with the support of the stakeholders, we will succeed.

The Hon. I.F. EVANS: I will not make an opening statement, but I just observe that we are now down to 28 minutes for questions in a 45 minute program.

Mr Caica interjecting:

The Hon. I.F. EVANS: I just think it is a little sad that this is the way the estimates program is run. What did the Stanley OHS and WorkCover consultancy cost and how much of that went individually to Mr Stanley, Mr Bishop and Mr Meredith?

The Hon. M.J. WRIGHT: Like all other members, I am sure that the member for Davenport welcomes not only the review that has been undertaken but also the challenge that

now confronts government. As members would be aware, this review was initiated by the government to examine existing occupational health, safety and worker compensation arrangements and to make recommendations on future arrangements that will ensure best practice for South Australia. It was the first such review in some 20 years, and a very timely one at that. Former Industrial Court, Industrial Commission and Workers' Compensation Appeal Tribunal President Brian Stanley headed the review team, which also included senior public servant Rod Bishop and Frances Meredith, a former workers' compensation review officer.

The government thought it was important to have a structure of that kind because it enabled the review team to get on with business. The government believed in giving this area priority. Because it is such a big field, we felt it important to have someone look specifically at workers' compensation, and that was undertaken by Frances Meredith; someone to look specifically at occupational health and safety, and that was undertaken by Rod Bishop; and someone to draw together those findings, and who better to do that than a former Industrial Court, Industrial Commission and Workers' Compensation Appeal Tribunal President. Those three people certainly went about their task, and they were very wise choices, if I may say so.

The Hon. I.F. Evans interjecting:

The Hon. M.J. WRIGHT: The choice was made with bipartisan support, and that should be acknowledged. The first step in the review was the development of an issues paper and a call for—

The Hon. I.F. Evans interjecting:

The Hon. M.J. WRIGHT: —well, I do not know whether Ingo was happy with our choice—submissions to be made by interested parties. Following the receipt of submissions, the review team began to develop its recommendations prior to a further round of consultation with stakeholders. In total, the review involved 52 meetings in South Australia with major stakeholders and community consultations and 19 interstate meetings with workers' compensation and occupational health and safety authorities and academics, and 166 submissions were received from a range of employer and employee associations, individual workers and employers, service providers, lawyers and others.

A series of recommendations from the review are now before the government. As members would be aware, suggestions were made last year that the cost of the review would be of the order of \$750 000. I cannot remember who put that figure before me, but it could have been someone in this room; I am not sure. On 13 August 2002, I informed the house that the budgeted cost of the review was estimated at \$374 000. However, I am pleased to indicate that the review has cost considerably less than what was budgeted.

I am advised that the cost of the review is as follows: staffing (members of the review committee and administrative support), \$140 519; review operations and set-up costs, \$37 411; accommodation, \$21 472; office supplies, \$34 213; community consultation (including travel), \$10 659; and legal specialist advice, \$4 356, giving us a grand total of \$248 630. All costs of the review have now been processed. The review, therefore, at a cost of \$248 630, has cost approximately \$125 000 under the budgeted expenditure.

The government would like to thank the review team for its efforts in conducting the review and the way in which it went about its business. We thank it for its work.

The Hon. I.F. EVANS: Was the \$248 000 all out of WorkCover levies as committed last year?

The Hon. M.J. WRIGHT: Yes, it was funded by WorkCover.

The Hon. I.F. EVANS: Has the WorkCover scheme cash flow been negative in any of the last four quarters and, if so, by how much? What is the projected cash flow for the current quarter and the next quarter?

The Hon. M.J. WRIGHT: I am happy to provide the detail for the honourable member but, generally speaking, over the past year it has been negative. The investment outlook for the future is more positive but, in regard to the specifics, I will take the question on notice and get the detail for the honourable member.

The Hon. I.F. EVANS: Is it true that as at the December 2002 quarter the financial position declined significantly compared to June 2002, with an unfunded liability increasing from around \$190 million as at June 2002 to around \$350 million as at December 2002; and, of this \$160 million blow-out, around \$125 million was an increase in claims liability as a major cause? Also, will the minister advise when he was first advised that the claims liability was a major cause of the decline in WorkCover's financial position?

The Hon. M.J. WRIGHT: I think there are basically three parts to the member's question, if I have interpreted it correctly—namely, in regard to the figures that he talks about, the question about claims liabilities and whether I received certain information. Generally speaking, all WorkCover liabilities are claims liabilities, so that is not to be unexpected. Claims costs go 40 years into the future. So, when the member asks about claims liabilities, that is what WorkCover is about. Generally speaking, all WorkCover's liabilities are claims liabilities. In regard to the last part of the question, I am not sure whether or not it was two-barrelled but, obviously, anyone who is familiar with WorkCover is familiar with that concept.

With regard to the second part, if there were two parts to the question, certainly I picked up the specific date that I was advised of a particular figure. I would need to check that date and get back to the member.

Mr RAU: I refer the minister to Budget Paper 3, 2003-04, chapter 7, page 8. In light of the difficult nature of the investment market, can the minister advise the committee of the performance of WorkCover Corporation's investment portfolio?

The Hon. M.J. WRIGHT: It is good to have the member for Enfield back and, hopefully, he did some good work before he got here. I am sure he did, and I thank him for the question and also his ongoing commitment to this general area. We have had a range of discussions not only since he joined us in the parliament but also previously. In regard to the question, as at 31 May 2003, WorkCover had over \$640 million in funds invested to meet current and future claim liabilities. The unaudited nominal investment return for the 2002-03 financial year to 31 May 2003, after fund management fees, is a loss of \$2.6 million as compared to a budgeted loss of \$32 million. Investment markets have improved significantly in recent months and WorkCover has benefited through recent monthly gains. Those gains have counter-balanced losses experienced in earlier months of this financial year.

WorkCover's unaudited return for the financial year to 31 May 2003 is minus .1 per cent, comfortably above the median investment return for larger Australian investors, with balanced growth investment portfolios of minus 2.3 per cent as measured by leading investment consultants In Tech. The causes of the lower returns were recent unfavourable

conditions in Australian and overseas share markets influenced by the Iraq conflict and protracted sluggish economic conditions in many countries. Given the longer-term nature of the investment strategy, the following information provides a better indication of performance. All figures are preliminary and unaudited. For the five years to 31 May 2003 there was a return of 4 per cent per annum; for the 10 years to 31 May 2003 there was a return of 7.7 per cent per annum; and over 15 years since the inception of the scheme to 31 May 2003, there has been a return of about 9.9 per cent per annum.

The board has formal structures in place to ensure ongoing review and monitoring of the WorkCover Corporation's investment activity. WorkCover maintains a very diversified, moderate risk investment strategy aiming for competitive medium to longer-term investment returns. This strategy has been tailored to reflect the scheme's unique liabilities, with little focus on the investment strategies of other investors as their circumstances are usually quite different to those of WorkCover. The WorkCover board endorsed the current investment strategy in mid-2002 as being appropriate to the scheme's needs. A further review is currently under way incorporating more recent data. WorkCover's investment strategy is expected to generate longer-term returns in line with actuarial targets with a probability of returns being negative around one year in four, in line with most other larger investors with balanced portfolios.

In summary, I make the observation that there has been a very difficult climate in recent months and years for investing institutions. Many people in our community have had to grapple with significantly lower returns, for example, on their superannuation, than they had come to expect after the excellent returns achieved in the late 1990s. It is never pleasing to see a negative outcome from investment activities. However, stakeholders can derive some comfort from the fact that the investment activities of the WorkCover Corporation have exceeded relevant benchmarks.

Mr RAU: Can the minister outline what factors impact on the funding position of WorkCover?

The Hon. M.J. WRIGHT: The funding status of the South Australian Workers Rehabilitation and Compensation Scheme relies on a range of factors, including the assessed claims liabilities stretching 40 years into the future, revenue from levy collections and returns on the WorkCover Corporation's investments. The future claims liability is an estimate which is derived from the number of claims entering the system, their duration, rates of discontinuance, the cessation or reduction of income maintenance payments, and the rate at which claimants leave the system by means other than redemption.

Significant events or time frames in performance management involve: actuarial assessments, which are conducted at least twice during the financial year; claim durations (identifying the length of time a claim stays open and in receipt of income maintenance, which assists in benchmarking the level of risk associated with each category of claim); and analysis of patterns of claims expenditure over time to identify emerging liability trends.

Major factors contributing to the decline of the funding position are: WorkCover Corporation forgoing \$135 million in levy revenue due to a \$25 million rebate in 2000-01 and reduction in the average levy rate from 2.86 to 2.46 per cent for the 2001-02 and 2002-03 financial years; the significant reassessment of the claims liability, mainly due to the failure to achieve appropriate return to work rates; and significant losses on investments since June 2000.

Mr RAU: Can the minister outline what the recent claims performance of WorkCover has been?

The Hon. M.J. WRIGHT: I can. In assessing how the scheme is tracking, the latest unaudited figures I can provide take into account the revised estimates of the actuary, following his review of the claims liability at December 2002. Key payment types for the period July 2002 to May 2003 inclusive are:

- Income maintenance—expenditure is \$1.5 million above the actuary's revised estimate.
- Lump sums—expenditure is \$1.8 million above the actuary's revised estimate. However, it is important to bear in mind that, to an extent, lump sum expenditure is related to redemption expenditure.
- Medical expenditure, which includes physiotherapy, chiropractic treatments, hospital services and registered medical services, is \$1 million below the estimated outcome.
- Redemption expenditure contains the most significant deviation from budget and is \$10.4 million above the actuary's revised estimate. Since the introduction of redemptions, actual payments have varied from forecast due to the time lag in the processes involved in identifying and approving a redemption payment and the claim management policies adopted by WorkCover.

This is demonstrated in the following variances: 2001-02, under budget 16.8 per cent; 2000-01, under budget 35.7 per cent; 1999-2000, over budget 3.1 per cent; 1998-99, over budget 21.1 per cent; 1997-98, over budget 7.7 per cent; 1996-97, under budget 8.8 per cent; and, 1995-96, over budget 640 per cent. This significant variation is attributable to redemptions being introduced in this financial year, and the actuarial forecast did not have sufficient data available to provide a robust estimate.

- Legal expenditure is \$1.5 million below the actuary's revised estimate.
- Overall claim payments are \$14.7 million or 5 per cent above the actuary's revised forecast.

Discontinuance is an extremely important measure for the system. Claims discontinuance occurs mainly through redemption or return to work. The underlying discontinuance rate reflects the proportion of claims on income maintenance that have left the system due to return to work programs, retirement or death.

Mrs REDMOND: Minister, in your opening remarks, you talked about the review of, amongst other things, WorkCover. I want to clarify with you the progress on a couple of issues that are of concern to me. The first one concerns section 6 of the act, which is the jurisdiction question under WorkCover. I will give the minister the example that has arisen in my constituency of a person who resides in the area of Heysen. They run a business, which runs in South Australia and the Northern Territory and which employs people who live in South Australia and the Northern Territory. In light of that, they pay WorkCover on behalf of their employees in both South Australia and the Northern Territory.

One of the Northern Territory employees coming into South Australia in the normal course of his business had an accident. He was resident normally in the Northern Territory and had the accident in South Australia. Although the WorkCover levy for that employee was paid in both those jurisdictions, he has been unable to get coverage. I believe that is not an isolated problem (it does not come up all that often, but it is not isolated). What progress is being made towards resolving that jurisdiction issue, because these people

have clearly done the right thing in paying their WorkCover levy? They could have done nothing else to protect their employees, yet the employee is denied WorkCover in both jurisdictions.

The Hon. M.J. WRIGHT: Because we have a new member on the committee, I will make the same pitch I made earlier this morning in case the member for Davenport was not listening.

The Hon. I.F. Evans interjecting:

The Hon. M.J. WRIGHT: You heard it? Well, then, will the member lend his support, because he is a very powerful member of the Liberal's party room? If we can get him to support the member for Heysen, that will add considerable weight. I reckon it might not be a bad team, actually: the member for Davenport as leader, and member for Heysen as deputy leader is not a bad combination.

The Hon. I.F. EVANS: Will the minister just answer the question?

An honourable member interjecting:

The Hon. M.J. WRIGHT: And not something that I want to worry about, either.

The CHAIRMAN: Order! The minister will answer questions and not act as an agent provocateur.

The Hon. M.J. WRIGHT: Thank you, sir; I do apologise. However, when you see talent, it just has to be recognised. This is an important question—

The Hon. I.F. Evans interjecting:

The Hon. M.J. WRIGHT: There is no need to take this question on notice. I am sure the member for Davenport would recall that, on behalf of the opposition, I introduced a private member's bill to the parliament in regard to section 6 and jurisdiction. We have great empathy and sympathy for what the member is talking about. Everything the member has said is correct, but there are two or three points that need to be made. It involves not only South Australia but also the national level: there needs to be a national response to this issue, to which the member has alluded, I think. If that cannot be achieved, we may have to move by ourselves, although I note that other states are starting to move.

This has certainly been discussed at the Workplace Relations Ministerial Council meeting. There is a genuine attempt to try to get a national approach so that there is national consistency; otherwise, someone might fall through the cracks. Recently, WorkCover distributed a proposal to fix what have become territoriality or cross-border problems, to which the member referred.

The proposal that has been put out for stakeholder comment would bring us into line with what has been put forward in Queensland and New South Wales—and we believe it is also about to be put forward in Victoria. So, I would hope and expect that we can move in the foreseeable future with that proposal. This is an urgent issue and a problem that must be fixed, and the sooner we do it the better.

Mrs REDMOND: I refer to section 54, the recoveries provision. Yesterday, I was contacted by a plumber who engages a trainee through a government run traineeship program. The WorkCover levy is paid by the program on behalf of that trainee. The trainee then goes to work for the host employer, and the employer pays the wages and on-costs, essentially.

The situation, as the minister is probably aware, is that currently under the recovery provisions if that employee has an accident and WorkCover pays out a significant amount of money, even if the employer is only 1 per cent negligent and would, in the normal sense of things, be only 1 per cent

liable, WorkCover has the capacity (and does) to seek to recover 100 per cent of whatever it has had to pay out on behalf of that employee by way of work cover. I know that has been discussed with the Insurance Council, and I am pretty sure it was part of the review considerations. Can the minister indicate where the solving of that problem is at?

The Hon. M.J. WRIGHT: I have received three good questions today and they have all come from the member for Heysen on that side. It goes without saying that government members always ask outstanding questions. She is right in what she says about section 54: it is an area covered by the review. There were recommendations in the Stanley report, and the government is seeking stakeholder comment on them. We welcome the comments of the members for Heysen and Davenport because this area needs to be considered by the government. If my memory serves me correctly, the previous government may have been looking at this when in office and I think established a working party. Recommendations have been made and I will not go through the detail now, but they would fix up the problem referred to. We welcome honourable members' thoughts on that as there are specific recommendations. We have gone out for industry comment and this is something the government will consider in future.

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

Transport Services, \$9 913 000.
Administered Items for Transport Services,
\$13 180 000.
Transport Planning, \$2 304 000.
Passenger Transport Board, \$167 646 000.
TransAdelaide, \$5 350 000.

Membership:

The Hon. M.R. Buckley substituted for the Hon. I.F. Evans.

Mr Goldsworthy substituted for Mrs Redmond.

Witness:

The Hon. M.J. Wright, Minister for Transport.

Departmental Advisers:

Mr T. O'Loughlin, Chief Executive, Department of Transport and Urban Planning.

Mr J. Steele, Executive Director, Transport Services.

Mr F. Steele, Acting Executive Director, Transport Planning.

Ms J. Holmes, Project Manager, Simplification of Planning and Budgeting, Transport SA.

The CHAIRMAN: I declare the proposed payments open for examination and refer members to appendix D, page 2 in the budget statement, and part 10, pages 10.1 to 10.9 and 10.22 to 10.93 in Volume 3 of the Portfolio Statements.

The Hon. M.J. WRIGHT: The accrual expenditure budget for transport services for 2003-04 is \$591 million, with an operating budget of \$405.7 million to be spent on delivering outputs and \$185.3 million being allocated to investing works. When adjusted for the effects of depreciation, the operating budget is \$263.6 million. The transport services capital investing budget for 2003-04 of \$185.3 million has increased by \$51 million on the previous

financial year. Of the \$51 million, \$45.5 million is new works. A number of investments in this year's TSA budget will deliver long-term savings. These include the purchase rather than lease of plant and equipment and the installation of light emitting diode LED lanterns in traffic lights. Leading the nation, South Australia will replace all existing traffic lights, incandescent globes, with LED technology by 2005. This \$6.1 million commitment will achieve energy consumption savings of 80 per cent and reduce greenhouse gas emissions by 8 per cent, the equivalent of 600 family cars.

The highest priority for transport spending this financial year will be addressing the state's appalling road safety performance, the worst of any state in Australia. This will be achieved with an additional injection of \$11.2 million into road safety, which has been identified in the government's 15-year draft transport plan as South Australia's highest priority in transport. This will add to the ongoing safety investment program of at least \$20 million of state funds committed in last year's budget. The new works will include:

- an extra \$3.5 million for the state's black spot program, bringing the total for 2003-04 to \$7 million, which will fund around 30 sites across South Australia;
- \$6 million for the Smart Road Safety program, creating a new program to fund a series of safety-driven investments such as the use of intelligent transport systems, contemporary safety signage, TruckScan and the installation of audio tactile line markers;
- \$1.7 million for the shoulder sealing program, which has been doubled over last year and this year to \$6.8 million. Shoulder sealing is proven as the single most effective safety intervention.

Funding for these programs has been secured from a combination of new money and reprioritising the investing program. Specifically, road safety investments will be given priority. The \$1.2 million previously set aside for responding to the road safety audit will be absorbed into the new Smart Road Safety program. The overall impact will be a net increase of \$10 million of new money for road safety. This brings the increase in road safety investments to \$16.4 million over the first two budgets of this government.

Both local government and regional South Australia will gain from the TSA budget. South Australia's poor performance with road safety is largely occurring in regional areas, where drivers are five times more likely to be killed than their city counterparts. As a result, this year's concentration of road safety expenditure in regional areas reflects the need to reverse this trend. All shoulder sealing works, a significant majority of the state's black spot program and more than 50 per cent of the funding for the Smart Road Safety program will be allocated to regional South Australia.

The second priority of the government's transport plan is to address the growing backlog in maintenance of the existing road network. Protecting the community's investment in the roads that are in place is more sustainable in economic and environmental terms than continually constructing new roads to replace old and deteriorating roads. Of course, new roads will be built, but priority for spending on maintenance programs such as routine and periodic road maintenance, guard-fence installation and pavement marking will ensure that the community's existing investment in the road network is protected.

The third highest priority identified in the government's transport plan is the quality of Adelaide's public transport infrastructure. In the first serious public transport investment in 15 years, the Adelaide metropolitan area will benefit from

\$17.5 million this year for both the replacement of the bus fleet and the commitment to upgrade the Glenelg trams to light rail, as well as commencement of the \$7.3 million Mawson Lakes interchange.

The bus fleet investment of \$16.3 million will see 25 MAN rigid buses and nine articulated Scania buses, the first articulated buses introduced to the system since 1986, delivered in the financial year, providing better services, given that all will be fully accessible and airconditioned.

The investment in light rail will commence with \$1.2 million this financial year, followed by a \$24.8 million investment into stations and track redevelopment next year. The equivalent of \$30 million will be applied to purchase new trams. These investments will revolutionise the Glenelg-city line and provide opportunities for possible extensions in the future. The new light rail fleet will be fully accessible, airconditioned, quiet and environmentally friendly.

A drawcard to increasing patronage is upgrading interchanges and extending these from basic public transport assets into community focused hubs where other services can also be provided. An allocation of \$2.7 million this financial year will see construction start on the Mawson Lakes interchange, a new modern bus-rail station. To open in 2005, the \$7.3 million interchange will be the third busiest, providing services to the Mawson Lakes area, thus greatly improving services to the University of South Australia's Mawson campus and making better use of the existing Gawler line.

A number of programs and projects have been identified that can be delayed with minimal impact with the savings made available to address the state's urgent transport investing priorities: road safety, road maintenance and investment in public transport infrastructure. One of the programs to receive budget reductions in TSA this financial year is the Travel Smart SA program, which has achieved mixed results. It will be made more cost effective by being scaled back by \$400 000 per year to \$1.1 million, with a focus on working with secondary schools.

Funding for BikeSouth will also be scaled back for the 2003-04 financial year, with \$400 000 retained for the Cycle Lanes program (which incorporates \$200 000 in grants to councils from the State Bike Fund, a reduction of \$400 000 from the previous year) and \$400 000 for the BikeEd program to work with approximately 4 000 primary school children. Funds will also be provided to continue the state government's support for the Tour Down Under. There is a need for a pause to reassess the cost effectiveness of the future investment program.

New information technology has removed the need for a separate registration sticker to appear on cars and other light vehicles. From July 2004, registration forms will contain a simple tear-off section that can be kept within the vehicle but does not need to be displayed, replacing the expensive and now superfluous stickers. This will generate savings of \$50 000 in 2003-04 and \$200 000 per annum thereafter.

The Department of Transport and Urban Planning, and agencies within, such as the Passenger Transport Board, Transport Planning and Transport Services, are implementing a number of service and functional reviews that will identify a number of positions that will be redundant within the new structure. Staff reductions of 70 to 80 jobs from a total of about 1 800 will be achieved, largely by the non-replacement of staff who resign or retire and a reduction in contractor numbers. There will be no forced redundancies or forced relocations.

Refurbishment of essentially recreational jetties at Cape Jaffa and Grange has been deferred. The upgrade of the Rapid Bay jetty was being considered for deferral but recent storm damage requires review of this proposal. Following storm damage a few weeks ago, discussions with key stakeholders are being initiated.

The current cross-subsidy by general taxpayers of particular classes of users of the registration and licensing system will be eliminated. As a result, there will be increases in fees for once-off heavy vehicle permits, user charges for the commercial fishing industry, the Driver Safe program, and obtaining a motorcycle, heavy vehicle or driving instructor licence. The total increase in fees will be limited to that necessary to cover the government's costs only. That is approximately \$3 million per annum.

The Hon. M.R. BUCKBY: In this budget we see a further reduction of the transport department. Last year, there was a reduction of some \$10 million in road funding, and this year we see a reduction in the department's budget of some \$22 million. We are to see a reduction in bus services; an imposition of the commercial fishing levy (when the government's promise was for no new taxes); and an increase in the level of fines of 5.9 per cent as against 3.9 per cent for general charges. There has been no attempt to address the \$160 million backlog in state road maintenance. In fact, I am not the only one saying this, in many cases: the RAA has said that it is disappointed with the budget, and that the road network is set to continue to deteriorate. With respect to the road safety fund, the following has been reported:

The RAA is aware that this fund really just represents an accounting entry with moneys from the fund simply replacing money which previously came from general revenue.

If the report in the *Sunday Mail* is anything to go by, the minister will be collecting a huge revenue from fines, given that, in the first seven days of the 50 km/h speed limit, 562 traffic infringement notices were issued by speed cameras. I know the rule is that if you do not speed you do not get caught but, at the same time, the government has announced that the police will buy an additional 35 mobile radar guns. I ask the minister: is this road safety or is it revenue raising? Why, for instance, would a government raise fines by 5.9 per cent when it should have been able to see that an increased level of fines would be gained given the transition from the 60 km/h to the 50 km/h urban speed limit?

The only conclusion to which one can come is that this government is a fines revenue junkie, and is following the path of the Victorian government. I am advised that, in Victoria, fines revenue since the introduction of the 50 km/h urban speed limit and the reduction in the variance of the speed allowed has risen from \$90 million to \$390 million. Why would one not leave the increase in the level of fines at the same level as the increase in general fees and charges if one was not using the roads as a revenue raiser? The huge reduction in the transport and planning budget shows that roads are the poor cousin in this government, and that the government is prepared to allow our state roads to fall into disrepair, after some solid gains by the previous Liberal government. For my first question, I refer to Budget Paper 3, page 2.27. Will the minister advise the committee of the savings initiative of \$4.23 million in 2003-04, rising to \$6.18 million in 2006-07, in the line 'Function reform and corporate services'? What is the number of staff reductions, what areas will be targeted for reductions, and what services will be reduced? Budget Paper 4, Volume 3, page 10.9

identifies a reduction of 210 in departmental staff in 2003-04, 170 of whom will come from Transport SA.

The Hon. M.J. WRIGHT: I thank the member for Light for his question. I might just say, from a general point of view, that we may have the opportunity to speak more specifically about each of our opening statements. Mine, of course, in the second paragraph, referred to the increase of \$51 million on the previous financial year for transport services.

In regard to the question that has been asked, the 2003-04 budget estimate for transport services work force numbers shown in the table of 1313.78 FTEs is incorrect and should be 1408.78 FTEs. This represents a reduction of 74.5 FTEs and not a reduction of 169.5 FTEs, as indicated in the budget papers. I thought it was worth bringing that to the attention of the committee from the outset. The error was clerical in nature, as it included the total reductions expected to be achieved over a number of years through the Support Services Project. The 2003-04 reductions relating to the Support Services Project are included in the 74.5 FTEs.

The reduced number of 74.5 FTEs in 2003-04 arises from two efficiency programs to be implemented by Transport SA, namely, the Support Services Project and the Functional Review. Both these projects are aimed at identifying opportunities for efficiency improvements and the reduction or elimination of resource allocation to low priority functions and activities, or by eliminating the duplication of effort across the agency. Identified efficiencies will be realised through staff reductions and resource efficiencies to enable transport services to meet the savings strategy contained in the budget. It is expected that the Functional Review and the restructuring of support services will result in approximately 75 positions being identified as surplus to requirements and which have been factored into the budget. Non-salary resource savings will also be derived from the two projects, targeting input costs, and not levels of service delivery. No target is established for staff reduction in regional areas—in fact, the agency is aiming to minimise the impact on regions.

Furthermore, today's communication technologies allow for staff and functions to perform effectively from a range of locations, and this will result in no reductions in service delivery. Where positions are identified as surplus to requirements, staff will be given full support in finding an alternative position within the public sector. The government's policy of no forced redundancies will continue to apply, and no permanent government employee will lose his or her job as a result of these changes. It is the department's policy that no employee will be required to relocate from their principal residence. Redeployment and retraining, non-replacement of staff and voluntary separation strategies will be used to manage the surplus positions.

I guess that, in summary, what should be highlighted with regard to the transport budget is that this is about reducing back office services. It is about bringing the transport portfolio into line with efficiency standards in other departments, and it is about reviewing the services that we do not need to do as much of, particularly those of an internal nature.

The Hon. M.R. BUCKBY: Can the minister give me an example of those back office services? Also, will the public be affected by a lower level of service as a result of the reduction of 75 staff? Can the minister explain some of these functions to the committee?

The Hon. M.J. WRIGHT: As an example of what we are talking about, it is standardising our financial reporting and standardising our HR practices. In so doing, we can do things

better and more efficiently. Perhaps an example might be that, rather than a person looking after the financial reporting of 50 or 60 people, they could do it for more people by putting in place better practices.

In regard to the second part of the member's question—no, the public should not see the difference in what is being aimed for, because what we have tried to achieve with a lot of our savings, especially in this area, is to bring about greater efficiency internally, putting in place mechanisms that will provide better processes to be able to still deliver those outcomes to the public.

So, the aim and the challenge is to put in place better processes and standardise the way we do our business. The public will not be the loser as a result of putting in place better procedures that will still deliver the same outcomes.

The Hon. M.R. BUCKBY: Advice from the owner of the Copley garage, which he took over some 12 months ago. He has increased the number of his staff in that 12 months from three to seven. Last week, he was called out three times to cars with punctured tyres to tow the cars into Copley. Yesterday, a police car turned up with three punctures. It did not come in on one wheel, but it brought in three punctured tyres. He is purchasing 20 new tyres every week. He told me that Leigh Creek and Arkaroola are having the same experience. He said that in certain sections of the road shale is protruding due to the lack of grading of the roads and the loss of road sheeting in certain sections.

Last year, the minister cut the Outback road gangs by one. Given this information, and given that I am sure the minister is aware of callers on ABC radio over the last couple of weeks regarding the quality and the standard of the roads in the North, will the minister reinstate the Outback road gang that was reduced last year?

The Hon. M.J. WRIGHT: No.

Mr CAICA: I refer to the Portfolio Statements, Budget Paper 4, investing payment summary, page 10.26, under the heading of 'Maintaining freight competitiveness'. I note an allocation of \$20.919 million for the Port River Expressway project in 2003-04. Does this include the cost of constructing the road and rail bridges?

The Hon. M.J. WRIGHT: The Port River Expressway is an important strategic transport route for South Australia that will contribute to South Australia's economic development by providing an expressway and new road and rail bridge connections across the Port River, linking our export enterprises and industrial areas with key transport routes and facilities. The project has three stages. Stage 1 is a new five-kilometre four-lane expressway link between the Salisbury Highway-South Road connector and Eastern Parade, including an overpass at Eastern Parade and new connections at Hanson Road North. Stage 2 is a new four-lane road bridge across the Port River, located between docks 1 and 2. It will be an opening bridge to allow for passage of marine traffic in and out of the inner harbour of Port Adelaide. Stage 3 is a new single track, dual gauge rail bridge across the Port River situated adjacent to the road bridge on its northern side. It will also be an opening bridge to allow for the passage of marine traffic.

The decision to have opening bridges recognises the need to retain the inner harbour as an active waterway and to create an environment in which Port Adelaide can capitalise on its heritage and enhance its attractiveness to tourists. The major objectives of the project are to improve the operation and efficiency of the broader transport system by providing more direct links from the national highway and freight rail

systems to the major shipping facilities at Port Adelaide, the LeFevre Peninsula and Outer Harbor. It will reduce the impact of heavy road transport and freight rail traffic on the amenity of the Port Adelaide centre, thus assisting the Port Adelaide area to realise its potential in terms of commercial, tourism, recreation and urban development. It will complement other government initiatives in the Port Adelaide area, including the Port Waterfront Redevelopment Project, the deepening of the port and the grain terminal at Outer Harbor and proposed industrial developments on the LeFevre Peninsula; reduce travel times between South Road and Victoria Parade by 15 minutes by the year 2011; and alleviate congestion on Grand Junction Road.

The funding of \$20.9 million allocated in 2003-04 will go towards the construction of stage 1. A contract for the construction of the stage was awarded to Bardavcol Pty Ltd. Work commenced in December 2002 and is well under way, with much of the earthworks completed and construction commenced on the new bridge at Eastern Parade. The project is on target for completion in late 2004. Funding of \$24.5 million is available for stages 2 and 3 in 2003-04, as shown within the capital investment statement, Budget Paper 5, page 42, under 'Infrastructure SA'.

Mr CAICA: I refer to Portfolio Statements, Budget Paper 4, Volume 3, page 10.25. Within the investing payment summary, under the heading of 'Smarter spending in decision making', is an item showing \$29 million in 2003-04 for long-term plant requirements. Will the minister explain the government's reason for purchasing plant for use by Transport SA?

The Hon. M.J. WRIGHT: It is simply good economics. I am certain that the current shadow minister for transport would not have supported a decision by the previous government which, in 1997, entered into a sale and lease-back arrangement for the light vehicles, plant and workshop services required by Transport SA. Light vehicles, plant and workshop assets were sold to AH Plant for about \$42 million.

Listen to this! The former government then entered into contracts to lease this equipment back from the purchaser—one contract for light vehicles and another for heavy plant. A number of Transport SA staff transferred to the purchaser, and certain depots and workshops owned by Transport SA were leased to the purchaser. The two hire contracts guaranteed minimum payments of \$66.1 million to the purchaser of the equipment over the initial five-year term. In the event, Transport SA paid \$84.1 million over that five-year period to lease back the assets it once owned. In 2002-03, Transport SA is expected to pay \$11.3 million for plant hire alone. This is voodoo economics if I have ever seen it!

The government will purchase the plant and equipment needed for the routine maintenance and minor works that are carried out by Transport SA. Buying the equipment will generate significant annual savings that can be redirected to providing services that directly benefit the South Australian community. I note that Transport SA has leased its light vehicle requirements through Fleet SA since June 2002. This is not about in-sourcing the major construction work that is now carried out by the private sector under contract of Transport SA. It is, however, an excellent example of efficiencies that can be made in the way government agencies go about their business, and it reinforces this government's credentials for responsible financial management.

Buying back the plant makes sound business sense. The upfront cost of buying back the plant is \$29 million in 2003-04. Gross annual savings of about \$10 million per year

will be generated from 2004-05 onwards. When maintenance costs of approximately \$3.5 million per annum are taken into account, the net savings are approximately \$6.5 million per year. This is a pay-back period of five years and, obviously, is a much better deal for taxpayers.

Mr CAICA: I refer to Portfolio Statements, Budget Paper 4, Volume 3, 'Investing Payment Summary' on page 10.25 and expenditure of \$1 million for a heavy vehicle safety initiative. Will the minister please explain what this initiative involves and the benefits derived from this expenditure?

The Hon. M.J. WRIGHT: I can explain that, as a matter of fact. Poor driving practices by heavy vehicle drivers include behaviours such as exceeding permitted driving hours, speeding, operating unroadworthy vehicles, overloading a vehicle and failing to secure a load properly. Operational managers from Transport SA and SAPOL collaborate at six-monthly planning meetings to better coordinate the detention and prevention of non-compliant behaviour by heavy vehicle drivers in South Australia. The New South Wales' Roads and Traffic Authority (RTA) has developed a system to aid and assist in the compliance and enforcement of heavy vehicle transport standards, regulations and practices.

In a collaborative pilot program with the RTA, undertaken between November and December 2002, South Australia established links to the New South Wales database from the Blanchetown and Port Augusta inspection sites to verify driver logbook entries against New South Wales' sightings of vehicles suspected of breaching these regulations. It is impossible for a heavy vehicle to travel between Sydney and Adelaide non-stop without exceeding the prescribed driving hours limitations. The facility clearly identified serious abuse of driving regulations in South Australia to alarming levels, with 636 offences detected during the 23 days of the pilot, of which 251 could be directly attributable to the information made available by the New South Wales system.

In addition, New South Wales has reported a similar number of offences on vehicles travelling into New South Wales based on data entered into the system by South Australian inspectors. Of concern was that in excess of 200 offences (South Australia only) directly related to drivers exceeding the allowable driving limits and therefore representing a risk to the safety of other road users. Given the results of the pilot over the limited hours that the facility was being used, it is reasonable to assume that these statistics are, in reality, much higher. Based on the pilot outcomes, the facility could identify as many as 3 000 drivers per annum exceeding driving hours regulations coming into this state.

To address this road safety issue, Truckscan will be introduced in South Australia during 2003-04. Truckscan is the strategic location of static and mobile cameras throughout South Australia that are linked to the New South Wales Safe-T-Cam program to provide intelligence on heavy vehicle drivers exceeding allowable driving limits. The cost of the program is \$1.5 million, with \$1 million included in the 2003-04 budget. Note that in the Portfolio Statements, Budget Paper 4, Volume 3, page 2.28 (contained within the savings initiatives in table 2.17) is a figure of minus \$700 000.

This represents expected revenue from infringement notices issued as a result of truck drivers exceeding driving hours regulations. The revenue is expected to reduce (and, hopefully, will reduce) as driver behaviour improves. It is expected that the facility will provide improved detection of serious abuse of driving hours regulations in South Australia and therefore improve the safety of our road users. This is

another example of a Labor government making our roads—country roads—safer for all South Australians.

The CHAIRMAN: South Australia does not seem to have embraced the left turn on a red light provision which, I believe, is allowed now under the Australian Road Rules. Some other states have the facility, and it indicates quite clearly that you can turn left on a red traffic light when it is safe to do so. The other related matter is that we do not seem to provide many left turn slip-lane arrangements. In other words, ongoing traffic—traffic continuing on—is held up because someone wants to turn left and, for some reason, we do not seem to be keen on providing those in South Australia.

The Hon. M.J. WRIGHT: What was the first part of your question, Mr Chairman?

The CHAIRMAN: A left turn permitted on a stop light. In many states you are now allowed to turn left against the red light when it is safe to do so. I think that South Australia has only two. I do not know why we do not allow it under the same conditions as other states. The minister can take that question on notice, if he wishes.

The Hon. M.J. WRIGHT: There are two parts to the question: the first part relates to the left turn slip lanes and the second part relates to a left turn on a red light. With respect to a left turn on a red light, I am advised that a small number do operate, and the example given to me was Sixth Avenue at Ascot Park. These are apparently working well. I suspect that there will be further opportunities to broaden this out, and I am seeking some advice from my department with respect to that. That is a good point raised by the Chairman. I draw the committee's attention to the fact that a small number are already in operation.

In regard to the slip lanes, in general, these are now being included in new projects. As new projects are being built we will see more of those in operation.

The CHAIRMAN: My second question relates to the Tonsley railway station. Some people have discovered the secret of the Tonsley railway station; it is quite a good rail service into the city. Are there plans to provide an interchange or even a revamped and more obvious transport connection there?

The Hon. M.J. WRIGHT: I thank the Chairman for his question and also for his ongoing commitment—not just to public transport but also to transport right across the board. It is probably fair to say that I get more letters about transport from the member for Fisher than from any other member of parliament. I do not say that as a criticism: it is more a compliment.

I guess we need to go back a step and, of course, the Tonsley rail interchange was considered by the previous government and some work was done but, of course, it was never funded by the previous government. We have come forward in this budget with some strong commitments to public transport—such as trams and the Mawson Lakes interchange. That does not mean that this project is off the drawing board but it does mean that it did not rank as highly as the other two. Certainly, it will be under active consideration, particularly as we move forward with the consolidation of the transport plan. That is still a draft transport plan, as the member would be aware. We are going through the consultation phase, which concludes on 1 August, and we will then consolidate the plan. We have some very ambitious targets right across the transport portfolio but, in particular, in public transport. This is a high ticket item, as the member would be aware. The government is willing and keen to still look at it

as an option but, obviously, was not able to fund it in this particular budget.

The CHAIRMAN: Without going to a full-blown interchange, even at the moment I am told there is often standing room only on the trains from Tonsley, and many people would not even know that station exists. There is room for off-street parking there now, so, whether or not you go to a full-blown interchange, I think in the short term there is an opportunity for people to become aware of that facility, because it is a very quick service into the city from Tonsley.

The Hon. M.J. WRIGHT: I am happy to take that suggestion on board. Obviously, this is something that TransAdelaide responds to on a regular basis in regard to its patronage. I am happy to take that up with them. The member may also like to raise that when TransAdelaide comes before parliament. But we certainly are open to considering all options, and it may be that what the member talks about is a more realistic financial option.

The Hon. M.R. BUCKBY: In Budget Paper 3, page 2.27, a saving of \$1.95 million is predicted in the area of sustainable transport and environment programs. Which programs will be reduced, and will this involve the reduction of any staff?

The Hon. M.J. WRIGHT: Before answering that question, I have been given some additional information that members will be interested in. In regard to the left-turn roads that the member for Fisher asked about, I have just been advised that there are currently 10 sites. I will get some more information for the member about that so that we can make him aware of the response that we are getting from the users in those areas.

Going back to the question from the member for Light, there are four programs which will be affected by this saving. Specifically, these programs are:

Travel Smart SA's program, which will be reduced by \$400 000.

- Travel Smart aims to reduce transport-related greenhouse gas emissions through voluntary travel behaviour change, which includes: increased use of sustainable modes (walking, cycling, public transport and ride sharing, just to give a few examples); smarter use of the car through better trip planning; less need for travel by car by encouraging use of local activities, facilities, shops, services and doing more things in one location; and more efficient use of the car by using more energy-efficient models, better car maintenance and better driver advice.
- There is some doubt as to whether the program is changing behaviours and, hence, the budget has been reduced whilst the program is being evaluated to ensure that we are getting value for money. Until we can be confident of that, this is a prudent move.

Traffic air emissions monitoring, a saving of \$100 000.

- Motor vehicles contribute approximately 70 per cent of air pollution in urban areas. This pollution affects people's health and wellbeing, with the risk to health increasing with rising pollutant concentration. However, the actual concentrations of pollutants to which people are exposed at roadsides had not been measured in Adelaide prior to 2001 but were estimated using computer models and emission factors based on interstate and overseas vehicle fleets and road conditions which did not apply to South Australia. In 2001, 2002 and 2003, Transport SA undertook measurements of pollutant concentrations on Hampstead Road, Northfield; Brighton Road, Somerton Park; and the Southern Expressway second stage respec-

tively. Reports on the findings of these studies are being finalised.

- The data acquired from these three monitoring exercises is sufficient to allow collaboration of Transport SA's computer models used to predict pollutant concentrations from traffic on South Australian roads and, hence, growth in traffic or congestion on specific roads. The data has been shared with the EPA, which has indicated its intention to undertake some roadside air monitoring in the City of Adelaide. Consequently, it has been possible to make savings by terminating the Transport SA roadside traffic emissions monitoring program, with an annual saving of \$100 000.

BikeSouth's program will be reduced by \$1.5 million.

- The BikeSouth program is aimed at promoting and developing cycling and walking trails in an environmentally responsible manner by developing safe bike-ways, secure bicycle parking areas and cyclist information material for the community and in-school curricula. BikeSouth also works with local government and employers to encourage secure bicycle parking facilities at outer suburban transport nodes.
- In spite of significant expenditures in previous years, surveys have shown that there is a reduced demand for cycle lanes in the state and, therefore, this year will be used to re-evaluate and refocus this area for future years.
- The principal budget reductions for 2003-04 will be made through fewer funding partnerships with local government to implement cycling infrastructure projects, including the State Bicycle Fund and Coastal Way.
- In addition, BikeSouth staffing numbers will be reduced by three full-time equivalents.
- In previous years there has been significant sponsorship provided to a range of events, including Share the Road and the Velofest. Such sponsorship has been stopped, with the exception of the government's continuing support for the Tour Down Under. Provision has been made within the 2003-04 budget for this event. Bike Ed, a bicycle education program for primary school children, will also continue uncut for 2003-04.

Transport SA's environmental operations program will be reduced from \$1.7 million to \$1.4 million.

- This involves a reduction in outputs that contribute to the achievement of a range of environmental improvement initiatives which assist Transport SA to deliver the directions of the environment strategic plan. The reduction will be achieved by re-evaluating all the current projects within the program and deleting those which provide minimal return for the dollars invested.

The Hon. M.R. BUCKBY: Will the minister advise the committee whether the government is planning to eliminate three-month vehicle registration renewals?

The Hon. M.J. WRIGHT: They are all saying no from left to right and from behind, so I guess the answer must be no.

The Hon. M.R. BUCKBY: The public will be pleased to hear that. Can the minister advise whether black spot funding has been allocated to finish sealing the last 4.2 kilometres of the 14 kilometre Lipson to Ungarra road which connects the Ungarra community with the AusBulk strategic site, schools, medical services and shopping at Tumbly Bay?

The Hon. M.J. WRIGHT: If my memory serves me correctly, the member is talking about an area where I have previously met with this group of people at one of our community cabinet meetings. This type of program would not

be a state black spot funding program. In relation to the particular area the member is talking about, an application has been made for special local road funding, which is a federal program, and recommended to the Grants Commission. If my memory serves me correctly, in discussions Mr O'Loughlin and I had with some representatives from that area, we made a recommendation to them that this would be the appropriate area to apply for funding.

I would not imagine that that length of area would qualify for state black spot funding, but an application has been made for special local road funding and, to the best of my knowledge, they are still awaiting advice, but, hopefully, they will be successful. It would be a good thing not only for them but also for the broader area, and we wish them well with that application.

The CHAIRMAN: Are there any plans to change the numberplate slogans for South Australia? Currently we have a range of them.

The Hon. M.J. WRIGHT: None of which I am aware. I guess we will be open to suggestions, but we rule out any potential suggestions from the opposition about 'Going all the way'. I recall that hit a few hurdles back some time ago!

The CHAIRMAN: The committee will now move to Transport Planning.

The Hon. M.J. WRIGHT: In December 2002, a reorganisation of Transport SA separated out the policy advice and planning functions from the delivery of transport services. An agency called Transport Planning was established within the Department of Transport and Urban Planning. The objective of this agency is the development and provision of policy advice and strategic transport plans, including road safety, infrastructure and industry development planning.

The expenditure budget for Transport Planning for 2003-04 is \$20.184 million, compared to an estimated result of \$19.279 million in 2002-03. The reasons for the increase are: additional funding for phase 1 of the safety reform package, increase in salaries and wages, and inflation on goods and services. The agency is currently staffed by approximately 106 full-time equivalents. Following implementation of savings initiatives, the staffing level is expected to be reduced to 103 FTEs in 2003-04.

A key achievement in 2002-03 was the completion of the government's commitment to developing a draft transport plan for South Australia. The plan is currently out for consultation and is expected to be completed in 2003-04. The plan encompasses regulation, policy and operational matters, and seeks to address all transport modes (for example, rail, air, road and sea). Following completion of the plan, action plans will be developed for safety, regional South Australia, environment and freight.

The second key result area for Transport Planning is contributing to improved road safety aimed at reducing the road toll. In 2002-93, phase 1 of the government's road safety package was developed and includes a number of initiatives covering road infrastructure, education of drivers and the public, and regulatory measures.

The government has delivered on its commitment to establish a Community Road Safety Fund, which will be operative from 1 July 2003. Additionally, the Ministerial Council on Road Safety was established to direct government road safety programs and provide high level governance to the operation of the Community Road Safety Fund.

A Road Safety Advisory Council has also been established under the chairmanship of Sir Eric Neal. The council includes:

- Mr John Fotheringham from the RAA;
- Professor Jack McLean, who is well respected for his research on road safety;
- Mr John Comrie from the Local Government Association;
- Mr Alex Gallacher, representing those who work in the road transport industry;
- Mr Geoff Vogt from the Motor Accident Commission; and
- senior representatives of SA Police, the Department of Transport and Urban Planning, Department of Education and Children's Services and the Department of Human Services.

I thank all members of the advisory council for the contribution they are making to make South Australia's roads safer.

In 2003-04, attention will be directed at developing longer-term measures to reduce the road toll, and these measures will form phase 2 of the government's road safety package.

Transport Planning is not exempt from budget reductions and is required to demonstrate that it operates in the most efficient manner possible. To this end, it has been subject to a \$500 000 budget reduction over the next three years in the area of research, investigations and policy advice. This budget reduction will not impact on the two key areas of road safety reform and the Transport Plan.

The ACTING CHAIRMAN (Mr Koutsantonis): Does the honourable member wish to make an opening statement?

The Hon. M.R. BUCKBY: No, sir. I will go straight into questions. Will the minister confirm the Treasurer's statement to the estimates committee that the Third River Crossing opening bridge over the Port River will be funded from government sources and not as a private public partnership and what date this decision was taken?

The ACTING CHAIRMAN: Will the honourable member refer his question to a budget line?

The Hon. M.R. BUCKBY: The minister's staff advised me this morning that investing areas of the budget should be asked under planning.

The ACTING CHAIRMAN: The honourable member prefaced his remarks by saying that he had questioned the Treasurer in another estimates committee on the same issue and asked the minister to confirm the Treasurer's remarks. Remarks made in another estimates committee are not subject to examination here.

The Hon. M.R. BUCKBY: No, I am just checking that it is correct.

The ACTING CHAIRMAN: The honourable member is asking the minister to confirm another minister's remarks in another estimates committee. I have no problem with his relating the question to estimates here or even on notice in the house, but his question was whether the minister can confirm remarks made by another minister in another estimates committee, and that has no relevance here.

The Hon. M.R. BUCKBY: I will rephrase the question: will this minister confirm that the Third River Crossing bridge over the Port River will be funded from government sources and not as a private public partnership and say on what date this decision was taken?

The ACTING CHAIRMAN: Thank you, member for Light.

The Hon. M.J. WRIGHT: The Port River Expressway will be built by Infrastructure SA, a government-owned

entity. The decision was announced in the Treasurer's budget speech.

The Hon. M.R. BUCKBY: Will the minister confirm that in funding the Third River Crossing bridge from government coffers and not a public private partnership no funds will be cut from the project? Can he advise the committee of any staff reductions or service contracts that might be terminated and assure us that no high priority projects will be shelved as a result of the government's funding this project instead of a private public partnership?

The Hon. M.J. WRIGHT: The advice I have is that Infrastructure SA is basically substituting for what the private sector would have done with regard to funding and borrowing. There is no impact on staff and no hidden agenda. This is a project about which all South Australians can be genuinely excited. Infrastructure SA will be responsible for delivering the project.

The Hon. M.R. BUCKBY: Will the minister advise the committee of the cost estimate for the Third River Crossing at this stage and give us a breakdown of the costs of the project?

The Hon. M.J. WRIGHT: I refer to Budget Paper 3, page 6.8, headed Infrastructure SA, for which I am not the minister. I refer to the section on that page, which states:

For budgetary purposes the cost of the bridges has been estimated at \$131.3 million.

There is also some further information in the foregoing paragraph which the honourable member can read as well as I can. It talks of a figure with regard to the subsidy. That is the only information I am able to provide.

The Hon. M.R. BUCKBY: Are there any areas of the construction of the bridge in which costs are not yet definite? Has everything been tied down, or is the minister aware of any areas where you are not sure of the final cost of the project?

The Hon. M.J. WRIGHT: It is a design and construct project, so we will not know the detail of that type of information until we go to the market.

The ACTING CHAIRMAN: I advise the member for Light that the Minister for Infrastructure will take questions on notice in the house if he would like further information. The minister is basically saying that the responsibility for it is under the infrastructure portfolio.

Mr RAU: I refer to Budget Paper 4, Volume 3, page 10.25. The government announced a state black spot program. What has been achieved, how many additional black spots have now been fixed and how many will be fixed in 2003-04?

The Hon. M.J. WRIGHT: This is an important program, and I remind members that in our first budget we delivered on this. I think \$3.5 million in our first budget was committed to the state black spot program to complement the federal black spot program. We have now doubled that figure in this year's budget and gone from \$3.5 million to \$7 million, which will enable us to go forward with a whole range of programs. This is something of which I am sure members of the committee would be very supportive. If we are to be serious about road safety, which we must as a parliament, I have been saying since day one that we have to tackle this at all levels and tackle it from the viewpoint of regulation. We have done that successfully, with a significant reform package now passed by the parliament—the biggest piece of legislation on road safety that has ever gone through the parliament of South Australia.

We also have to tackle the issue in other areas as that alone will not solve the problem. We have to tackle it with infrastructure and we have made new moneys available in this budget in a whole range of areas, including the state black spot program, the detail of which I will give in a moment. We also have to come forward with some innovative thinking with respect to education. My department, working closely with the Road Safety Advisory Council and with major stakeholders, has put together a broad range of ideas for me to consider, and the government later this year will come forward with a significant announcement on education and will be bringing forward stage 2 with regard to our package of legislation that will go before the parliament.

In regard to the specific detail for the state black spot program, it is a part of the package of road safety measures. As I said, it is to complement the federal black spot program, with funding of \$3.5 million last year increased to \$7 million in this budget. It is about improving road safety, which is the government's highest priority for transport, as evidenced by the target of a 50 per cent reduction in fatalities and serious injuries by 2018, as stated in the South Australian transport plan.

Testimony to this government's priority, an ongoing state black spot program of \$7 million per annum has been locked into the forward estimates commencing in 2003-04. For 2003-04, this fund will be used to improve approximately 45 black spot locations. Today I have announced the first 19 new black spot projects. I will not go through them, but they are available to members of the committee. This is something that will make a difference. It will be welcomed by local areas and it will be welcomed by the broader community. We are also looking to better involve local government with regard to black spot projects, and that was part of today's announcement, as well.

Mr RAU: I refer to Budget Paper 5, page 3.5, and the overtaking lane program. What has been achieved in the government's overtaking lane program? How many overtaking lanes have been constructed in the year 2002-03 and what will be built in 2003-04?

The Hon. M.J. WRIGHT: This is another outstanding example of the government's commitment to road safety and makes a lie of the fact that we are not spending money on country roads. As members on both sides of the house would be aware, 100 per cent of money spent on overtaking lanes is spent in country South Australia. It demonstrates again that this is a government for all the people. This is the best government that the country has had for a long time.

Mr Rau interjecting:

The Hon. M.J. WRIGHT: Perhaps in living memory: that is a good interjection from the member for Enfield. He is always very quick on his feet. Since the commencement of the overtaking lanes program in 2000-01 to the end of 2002-03, a total of 21 lanes have been constructed. In 2002-03, 10 lanes were built, including three lanes on the Port Wakefield-Yorketown road (it is a pity that the member for Goyder is not with us); two lanes on the Warnertown-Jamestown road; two lanes on the Port Lincoln western access (we should have the Leader of the Opposition and the member for Flinders here); two lanes on the Princes Highway; and one lane on the Wallaroo-Port Wakefield road (another good one for the member for Goyder).

For the 2003-04 financial year, the following works are scheduled: two lanes on Barossa Valley Way (a good one for the member for Schubert); two lanes on the Victor Harbor Road (a good one for the Deputy Leader of the Opposition);

three lanes on the Main North Road, north of Gawler (a good one for the member for Light); and one lane on the Noarlunga-Cape Jervis road at Aldinga (a good one for the Minister for Environment and Conservation). These are good projects for all South Australians because they make our roads safer and they deliver on the government's commitments to road safety. They also demonstrate that the government is not just coming forward with regulation, which is important, but that it is making a serious commitment with dollars in the budget for infrastructure projects that will make a difference.

Mr RAU: I refer to Budget Paper 5, page 36. Which roads will be upgraded in the shoulder sealing program next year?

The Hon. M.J. WRIGHT: I spoke earlier about overtaking lanes, nearly all of which will be constructed in country South Australia, and that is also the case with shoulder sealing. It is another example of money being spent on country roads. Once again, this budget delivers for country South Australia and delivers for road safety. For the 2003-04 financial year, shoulder sealing is proposed for the following sections of road: Tea Tree Gully to Mannum road; Mount Barker to Flaxley road; Chandlers Hill Road; Old Norton Summit Road; Blackwood-Goolwa road; Riddoch Highway; Princes Highway; and Mallee Highway. The total cost of the works on the state arterial road network for the 2003-04 financial year is \$6.8 million.

Mr GOLDSWORTHY: Page 50 of the draft transport plan specifically mentions Mount Barker and surrounds, stating:

North-south freight will be attracted away from Mount Barker through targeted rural road investments. This will eliminate in the short term the need for both a Mount Barker bypass and additional access to the South-East freeway.

Has a specific route been identified where this targeted rural investment is to be made, and has it been included in this year's budget?

The Hon. M.J. WRIGHT: The advice that I have received is as follows. Obviously, the member would be aware of the Monarto interchange. That construction has finished. This is all about getting freight from Langhorne Creek to the Barossa. The councils in the area are doing some strategic planning for that route (which is Ferries McDonald Road), and they are applying for funding under the special local roads program.

I guess that sets the scene—that it is not in the budget, anyway. It would not be in the budget, nonetheless, because, as the member would be aware, the draft transport plan is just that: it is a draft until it is consolidated. I think that it has thrown up a whole range of exciting options, not only in freight but also right across the transport sector. Obviously, the community is now being consulted. Meetings have commenced in the country, and there will also be meetings in the metropolitan area. But, of course, people have the opportunity, if they are not able to or do not want to attend the public meetings, to respond on the internet, by telephone or by facsimile and, later this year/early next year, the government will consolidate the transport plan. Then the government would start to make decisions in respect of what comes forward from that. Hopefully, that context, as I have explained it, makes some sense—that it is a local road, and councils are undertaking some strategic planning for that route and applying for funding under the special local roads program. As I said with respect to the previous road that the member for Light talked about, we wish them well with their application.

Mr GOLDSWORTHY: I again refer to page 50 of the draft plan. In the paragraph that I read out, it is specifically stated that, in the short term, using the Monarto interchange (and I guess also the Callington interchange) will eliminate the need for a Mount Barker bypass and an additional access to the South-Eastern Freeway. Given the enormous and significant residential growth in Mount Barker, Littlehampton and Nairne, have any funds been allocated to carry out any preliminary study work, or any work, on a second interchange at Mount Barker?

The Hon. M.J. WRIGHT: The short answer is no. The longer answer is that some work was done previously, and advice was given to the local councils that there would not be a second interchange.

The Hon. M.R. BUCKBY: I wish to clarify something with the minister. Does the Minister for Infrastructure have responsibility for the Port River Expressway, or can I ask the minister further questions about the Port River Expressway? If not, I will put them on notice to the Minister for Infrastructure.

The Hon. M.J. WRIGHT: I do not want to be difficult about this, and I will be as open as I can be—and perhaps this answers the member's question; maybe it does not. I do not mean it to be that way. Just to try to put this into context, I will say, obviously, that the Minister for Infrastructure has overall responsibility for the project. Transport SA will be the service deliverer of the project. We are the provider and Infrastructure SA is the client. I guess it depends on the nature of the question whether it is more appropriate for me to answer it. The member can ask the question and, if I am not able to answer it, either because I do not know or because it is more appropriate for the Minister for Infrastructure, I can take it on notice and we will obtain the answer. Whatever the member needs to know, we will find out.

The Hon. M.R. BUCKBY: Will the minister advise the committee whether, due to the government funding of the third river crossing, any planned or new works are being delayed, deferred or shelved and, if so, which planned or new works have been targeted?

The Hon. M.J. WRIGHT: The easy answer to this is that nothing else is affected by this project.

The Hon. M.R. BUCKBY: The minister may be aware that a \$40 million plus expansion of the Hallett Cove Shopping Centre is to occur, and that part of the development involved a new access road built on what is presently Transport SA land. I am led to believe that traffic lights will be relocated from the junction of Lonsdale Road and Ramrod Avenue to the junction of Lonsdale Road and the new access road. I understand it has been agreed that these works would be jointly funded by Transport SA, Marion council and the private sector. As I understand it, moneys to be spent comprise up to \$1.5 million from the City of Marion towards the access road, \$400 000 from the shopping centre developer to relocate the traffic lights, \$200 000 from the developer of an adjacent retirement home project towards the access road and up to \$2.7 million from Transport SA towards the access road. As the budget papers make no reference to this project, can the minister confirm that the moneys have been allocated, and is the minister aware that, if the moneys are not allocated by Transport SA, the developer is suggesting that he will spend them on other development projects in New South Wales instead of South Australia?

The ACTING CHAIRMAN: I am happy for the member to ask that question, but when he says that the budget papers make no reference to a project it sort of invalidates the

question. However, I will allow the question, given my Solomon-like wisdom.

An honourable member interjecting:

The ACTING CHAIRMAN: Yes. I am sure that speaker Gunn has a precedent on this somewhere, which I can look up.

The Hon. M.J. WRIGHT: I thank the member for Light for his question. I am only generally aware of this project. It is not something that is totally new to me, but I will ask Mr O'Loughlin to fill in a little more of the detail, because I think he has recently met with Mr Makris. I can answer parts of the question, but I think it would be useful if Mr O'Loughlin could share further information with us. Money has not been set aside in the budget. Clearly, some ongoing work still needs to be done, and discussions are taking place between the council, ourselves and the developer. Perhaps Mr O'Loughlin, who has recently met with Mr Makris, can add some more detail to the series of questions that the member posed.

Mr O'LOUGHLIN: What the minister has said is correct. We were approached about a year ago by the Marion council asking us to invest. It is a local road but, arguably, it could be classified as an arterial road after the investment went ahead, so they came to us with a proposition that would be a tripartite funding package along the lines that were described a moment ago, with the developer looking after the traffic signals and some sort of arrangement between the council and ourselves for the rest. The council spoke to us about what contribution it might make. At that initial meeting, I pointed out that Transport SA owned the land (which it was leasing back at, effectively, a very low rate), which would be improved, because it would be used for car parking. I said that, if some of that value could be captured, the cost to both parties could be reduced.

The council re-examined that issue and came back to us; however, there was still a bit of a gap between us. So, a subsequent meeting was held with Mr Makris and with the Chief Executive of the Marion council at Onkaparinga, when Mr Makris put his view. I said that we would consider those views before putting a recommendation to the minister, but asked that the council reconsider its level of involvement. The council undertook to do so, and Mr Makris was satisfied with that at the time. We have still to hear back from the council, and so I have yet to put a recommendation to the minister.

Mr CAICA: Whilst I was out of the room, I gave my colleague the member for Enfield some instructions. However, he did not follow them, so we are slightly out of sequence. I refer to Portfolio Statements, Budget Paper 4, Volume 3, page 10.24. How will the government tackle road safety through the implementation of new technology?

The Hon. M.J. WRIGHT: I thank the member for Colton for bringing a more orderly sequence back into estimates. Nonetheless, as the member for Enfield predicted, I will probably get it right. One almost tires of saying this, and one does not do so with any pride: quite the opposite. However, we are the worst performing Australian state in regard to fatalities on our roads. Statistics do not lie. Of course, we have had some horrific accidents in the past few days. The recently released draft transport plan (the first published plan in more than 30 years) recognises that road safety is our first priority and, as such, the government has committed an additional \$6 million in safety investment dollars to ensure that South Australia's road toll is reduced.

In the recently released budget, the government has announced an additional \$6 million to be included in the

Smart Road Safety program, which represents a new program which, in 2003-04, will provide more than 50 per cent of its allocation to support a series of safety driven investments in regional South Australia. The \$6 million will comprise \$5 million in safety driven improvements and \$1 million in a heavy vehicle safety initiative. The safety driven improvements are aimed at reducing road fatalities and serious crashes; utilising techniques, such as intelligent transport systems; and installing contemporary safety signage and audio tactile line markers. The heavy vehicle safety initiative (known as TruckScan, to which I have already referred) is new technology that records and verifies heavy vehicle movements and provides improved detection of serious abuse of driving hours regulations.

Table 2.17 in Budget Paper 3 shows the heavy vehicle safety initiative with a net cost of \$700 000 in 2003-04, which is made up of the following: capital cost of \$1 million; operating cost, \$200 000; net revenue, \$500 000; and net cost, \$700 000. Within three years, the ongoing return to the budget from the initiative will be \$300 000, made up of \$500 000 of revenue, less \$200 000 of operating costs. Regional South Australia is over-represented in most statistics in relation to road safety. As a result, a significant proportion of this additional \$6 million Smart Road Safety program is likely to be distributed to regional South Australia, which is very much a road safety focus point for the government.

The recently formed Road Safety Advisory Council, comprising key stakeholders in the road safety field, will be asked to assist the government in allocating the \$5 million safety trip improvements component of the program. In the near future, we will be able to describe more specifically the initiatives and locations of the program.

Mr CAICA: I refer to Budget Paper 5, page 35. When will upgrading work on the Glenelg tram be completed? What plans or studies have been undertaken to extend the tram beyond Victoria Square?

The Hon. M.J. WRIGHT: I thank the member for his very important question. The existing H-class trams are 74 years old. While there have been various programs of refurbishing these trams during this period, they are old technology. They do not meet modern standards for commuter comfort or disabled access requirements, and they are incapable of being modified to comply with the provisions of the Disability Discrimination Act.

The new LRVs will incorporate the most up-to-date standards of light rail vehicle design, including airconditioning, security systems, and a low floor, which will meet the provisions of the DDA for disabled access. The infrastructure supporting the existing trams will be examined to ensure that it is capable of meeting the physical performance characteristics of the new LRVs operating in conjunction with the retained fleet of H-class trams. The areas that will be incorporated into the infrastructure upgrade will include:

- redesign of the station platforms to facilitate access to the new low floor LRVs;
- replacement of the sleepers with concrete sleepers and, in the process, removing any contaminated ballast associated with the tramlines;
- replacement or grinding of existing rails, where necessary, to reduce wheel wear and to facilitate smoothness of ride;
- modification of the depot workshops to incorporate changes that enable the LRVs to be serviced. Motors of LRVs are roof mounted, whereas the motors on H-class are chassis mounted; and

review and, if necessary, upgrade of the power supply and power distribution system.

The opportunity will also be taken to introduce Smart Stop information technology at stations for passenger convenience. Some stations will be upgraded. The upgrading of the existing infrastructure is expected to be completed by the end of the calendar year 2004—well in advance of the expected delivery dates of the LRVs in 2005. Of the \$26 million allocated for the whole infrastructure project, \$1.2 million has been allocated in 2003-04 to finalise investigations and commence upgrading.

The extent to which the community accepts and uses the renewed tram system will provide a good indicator as to whether further major investment in light rail should be considered. One of the options, of course, is to take the tram to Port Adelaide, which would be relatively easy. Obviously, new infrastructure needs to be put in place for the rails to go down King William Street, North Terrace and to the university. They would then link up with the existing infrastructure. That is a very serious option that the government obviously will consider. However, it is not the only option, although some suggest that it is the best. Historically, other options that have been considered are to take the tram to North Adelaide. Certainly, that is not off the drawing board and is another option.

But there is no reason why the tram could not go east, why it could not go down The Parade and why it could not go down Henley Beach Road. A range of options are available and all are worthy of consideration. What we want to see and what we think we will see is universal acceptance of this project by the public of South Australia and the broader public and, of course, I am talking about visitors. I have had the good fortune to see this type of tram not only in Melbourne (as others would have) but also overseas. It really will excite the population of South Australia.

Certainly, it will not only be a significant boost to South Australia's transport sector but, from a tourism point of view, it will also prove to be a wonderful acquisition. We have deliberately said that we will keep five of the refurbished trams because we know that the old icon is something with which South Australia identifies. The old tram, of course, will be used on weekends, long weekends and public holidays. The government certainly has not closed its mind to options beyond this project. We will consider a range of options as part of the draft transport plan. I think that we should look at this project as an exciting challenge for South Australia.

I think that light rail is the way to go. Not everyone would agree with me. I do not say that light rail should replace buses or heavy rail but, certainly, it should be one of the options to which we give active consideration. It must, I think, strike a cord with all people. We do have advice that if we were to get the trams down to the university we can put them on existing infrastructure. It is a very simple task. Some economies of scale are involved in that. That is certainly worthy of this government's consideration. We will take account of that option but we will also open ourselves up to other areas because we think that a range of exciting possibilities exist for light rail in South Australia.

Mr CAICA: I refer to the Portfolio Statements, Budget Paper 4, Volume 3, pages 10.24 and 10.26. When is work expected to start on the Mawson Lakes connector interchange, this important public transport interchange?

The Hon. M.J. WRIGHT: As part of the Mawson Lakes commitment deed there is an obligation on the Passenger

Transport Board to construct a new railway station. The actual deed states:

... construct a new railway station in the location shown on the structure plan in the sixth year after the commencement of the joint venture. . . at an estimated cost in 1996 dollars of \$462 000.

In February 2001 the commitment deed was amended to include a contribution of \$1 million from the Mawson Lakes joint venture (the developer) towards the construction of a bus/rail interchange at the above site. Potential patronage demand indicates that the new Mawson Lakes station could be the third highest patronised train station with 2 500 passenger movements per weekday (after Salisbury station with 3 460 per weekday and Noarlunga station with 3 340). Concept development work has now been completed.

Documentation has been finalised for an Expression of Interest (EOI) call for a combined Mawson connector (transport interchange, design and construct) contract. This was advertised on 23 June 2003. Overall, project management will be undertaken by Transport SA. A Public Works Committee hearing is currently set for Christmas. The contract is expected to be awarded to the successful contractor in March 2004. Field work is likely to commence shortly thereafter. The overall construction period is estimated to be 45 weeks.

The Hon. M.R. BUCKBY: I hear your comments, minister, about the Glenelg trams and, obviously, the opposition supports it; it was in our final budget. Why was the decision taken for government to fund the Glenelg trams rather than entertaining a public/private partnership as you said you would in last year's budget. From my understanding, I think that there are about 70 expressions of interest from the private sector to become involved in this particular project.

The Hon. M.J. WRIGHT: The original concept to which the honourable member refers was a broader project. Incidentally, there were not 70 expressions of interest but 70 hits on the web site. Of course, talk at the time of a potential PPP was for a much broader, larger project, perhaps of the nature I have already spoken about in regard to the potential that exists for tramline extension. The government ultimately decided that it wanted to make a commitment in this budget to refurbish the Glenelg trams, which includes nine new super trams, trams of a nature that people in South Australia have never seen before, at least not in South Australia. There is also a commitment to information technology in regard to Smart Stops and providing the technology to meet the quality of the product.

An example of this is now being trialled on The Parade and on Henley Beach Road, where people can look at a visual display that tells them how many minutes until the arrival of the next tram. The audio facility is also there. Included in this particular project (\$56 million in total), of course, is the commitment to resleeper, which is essential if we are going to provide a service that is not only modern and accessible but also, of course, runs on time and provides the type of service that is expected by the public.

It is a different way of coming at it but we thought it was best to provide some certainty. We also think that there is some commonsense in coming forward with this project first for the obvious reasons. Let us see what the reaction to it is. We think the reaction will be very strong. We are already doing some work, make no mistake about this. We have been and are doing some work on the potential for light rail in South Australia. We will continue to work on that because, as a department, we are very excited by what light rail can

offer South Australia and to the people coming to South Australia.

We will work within the confines of the draft transport plan. Various considerations will need to be made by government should this project prove to be successful. Having said that, I would be stunned and astounded if the public of South Australia and people visiting South Australia do not respond with almost 100 per cent acclaim of the new trams in terms of delivery of transport. I am certain that what people will get and see will excite them just as it has excited me when I have looked at it overseas. If people have not seen what is now available in Europe, the United Kingdom and the United States of America—I have not seen all those, I hasten to add, although I have seen some of them—and they get the opportunity, they should take it, because it is something they will never forget, and it will hold them in good stead as the government progresses this debate.

The Hon. M.R. BUCKBY: In relation to the Port River crossing, can the minister advise whether the government will eventually close the Rosewater loop when the bridges are open? I understand that the government has looked at closing the Rosewater loop in order to have goods trains removed from the residential area. However, when the bridges open, if there is a bridge-closing malfunction, how will trains travel to ships at Outer Harbor if the Rosewater loop no longer exists?

The Hon. M.J. WRIGHT: I think it is best if I take this question on notice and get the detail for the member. Obviously, discussions are taking place not only in respect of what the member is talking about but also across the broad spectrum. I do not know to what the member is referring, but I would be happy to get that detail and bring it back.

Mr KOUTSANTONIS: I have a number of issues to raise with respect to the City West Bypass. As the minister is aware, I have contacted his office and I thank him for his cooperation and that of his office. Could he give some background as to why this project is going ahead and when we committed to it?

The Hon. M.J. WRIGHT: I thank the member for West Torrens for his question. Let the committee be in no doubt that the member for West Torrens has made very vigorous representations to me on this issue and indeed many other issues. But, with respect to this issue, certainly the member has drawn this to my attention, as he should, on behalf of his constituents. He has also had me in the local area examining it and working out what options there may be.

I think I should say from the outset that this government finds itself in a position that it does not enjoy being in, that is, that a contractual arrangement was made by the previous government which, of course, this government is contractually obliged to meet. We do not like finding ourselves in that position because, if we were left to make budget decisions on priorities, it would be fair to say that this would not be one of our budget priorities.

So, I guess that sets the climate that we are in. It is not good from a road transport point of view and it is not good from a local member's point of view. The road transport budget is being affected by a previous contractual arrangement made by the former government which we believe should never have been made and, of course, not only is it not a priority for Transport SA, with all the priorities that it has in metropolitan and rural South Australia, but also it has a negative impact, one could say, on local residents (and, of course, that has been highlighted to me by the member for West Torrens).

So, subject to the developer's making a contribution towards the works and a plan amendment report being approved, this ultimately will go ahead. It is to be a two-lane road from Sir Donald Bradman Drive to South Road, with signals at Sir Donald Bradman Drive and at Deacon Avenue. There will be limited access points along its length, and discussions with Bunnings are currently under way. It is yet to be submitted to the Public Works Committee. Community consultation has concluded.

Just this week, amongst other calls that I had regarding the public transport plan, I had a call from someone who is probably (but not necessarily) a constituent of the member for West Torrens asking me about the consultation phase of this project. I said to the caller, 'Consultation has occurred. If it has not occurred properly, please let me know, and I can do something about that. However, if it has not occurred to your satisfaction because we simply have not overturned a previous decision of the former government, this is the reason: we are stuck with a contractual arrangement.' I have great sympathy for the member for West Torrens and his constituency, and let there be no doubt that he has represented his constituency very vigorously on this issue, and this is not an example of which the previous government can be proud.

Additional Departmental Advisers:

Mr R. Arnold, General Manager, TransAdelaide.

Ms H. Webster, Executive Director, Passenger Transport Board.

Ms H. Hazelgrove, Director, Integrated Metropolitan Contract and Services, Passenger Transport Board.

The CHAIRMAN: The committee will resume with the Passenger Transport Board and TransAdelaide. Does the minister wish to make a brief opening statement?

The Hon. M.J. WRIGHT: Yes, and I will attempt to be brief. I will deliver both opening statements at the same time, if members are happy with that. The government is committed to an equitable and responsive public transport system, and the patronage gains over the last year are testament to its growing popularity with Adelaide's travellers. It is notable that, while patronage in many other states is falling, many more people are regularly choosing the environmentally friendly option offered by passenger transport in Adelaide.

The draft transport plan acknowledges the importance of close interaction between the transport, passenger transport and planning portfolios, and this will continue in the arrangements for the coming year. Specifically, this interaction will allow better decisions to be made in areas where the functions complement each other, such as sustainability and traffic demand management, as well as where they compete; for example, freight demands versus passenger transport needs. The government is committed to extending the Metroticket boundary to residents in the south, and this budget puts that promise into action with a \$200 000 allocation to extend services to McLaren Vale, Willunga, Aldinga and Sellicks.

The major issue of investment in long-ignored infrastructure has been addressed with a commitment to replacement of the rolling stock on the Glenelg tramline, with a \$56 million funding injection. The PTB will also benefit from the substantial commitment of \$81.8 million to acquire new buses over the next five years. This will not only provide better comfort and ride for passengers but also easier driving for bus operators and lower maintenance costs. This important program will continue to upgrade the fleet to provide modern airconditioned vehicles and improved accessibility.

TransAdelaide is engaged upon a process of continuous improvement of its business of supplying Adelaide's passenger rail services. This process has yielded benefits in 2002-03 and will continue to do so in 2003-04. Some examples are:

- Through May 2002-03, patronage has grown 4.16 per cent over 2001-02.
- Customer satisfaction survey carried out on behalf of the PTB in March 2003 resulted in customer satisfaction of 88 per cent and customer perception of safety of 90 per cent.
- On target to deliver efficiency savings in 2002-03 and committed to further efficiency saving in 2003-04.
- In addition to making these cost savings, TransAdelaide is expected to achieve an operating profit of \$1.8 million in 2002-03, and is committed to an operating profit before income tax and dividends of \$2.997 million in 2003-04.
- Has successfully completed its capital plan in 2002-03, and has a capital budget of \$10.920 million in 2003-04.

Major projects carried out on time and within budget include: remediation of Belair line embankments; strengthening of the Port Adelaide viaduct; and an annual station refurbishment program. Major projects for 2003-04 include: centralised train control replacement; rail track upgrading; and continuing an annual station refurbishment program.

The Hon. M.R. BUCKBY: I will not make an opening statement, Mr Chairman; we will get straight into questions. I refer to Budget Paper 3, page 2.29. Can the minister advise the committee which poorly patronised bus services will be removed, whether any drivers will be made redundant, and what form of public transport services are to be offered at these times? The budget papers show a saving of \$1.85 million in 2003-04, rising to \$1.95 million in 2004-05 and continuing into the forward estimates.

The Hon. M.J. WRIGHT: Governments always need to set priorities and we need to make hard decisions. The saving to be achieved is \$1.85 million in the first year and \$1.95 million in subsequent years. The savings are ongoing but not cumulative. Savings will be achieved by eliminating low patronage bus trips, which will reduce the contract payments payable to the public transport contractors. We know that the public is critical of buses running with no passengers. This is part of achieving ongoing efficiencies. As the city and its population change, the needs of public transport customers also change and there is an on-going need to review public transport services.

The bus services to be altered are currently being determined. Services with low patronage would, on average, carry no more than a handful of passengers, although this may vary on a given day. The PTB is working closely with the bus contractors to identify appropriate services so that the impact on customers is minimised. When the changes are made it will be accompanied by a comprehensive information campaign so that the public is fully informed of that detail.

The Hon. M.R. BUCKBY: I refer to Budget Paper 3, page 2.29. Will the minister explain to the committee how he intends to accelerate the deployment of redeployees, and will an enhanced TVSP scheme be offered to the redeployees? The papers show a saving of \$2 million in 2003-04, falling to \$800 000 in the forward estimate period.

The Hon. M.J. WRIGHT: We need to put this in context and go back to January 2000, when the then minister for transport and urban planning announced that TransAdelaide was not successful in winning any bids in its own right to operate Adelaide's metropolitan bus services to the year

2010. On 2 March of the same year, the then minister for transport and urban planning announced that A. Goninan and Company Limited had won the contract to perform rail car maintenance and related services for TransAdelaide, and 54 employees were affected by this decision. The loss of the bus business resulted in 1 127 full-time equivalent TransAdelaide bus business employees being declared surplus to requirements as at 23 April 2000.

At the time of these announcements TransAdelaide had an existing pool of 81 redeployees. The Department for Administrative and Information Services was given responsibility for the case management of these redeployees. Responsibility for any industrial relations issues lay with TransAdelaide. This approach resulted in a lack of coordination and impeded the redeployment process. A number of moral and self-esteem issues began to emerge.

In April 2001, the office of the chief executive of the minister for transport, urban planning and the arts assumed responsibility and a coordinating role in relation to these redeployees. A process was embarked on whereby over 60 jobs were identified in Transport SA and across government that had previously been filled by temporary staff. Preference was to be given to redeployees, with some exemptions from the normal recruitment process. On 19 June 2001, the estimates committee was advised that the number had reduced to 99 FTE bus business redeployees. As at 27 December 2002, there were 68 bus business redeployees, 12 rail car maintenance redeployees and 22 from other areas remaining. The introduction of a new certified agreement for surplus bus operators in July 2002 introduced the right for TransAdelaide to direct a surplus employee to a position or work with a government department that is within the employee's skills or ability, with training if necessary. This has been reinforced by the amendment of PSM Act determination 3: A Managed Work Force—Redeployment, which provides the same right for all employees.

In August 2002, TransAdelaide reassumed responsibility for management of redeployees from DAIS and commenced an intensive program to secure alternative employment opportunities for redeployees. The above initiatives resulted in a marked shift in attitude of many redeployees and improved the number of placements into alternative employment. As 30 April 2003, 68 redeployees remained with TransAdelaide: 44 bus, eight rail car and 16 others. Of the 68 redeployees now remaining, 47 are currently in temporary alternative placement or undergoing training with a view to permanent placement if deemed suitable. A recent call for expression of interest in a TVSP resulted in redeployees expressing interest. Calculations are currently being prepared and a formal offer has been made with an expected exit date of 1 July of this year.

The Hon. M.R. BUCKBY: In Budget Paper 3, page 2.29, will the minister explain to the committee which inspectorial functions of the PTB will be reduced? Also, will there be any staff reductions to create the efficiencies and will safety measures be affected? The paper shows a saving of \$340 000 this financial year, rising to \$1.7 million in 2006-07.

The Hon. M.J. WRIGHT: The initiative to combine the inspectorial function is designed to unite this type of function, which is presently carried out by three agencies: Transport SA, the PTB and TransAdelaide. The combination of these functions in one group will benefit customers by ensuring a result with common policies and procedures across the three agencies and a common approach to regulations and their implementation. A wider range of duties will offer prospects

for employees to enhance their skills and have a broader career path. Consultation with unions and employees will be carried out in the process. Some staff reduction will occur, but it is expected that attrition and retraining will address that issue. The government's policy of no forced retrenchments will continue to apply.

Going back to an earlier point that I made, by combining these functions into one group, that will benefit customers by ensuring a result in having common policies and procedures, and surely that must be a good thing for customers. They really do not want three different policies and procedures when dealing with the public transport system. To do this across the three agencies and to have a common approach to regulations and their implementation must be a good thing.

Mr KOUTSANTONIS: I refer to Budget Paper 4, Volume 3, page 10.72. I have had a number of complaints about the performance of Access Cabs, one in particular from a gentleman called Edgar Tattersall, who was a former auditor-general of this state and commissioner of the Public Service. He and I forwarded some suggestions to the minister. Given that the budget paper includes a measurement of the quality of Access Cab services, can the minister advise the committee of the performance criteria stipulated in the new contract for Access Cabs and the central booking service, and say if there has been any improvement in waiting times? I have had a lot of anecdotal evidence that it has improved but I wonder if there is any factual evidence.

The Hon. M.J. WRIGHT: The honourable member's ongoing support for the taxi industry in general is well known and his articulation on behalf of the Access Cab component of the taxi industry is not to be underestimated, either. He, other members of the committee and I are aware that this government inherited some significant issues upon coming into office, and those issues needed to be addressed. I would not say that the system is perfect and I am not sure that it ever will be, but there have been longstanding concerns regarding Access Cab services. The government has put in place a number of measures to improve the service and a new central booking service commenced in March as part of the reforms. Early in 2003, the PTB released a tender for the provision of Access Cab central booking services. The member for West Torrens may have heard of Adelaide Independent Taxi Services—

Mr Koutsantonis interjecting:

The Hon. M.J. WRIGHT:—they are your constituency—which was the successful tenderer, succeeding the Yellow Cabs group. Yellow Cabs had held the contract since 1997. Adelaide Independent Taxi Services began operating the service from midnight on 24 March for an initial period of 12 months. Access cab operators who previously used Yellow Cabs for dispatch services are now required to use AIT for these services. The size of the Access Cab fleet was not affected by the change.

Previous reforms to Access Cab services introduced by the government included the on-time bonus scheme as an incentive for drivers in the central booking service to reduce waiting times. From December 2002, when the scheme began, until the end of May 2003, approximately \$300 000 was paid through the scheme. Of this amount, \$5 out of every \$6 goes to the fleet, with some going to the central booking service.

The contract with AIT contains performance criteria aimed at improving the time taken to pick up passengers, reducing complaints received from customers or drivers, and increasing business volume for the Access Cab fleet, particularly

outside dedicated hours. Contract renewal will be determined by reference to AIT's performance with regard to the above criteria.

Since AIT began operating the central booking service, there has been a decrease in instances of people waiting for extended periods. I am sure that that is something that all members of the committee would welcome. The number of jobs picked up within 13 minutes has increased from 73 per cent to 80 per cent and the number of jobs picked up within 30 minutes has increased from 91 per cent to 94 per cent. The early indications are that Adelaide Independent Taxis are doing a good job, and we wish them well because we need this to be a good service for the clientele it serves.

The number of complaints received through the Access Cabs hotline has been steadily decreasing since March 2003. This indicates that, although there is still room for improvement, positive progress is being made and, as I said at the outset, there will always be cases that are brought before us that we need to act upon, but we have to try to reduce those numbers as much as possible. These figures are heading in the right direction.

As I said, we will never have a perfect system, and that is because we just cannot deliver a perfect taxi system. We are heading in the right direction. There has been policy intervention. There has been an arrest of the fraud that was identified, and we acknowledge that we never knew how significant that fraud was, but we had to act on the Kowalick report. The industry is taking on the challenges. AIT is working well, and the beneficiaries are the customers, and we need to ensure that we give them the quickest pick-up as possible.

Mr KOUTSANTONIS: The staff are absolutely devoted to providing the best service they can for the Access Cab community and its users. I have been up to the radio room with Bill Gonis and his staff, who are working very hard. They have a dedicated room and dedicated operators working there. They are doing the very best they can. I now pass on some anecdotal evidence to the minister. I have a lot of contacts in the taxi industry and they are refreshed by the new leadership in the taxi portfolio. The Premier's Taxi Council and the good work that the minister is doing are being received very well and taxidrivers are fairly happy with our government.

However, there is one sticking point, and that is the enforcement by the PTB and their officers of taxidrivers who have not had cameras installed. Can the minister restate the criteria that he read into *Hansard* in answer to a question without notice about the procedure that the PTB should follow for taxidrivers who have not had cameras installed? Can the minister restate that to give a bit of certainty to taxidrivers? There has been a bit of confusion and inconsistency, which does not relate to what the minister said in the parliament but stems from the operation of the PTB.

Members interjecting:

Mr KOUTSANTONIS: Budget Paper 4, Volume 3, pages 10.72 to 10.84.

The Hon. M.J. WRIGHT: I am happy to go back and check what I said previously, and it would have been something like this. We want to provide the opportunity, if a person has been genuine in making the commitment to get the camera in, that they will not be pinged. If there has been a difficulty—for example, from the supplier—that needs to be taken account of. The flip side of that (and I am not suggesting that this has happened) is that I would hope and expect that, for that offer that has been made to the industry, we do not have too many, if any, trying to pull the wool over

the eyes of the PTB. But, generally speaking, if a case can be made that a genuine attempt was made, an order was provided before the cut off point (and I think there was a month's grace given in December), the PTB is certainly happy to examine cases of that nature.

Mr KOUTSANTONIS: Thank you, minister. That is all they are asking for.

The CHAIRMAN: I think the minister made an announcement not that long ago about the Crouzet ticketing system, which I think is due to expire in a year or so. Will the new system, whatever it is, be much more flexible than that Crouzet system, which has prevented some innovative offerings in regard to ticketing? Are you committed to a new system that will be much more innovative in terms of what it can offer in this current, very restrictive, outmoded system?

The Hon. M.J. WRIGHT: Yes—I think it would be being a little liberal with the English language to say that I made an announcement, but I do recall the Chairman asking me a question. The ticketing system has been in use for approximately 16 years. It is anticipated that the existing ticketing system can be maintained in a reliable operation state until at least 2007. TransAdelaide has a multi modal integrated ticketing system, unlike most other states. South Australia is well positioned to monitor the implementation of the Brisbane, Sydney and Perth smart card systems and learn from their experiences. In the interim, the PTB will review the system's estimated remaining lifetime at the end of each financial year, has included \$300 000 per annum in its forward estimates for minor improvements to the system, and is also participating in the creation of Australian standards for smart card fare collection systems. There are significant financial and technical risks associated with the introduction of any new fare collection system and, obviously, the government would need to move with some care before introducing a new system.

The CHAIRMAN: What is the approximate cost of graffiti vandalism and other types of vandalism to Trans-Adelaide trains and the buses that operate under contract, and any of the other operations that come under this part of the minister's portfolio?

The Hon. M.J. WRIGHT: I will obtain that information. It does vary, of course, from time to time. I will obtain that detail for the member.

The Hon. M.R. BUCKBY: I refer to Budget Paper 3, page 2.29. Can the minister advise the committee what areas of efficiency will be targeted to achieve a reduction of \$350 000 in 2003-04, rising to \$500 000 in 2004-05 and from there on?

The Hon. M.J. WRIGHT: The advice that I have received (and I am sure that it is very good advice) is that these are efficiency savings, which do not require a reduction in services. They are internal efficiencies, and three examples that have been provided to me are fuel savings, rostering improvements and reducing overtime.

The Hon. M.R. BUCKBY: Can the minister advise the committee of the estimated cost of extending the metro ticket boundary to include Aldinga, McLaren Vale, Willunga and Sellicks Beach, and when will this be implemented?

The Hon. M.J. WRIGHT: The advice I have received is that the approximate cost is \$200 000, and it will commence on 5 October.

The Hon. M.R. BUCKBY: Can the minister advise the committee (and he might have to take this on notice, because I do not expect him to have these numbers here) of the

number of Access Cab fares taken for each month since the changeover of the contract to Adelaide Independent Taxis?

The Hon. M.J. WRIGHT: The member is right; I will need to take that question on notice.

Mr CAICA: I refer to Budget Paper 4, Volume 3, page 10.70. It includes several measures designed to measure the quality of Adelaide's public transport system. Can the minister advise the committee of the results of any recent surveys of customer satisfaction with public transport in Adelaide?

The Hon. M.J. WRIGHT: Adelaide's public transport system and services have received a vote of confidence from its customers, with the second comprehensive independent customer satisfaction survey results showing that the overwhelming number are satisfied with the services. Some 20 000 passengers were asked about Adelaide's public transport system from 7 March to 24 March this year. As part of the contractual arrangements for Adelaide Metro services, the PTB is required to undertake surveys of customers. A great deal of work has been undertaken in the last 12 months to improve Adelaide's public transport system. For example, safety and security at stations on the railway network has been improved, more timetable information has been introduced at bus stops across the metropolitan area and new buses have been added to the fleet. All of these have proved popular with our customers.

Satisfaction with passenger safety was viewed positively. Some 92 per cent of passengers were satisfied with on-board safety, while only 1.7 per cent were dissatisfied, and 87 per cent of passengers were satisfied with their overall trip. The survey findings show that, by mode, on-board safety was rated highest for tram travel, with 94 per cent of tram passengers indicating that they were satisfied with on-board safety, followed by bus passengers at 92 per cent and train travel at 90 per cent.

Adelaide's public transport network of buses, trains and trams has had a renaissance in popularity, reversing a trend of declining patronage in many other Australian cities. With better services more often, lots of information and marketing of our metro ticket system, the Adelaide public system patronage has increased steadily for the past three years. A further 500 Adelaide free passengers were surveyed, with 97 per cent of passengers satisfied with their overall trip.

Mr CAICA: I refer to Budget Paper 3, Volume 3, page 10.85. The minister alluded to the feelings of customers. Is patronage on the rail lines continuing to grow? How does the patronage growth between trains, trams and buses compare?

The ACTING CHAIRMAN (Mr Koutsantonis): I do not expect the minister to have that information at his fingertips, but if he does we will be happy to hear it. However, he might want to put that question on notice. It would be the first time a Minister for Transport has had those figures ready.

The Hon. M.J. WRIGHT: The government is trying to set new high standards in transport. As members are aware, we are trying to overcome some of the shortcomings of the previous government in the transport portfolio. That does not mean to say that we are doing everything perfectly, but it so happens that I do have some of that information. However, I thank the Acting Chairman for his offer. If I am not able to answer all the question, I will bring back further information after my answer is provided, if the member thinks that is required. It is a good question, because patronage is continuing to grow for the entire rail system, with an increase in May 2003 of 6.2 per cent for trains and 2.6 per cent for trams,

compared with 2 per cent for all public transport. Rail patronage exceeded all public transport growth by approximately two percentage points for nine of the last 10 months of 2003.

Factors contributing to continued train patronage growth are better on-time running, increased perception of security (especially at night), increased security, and car park facilities. High petrol prices caused commuters to reinvestigate public transport. Higher public liability insurance has forced more schools to use trains in preference to hire coaches. Patrons perceive improved customer service and safety, as reported in the latest customer satisfaction audit. Patronage for trains grew rapidly in late February-March 2003, when petrol prices exceeded \$1 per litre. TransAdelaide has retained many of these new patrons after petrol prices dropped again.

Mr CAICA: I refer to Budget Paper 4, Volume 3, page 10.86. What have been the benefits of concrete resleepering the Outer Harbor line? Has the issue of arsenic impacted soil been addressed?

The ACTING CHAIRMAN: That question would be out of the reach of ordinary ministers, but I am sure that our minister will have a response.

The Hon. M.J. WRIGHT: Thank you, sir. The project to upgrade the Outer Harbor line with concrete sleepers between Woodville and Outer Harbor commenced in January of 2002 and was completed in June of the same year. A total of approximately 23 kilometres of track was upgraded using in the order 37 000 gauge-convertible concrete sleepers. The concrete resleepering was completed within budget and ahead of schedule in June 2002.

Since that time, consultation has occurred with the Port Adelaide Enfield Council, Salisbury Council, and the Environmental Protection Authority on proper management and relocation of surplus soil impacted by arsenic. By involving a recognised environmental management firm, proper management plans have been established for the removal, transportation, and placement of this surplus soil within budget, and this work will be completed by June 2003.

The installation of the concrete sleepers has vastly improved the ride quality for customers and allowed the removal of speed restrictions associated with the original wooden sleepered track condition. A reduction of maintenance forward workload labour hours has also been achieved with the installation of new track. The concrete sleepers installed are gauge convertible in that they provide for conversion to standard gauge in the future. The other point to make is that on-time running for the Outer Harbor pre concrete sleepering was 79 per cent and, post the concrete sleepering, it is now 96 per cent.

The ACTING CHAIRMAN: If the member for Light has omnibus questions, I suggest—

The Hon. M.R. BUCKBY: Yes, I have six that I will read before half past six. However, I have one further question. This issue was raised in the Treasurer's estimates committee, when he indicated that this area was minister Wright's responsibility. Will the minister advise whether the determination of the Third Party Premiums Committee, issued in 2002-03, has been laid before parliament? If not, why not?

The Hon. M.J. WRIGHT: I am happy to answer that question. That determination has not been tabled, but I can assure the member that I have signed it into cabinet, and I want to bring it forward as quickly as possible. I apologise for any delay; there were certainly no intent. It is always my desire to table these reports as soon as possible. I apologise

for any delay, but I will bring it forward in the very near future.

The Hon. M.R. BUCKBY: My first omnibus question is: for all departments and agencies reporting to the ministers, 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 a federal-state agreement? If so, what are the issues, and what level of federal funding has been or will be lost?

The Hon. M.J. WRIGHT: I am happy to answer that question. I am advised that there are no examples of federal funds not being received in South Australia because the state government has not been prepared to provide state funds for a federal-state agreement. In fact, my department has been able to secure matching funds from the federal government for the following: under the Roads of National Importance (RONI), \$7.5 million in 2003-04 for stage 1 of the Port River Expressway, and \$850 000 in 2003-04 for upgrading key freight route bridges off national highways for higher mass limits. Under the greenhouse gas abatement program, \$250 000 in 2003-04, with \$815 000 in total for Travel Smart change behaviour program.

The Hon. M.R. BUCKBY: Did all departments and agencies reporting to the minister meet all required budget savings targets for 2002-03 set for them in last year's budget and, if not, what specific proposed project and program cuts were not implemented?

The Hon. M.J. WRIGHT: I am happy to answer these questions, although, of course, we have run out of time. Perhaps I could answer this in conclusion. The advice I have received is that all budget savings targets for 2002-03 have been met for the PTB. All budget savings targets for 2002-03 for TransAdelaide have been met. The only material shortfall against budget for Transport SA is the \$.5 million target set for restricting options to use credit cards and save merchant fees. All other Transport SA savings targets are expected to be achieved. In total, the level of expected savings to be achieved in 2002-03 is \$10.1 million compared to a budget target of \$10.3 million.

The ACTING CHAIRMAN: It is past 6.30; does the honourable member have any further questions?

The Hon. M.R. BUCKBY: I will work on your indulgence, Mr Acting Chairman. I have just three further questions. Will the minister provide a detailed breakdown of expenditure on consultants in 2002-03 for all departments and agencies reporting to the minister, listing the name of the consultant, the cost and the work undertaken?

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

Question 5: In the financial year 2001-02 for all departments and agencies reporting to the minister, what under-spending on projects and programs was not approved by cabinet for carry-over expenditure in 2002-03?

Question 6: For all departments and agencies reporting to the minister, what is the estimated level of under-expenditure for 2002-03, and has cabinet approved any carry-over expenditure into 2003-04?

The ACTING CHAIRMAN: That concludes the questioning.

The Hon. M.J. WRIGHT: I am happy to answer those questions. I am not sure why the honourable member kept

reading them out. With respect to the third question, the table is provided.

The ACTING CHAIRMAN: Is it purely statistical in nature and only one page?

The Hon. M.J. WRIGHT: Yes.

The ACTING CHAIRMAN: I accept that.

The Hon. M.J. WRIGHT: With respect to question No. 4 asked by the member for Light, the answer is that Budget Paper 4, Volume 3, page 10.9 indicates that 209 positions will go from the transport agencies. The figure from Transport Services is incorrect due to a clerical error: the correct restated figure is 116 positions. This figure is the inferred impact on head count of the savings strategies to be applied across the transport agencies. It assumes that this impact will apply entirely to the permanent work force. In practice it is likely that a substantial proportion of the impact will be on casual and contractor staff.

For 2002-03 the number of staff is reduced by 100, while the permanent work force has grown by 50. A similar outcome can be expected in 2003-04. The actual positions that no longer will be required are still being identified in the course of the support service and functional review programs. Once these programs are progressed it will be necessary to determine offers of TVSP. In turn, that will drive divisions on backfill arrangements from both permanent staff and contractors. Until that process is completed it is not possible to specify the title, classification and TEC of each of the jobs to be affected.

The answer to question No. 5 is that the underspend on projects and programs in 2001-02 resulted in a total carry-over request of \$12.6 million. From this amount \$11.9 million was approved, with \$7.9 million carrying over into 2002-03; \$500 000 into 2003-04; and \$1.7 million into 2007-8. This resulted in \$.7 million that was not approved for carry-over—the \$.7 million incorporated funds that would have been applied to CNG refuelling facilities, Mawson Lakes, safer stations, resleepering and station upgrading. The answer to the last question is that transport planning is not expected to underspend its budget in 2002-03.

The Transport Services capital program is expected to be underspent by approximately \$1.5 million, which is mainly in the area of federally funded overtaking lanes on the Sturt Highway and Port Wakefield Road. This amount is yet to be considered by cabinet for carry-over. Cabinet has approved carry-over expenditure for the following capital items into 2003-04: Commercial Road, Port Noarlunga, \$1.55 million and metro bus priority lanes, \$1.20 million. TransAdelaide is expected to meet its profit target for 2002-03 and pay the required dividend to the Department of Treasury and Finance.

The level of underspend on the TransAdelaide capital program compared to the original budget is expected to be approximately \$840 000 (cabinet has approved carry-over of \$670 000). I expected the PTB to have a carry-over cash surplus. Patronage has continued to increase over 2002-03 and revenues have increased as a result. This will mean that the year end cash position will be better than forecast.

The ACTING CHAIRMAN: Thank you, minister. I thank all your staff. We appreciate their efforts very much. There being no further questions and no questions on notice to be answered, I declare this examination completed.

[Sitting suspended from 6.37 to 7.35 p.m.]

Administered Items for Police and Emergency Services, \$49 151 000

Administered Items for Attorney-General's Department, \$53 887 000

Attorney-General's Department, \$49 996 000

Witness:

The Hon. P.F. Conlon, Minister for Emergency Services.

Departmental Advisers:

Ms K. Lennon, Chief Executive, Attorney-General's Department and Department of Justice.

Mr K. Kelly, Acting Deputy Chief Executive, Attorney General's Department and Department of Justice.

Mr M. Hanson, General Manager, Telecommunications Initiatives, Attorney-General's Department.

Mr E. Ferguson, Chief Executive Officer, Country Fire Service.

Mr M. Smith, Business Manager, Country Fire Service.

Mr M. Smith, Acting Chief Officer, SA Metropolitan Fire Service.

Mr T. Norman, Business Manager, SA Metropolitan Fire Service.

Mr. C. Lemmer, Chief Executive, SA Ambulance Service.

Mr R. Mathews, Acting Fund Manager, Strategic and Financial Services Unit, Emergency Services Levy.

Mr B. Apsy, Chief Executive Officer, Emergency Services Administration Unit.

Mr T. Pearce, Manager, Financial Services, Emergency Services Administration Unit.

Mr B. Lancaster, Director, State Emergency Service.

Ms N. Cooke, Deputy Director, State Emergency Service.

Membership:

Mr Brokenshire substituted for the Hon. M.R. Buckley.

The CHAIRMAN: I declare the proposed payments open for examination and refer members to appendix D page 2 in the Budget Statement and part 4 at pages 4.1 to 4.11 and 4.42 to 4.77, Volume 1 of the Portfolio Statements. I invite the minister to make a statement and also to introduce his advisers.

The Hon. P.F. CONLON: I do not normally make opening statements, but I will do so on this occasion in order to say that with me tonight is the new Chief Executive Officer of the Country Fire Service, Euan Ferguson, whose appointment was confirmed today. He is, of course, the existing chief officer: it is a reunion of the two positions to one position, as occurred in the past. I offer my sincere congratulations to Mr Ferguson. He has done an outstanding job in his role as chief officer. He did a terrific job over the very difficult bushfire season and particularly in the lead-up to the very successful bushfire summit. I think Euan personally chaired nine regional meetings. He virtually picked himself for the job. The job, of course, is available because of the retirement of Vince Monterola, and I again place on the record our tremendous gratitude for the outstanding job that Vince has done during his time at the Country Fire Service. I am sure those sentiments have bipartisan support (Vince was an appointment of the former government). I wish him all the best. Those are the only comments that I wish to make at this stage.

Mr BROKENSHERE: I, too, join with the minister in congratulating Euan Ferguson on his appointment as chief fire officer. I had the privilege of congratulating him through

the media today and I am sure he will continue to do a fine job. I acknowledge all the volunteers and paid staff on their performance, commitment and input—from the CEO of the Department of Justice through all the agencies over the last 12 months. In particular, I express thanks on behalf of my party to the volunteers of all of the organisations—CFS, SES, marine rescue and surf life saving. The minister and I often talk about the fact that, without them, we would not have emergency services across this state.

I especially feel for the CFS and SES volunteers in the amount of road trauma work they are carrying out at the moment, particularly the brigade in my own area where this weekend we had another tragic road fatality. It is hard on volunteers when, week in and week out, they have to attend scenes of carnage around the state. Sadly, and tragically, they are having to go to scenes of carnage to attend people who are known to them, because those of us who live in the country seem to be our own worst enemies in some of our own road behaviour. I also acknowledge the ambulance services that have done such a fine job as well.

My first question is with respect to the South Australian Ambulance Service. In the 2002-03 budget the operating expenses were shown as \$76.68 million. The estimated result for that year is \$84.7 million. Could the minister advise the committee where the funds came from to make up what appears to be a \$3 million shortfall after taking into account increased operating revenue of approximately \$5 million?

The Hon. P.F. CONLON: Can the member tell us what he is looking at?

Mr BROKENSHIRE: Volume 1, Budget Paper 4, page 4.40, operating statement for SAAS, total operating expenses as against total operating revenue. If it assists the minister, I would be happy for him to take the question on notice.

The Hon. P.F. CONLON: I will have to take that on notice. We will come back to the member.

Mr BROKENSHIRE: I am happy for that. I would be appreciative if I could get the answer by 29 July, if not sooner. I understand that is the required time, Mr Chairman?

The Hon. P.F. CONLON: I am sure we will do everything that is required of us.

Mr BROKENSHIRE: The next question is: how much extra funding is coming from the government direct in 2003-04 to the South Australian Ambulance Service, and what amount is budgeted for from the increase in fees for the ambulance service of 17.5 per cent?

The Hon. P.F. CONLON: There is a very significant addition from consolidated revenue for 2003-04 of \$2.365 million to enable additional full-time equivalents to be employed in operational roles plus another \$0.4 million for administrative support positions. This came about as a result of a program of identifying increased workloads in the ambulance service. The experience around Australia is that there is a very rapid growth in ambulance services, and members would appreciate that that situation is not unique to South Australia, although it is probably a little exacerbated here. We have had to come to the party to fund extra employees to make that job one that we believe is tolerable and safe for the ambulance service employees.

One of the things that we are looking at at a national level is what is driving this growth in ambulance demand. Plainly, it is not unique to South Australia, although our ageing population I think has certainly exacerbated the increased demands on the ambulance service. I think the member's

specific question relates to what additional revenue can be found from the increase in fees.

Mr BROKENSHIRE: Yes, what was the total global increase from government and what do you expect to get from the increase in fees of 17.5 per cent?

The Hon. P.F. CONLON: I have given the member the increase from government. We might give the member these figures with the other question on notice, because it is best to get full sets of figures to be able to understand them. Whilst there is a budget improvement from the increased fees starting at about \$4.1 million in 2003-04 and growing in successive years, I think it is worth identifying that that growth is largely exhausted by the increased costs through the failure of the commonwealth to give proper recognition to the insurance component of ambulance cover.

The fact is that we are treated extremely poorly by the commonwealth in terms of its rebate or otherwise on ambulance cover. I indicate that, at a rough glance, you are looking at \$4.144 million in the first year, with some small increases in out years. So that the member understands the proper position of the ambulance service, we will give him the full figures. I think that the net improvement from that \$4.144 million, after those other losses we suffer because of the treatment by the commonwealth, is about \$34 000, and it is virtually budget neutral.

Mr BROKENSHIRE: What is SAS's strategy to get back on target with category 1 response times, which appear to have increased by approximately 20 per cent in the last 12 months?

The Hon. P.F. CONLON: I referred a moment ago to the additional funding from the government, and that goes directly to providing a number of full-time equivalents in the first year to provide the additional staffing of about 60 full-time equivalents over a couple of years—and more staff means that you can do more work. Those will go to a number of new crews, in addition to existing crews, as well as relieving the high overtime requirements we have seen already. That is a very significant step forward in addressing workload issues.

Mr BROKENSHIRE: Supplementary to that, I understand about the overtime and the shortage of officers, but will there be additional ambulances to address this blow-out in the response time?

The Hon. P.F. CONLON: Yes; there will be four additional crews, with ambulances, in the metropolitan area this year. A number of other regional crews will be coming on early in the next financial year (and we can provide the member with all those details). This will be a very significant addition to the capacity of the ambulance service.

Mr BROKENSHIRE: I am happy to support that, and I would appreciate any further detail that could be tabled in due course, including rural and regional SA Police.

The Hon. P.F. CONLON: There is nothing but good news; we will give the member the whole program.

Mr BROKENSHIRE: Very good.

The ACTING CHAIRMAN (Mr Rau): I think the member has asked his three questions.

Mr BROKENSHIRE: Yes, but I am going to keep going.

The ACTING CHAIRMAN: Is that agreed; is everyone happy with that?

The Hon. P.F. CONLON: As far as I am concerned it is, Mr Chairman, it is the opposition's time.

The ACTING CHAIRMAN: Okay, whichever member wants to ask a question.

Mr BROKENSHERE: Thank you, Mr Chairman. What is the total cost of moving SAS communications back to Greenhill Road?

The Hon. P.F. CONLON: We have agreed, after serious consultation, that it is \$2.9 million.

Mr BROKENSHERE: In relation to ESAU, on page 4.44, referring to the program, there is an increase from the estimated 2002-03 result of \$8.1 million to the budgeted figure this coming year of \$9.7 million. Will the minister advise what the \$1.6 million difference is for?

The Hon. P.F. CONLON: In the net budget there is the funding for a 27th pay of \$.36 million, enterprise bargaining outcomes of \$.38 million, and CPI increases of \$2.21 million, and there are some small decreases in other non-government revenue.

Mr BROKENSHERE: Perhaps the minister could provide that detail in due course; that might be easier on everyone.

The Hon. P.F. CONLON: Yes; there is nothing extraordinary there.

Mr BROKENSHERE: That is all for ESAU, although it may come up again later. In relation to SAMFS, what was the total budgeted for capital works in 2002-03, and how much was spent?

The Hon. P.F. CONLON: How much was spent and how much was not spent is more to the point. The capital budget was fully disclosed in the budget figures, and there has been a \$3 million carryover.

Mr BROKENSHERE: Was any money for capital works spent in 2002-03 from the 2001-02 carryover? If so, and it cannot be supplied tonight, can I be advised—

The Hon. P.F. CONLON: The way this service works, I am sure there was. They are probably carryovers from the previous government that we spent. We approved carryovers, in that case, in a similar amount of \$3.042 million. The capital not spent last year has been approved for carryover into 2003-04. I think every government agency would prefer that the money is spent in the year in which it is budgeted, but very few achieve it.

Mr BROKENSHERE: I would appreciate it if the minister could provide a tabled report of the capital works funding that is being spent.

The Hon. P.F. CONLON: We are an honest and accountable government, so we will give the member all that information.

Mr BROKENSHERE: Could I have included in that answer details of how many fire stations and appliances were built and delivered in the 2002-03 financial year?

The Hon. P.F. CONLON: Sure. I think the honourable member will find the bulk of the carry-over has been somewhat of a rolling carry-over of some amounts for the Elizabeth and Golden Grove fire stations, as well as some additional funding, very significant additional funding. The original budget was inadequate to build stations, but there is a substantial amount for those two stations in the carry-over.

Mr BROKENSHERE: If that all comes up in the table, we would appreciate that. What was the sale of \$1.294 million of property, plant or equipment that is budgeted as a revenue to SAMFS comprised of in the 2003-04 budget?

The Hon. P.F. CONLON: You would remember that we had a very good arrangement with Treasury whereby we got the transfer free of charge to the Metropolitan Fire Service of some certain land at Angle Park. We hope that will be a very good training facility. That has allowed us to sell the Deeds

Road workshop facilities and transfer those functions to the land that we got for free. We think it is a pretty good deal.

Mr BROKENSHERE: By way of supplementary question: whilst the workshop facilities and staff will be going to Angle Park, does the minister intend to continue with that workshop structure as it exists currently?

The Hon. P.F. CONLON: We have an on-going program of achieving some efficiencies down there, which we are not going to give up on. But we expect those efficiencies to be achieved and expect things to carry on, but with a better service. We require good outcomes for the expenditure of taxpayers' dollars.

Mr BROKENSHERE: I can understand, having had one of the wheels fall off the back of one of the trucks, how important it is for them to stay on the trucks, minister.

Additional Departmental Adviser:

Mr B. Lancaster, Director, State Emergency Service.

Mr BROKENSHERE: I refer now to the State Emergency Service. Will the 61 individual SES units across the state receive budgets that are at least equal to the 2002-03 budgets that they received? Will they be receiving at least the same budgets per unit for the 2003-04 financial year as they were allocated for the last financial year.

The Hon. P.F. CONLON: My view, on doing the sums quickly, is that they will do better than they did last year, both in the capital program and in relation to some other matters which we are finalising and which we will announce shortly. My view is that they are going to be doing better, and I hope that does not disappoint you.

Mr BROKENSHERE: Not at all, because I was giving them better budgets, too, so I endorse that. It is important. Why was SES effectively left out of input into the emergency services review?

The Hon. P.F. CONLON: I do not know how you manage to arrive at that. I do not intend in a budget line to canvass what will be the government response to the review. I will put you on notice with that. I am not going to give sneak previews tonight on what is likely to be the government response. Cabinet will need to consider that. I can tell you that the SES was not left out. I had extensive discussions very recently with the volunteer association and I am confident that they have been fruitful discussions about the outcomes of the review. I am confident that when we give a response we will be bringing along the bulk of people in all services in support of the new approach. But you will have to wait for that; we are not going to talk about it here.

Mr BROKENSHERE: It is your option, minister, not to answer the questions here.

The Hon. P.F. CONLON: It is not a budget line question. It is simply not a question relating to the forward estimates in any way.

Mr BROKENSHERE: There is actually a budget that deals with the services for next year, which are tied up with the review, one way or another.

The Hon. P.F. CONLON: Well, if you can point me to a budget line that involves the outcomes of the review, I will answer a question on it. I will say that I am very pleased with the level of support we have seen across agencies, and it is important that people stop running around trying to white-ant the process, which has more support for any change in emergency services than any other approach I have seen in my living memory. There is a great opportunity to do

something positive from this and we will take that opportunity. I hope people will stop white-anting it.

Mr BROKENSHIRE: I am not aware of people white-anting. In fact, I believe that, by and large, people, myself included, support change where change is for the better, and that this government should have the right to change, just like we had the right to change when we were in government. But I think what they are raising has more to do with time lines and concerns about some fundamental changes, rather than being opposed, per se, to the changes in the review. I acknowledge that the minister does not have to answer the questions tonight, and I am happy for the minister to take some of the questions on notice, but as a point of clarification, Mr Chairman, given that an emergency services review has been tabled and is expected to be implemented during this financial year, and therefore has to utilise money and resources within the budget lines of this budget for 2003-04, can you advise whether I am able to ask questions of the minister with respect to the review, based on the fact that funding in here will be utilised for changes in the review?

The CHAIRMAN: If it relates to the budget, it is a legitimate question and ultimately should come back to a particular budget line. You cannot ask the minister to speculate or engage in hypothetical answers. I cannot compel the minister to do anything but, if he chooses not to answer on a review he is conducting, the chair cannot do anything about it. Ultimately everything depends on money coming out of the budget.

The Hon. P.F. CONLON: We all rely on money coming out of the budget. I am happy to answer questions about the review that are relevant to budgeting over the next year. This is an examination of the budget estimates and not an examination of the Dawkins review. We have tabled it and have nothing to hide and we will make a response, but it is not for debate here today. I guarantee that there will be ample opportunity in the future, and I am sure it will be taken by the opposition, to ask questions of or engage in debate with the government in response to the review on emergency services.

Mr CAICA: And in the appropriate forum.

Mr BROKENSHIRE: I trust that we will get an appropriate forum.

The Hon. P.F. CONLON: To set at ease the mind of the member for Mawson, not only have we been open about this whole process every step of the way and made the review open to everyone, and not only will we table the response to our review in parliament and be open to questions on it, but any significant changes such as those recommended in the review will require very extensive legislative change. As I understand the processes of parliament, there is more than adequate opportunity for debate. I seem to remember sitting here to all hours some nights while the opposition has questioned bills in the committee stages. There is going to be every opportunity in the world to examine it to death in future.

Mr BROKENSHIRE: I appreciate that the minister does not have to answer, Mr Chair, but I also appreciate your ruling that if it is within the budget for the next financial year the question can be asked.

Additional Departmental Advisers:

Mr E. Ferguson, Acting Chief Executive Officer, Country Fire Service.

Mr M. Smith, Business Manager.

Mr BROKENSHIRE: I now refer to the CFS and to the operating statement in the budget papers. The 'operating revenue—other' shows that the estimated result for 2002-03 is \$12.663 million.

The Hon. P.F. CONLON: Can you give me a page?

Mr BROKENSHIRE: Page 4.69. It shows under the operating statement that the estimated result for 2002-03 for CFS for 'other' is \$12.6 million. It also shows that the actual for 2001-02 was \$12.2 million, but both budget figures for 2002-03 and 2003-04 come in way under that and show \$679 000. What is that about?

The Hon. P.F. CONLON: Most of these are accounting numbers more than anything else. Operating revenue will decrease due to reduced contributed assets revenue of \$12 million. Approximately \$22 million of contributed assets revenue has been recognised over the last two financial years due to the transition of assets, and that process is slowing. I can guarantee that when the honourable member was minister he probably signed a lot, and I have signed countless transition of assets documents. When I say that they are accounting figures, while it appears in our books as some improvement in the position, they are certainly an expensive asset to acquire in terms of ongoing liabilities. It has been an issue that was not sufficiently thought through when the emergency services levy was introduced.

Mr BROKENSHIRE: If it is asset transfer, I am aware of that, so I will leave it at that. What was the total capital works budget for 2002-03 for CFS and how much of that 2002-03 budget was spent?

The Hon. P.F. CONLON: Do you want the carryovers again? We have set out the capital budget so we will tell you what has been carried over from it. The original capital budget was \$8.356 million, and these numbers are in the budget papers at page 4.68. In the budget, the estimated result is \$6.344 million, and all that has not been spent has been approved as carryover into 2003-04.

Mr BROKENSHIRE: Was the capital works carryover from 2001-02 all spent on CFS in 2002-03?

The Hon. P.F. CONLON: I will get back to the honourable member, but I would be surprised if it was spent anywhere else. We do not do things like that.

Mr BROKENSHIRE: If I can have a detailed table on what the agency spent on capital works last year, including the carryover from the year before, that would be appreciated. Perhaps it can also include how many fire stations and appliances were built or delivered to brigades in the 2002-03 period, including any that were budgeted from the 2001-02 period.

The Hon. P.F. CONLON: We can do that. I am sure that this is not unusual, but occasionally the original capital program for vehicles is adjusted by the decision of the agency itself to purchase different vehicles from those first planned. I have experienced that a couple of times. Where there has been that variation, we will give you the detail, but on an ongoing basis the agencies themselves reorder the priorities for new equipment within that, and they seek approval for changes and they are given. I am not sure that it happened with CFS, but I think there were a few in the MFS. Any detail like that we will give the honourable member.

Mr GOLDSWORTHY: In the capital works budget for 2003-04, can the minister say which new fire stations are flagged to be built this year, particularly in the Hills?

The Hon. P.F. CONLON: I would be surprised if the honourable member were not interested in that. It might assist if we run through just how these priorities are established.

The CFS develops a priority listing for station upgrade/replacement based on these criteria:

- the tenure life: in some cases CFS brigades are likely to be relocated due to pressures from landowners;
- condition audits: two independent surveys have been conducted over the last three years to assess current condition and estimated replacement rates;
- frequency of use based on average incident response rates.

Based on this priority listing, and subject to assessments of long-term viability, recommended capital projects for 2003-04 include Kingston, Elliston, Alma, Southend, Wilmington and Beachport fire stations. The honourable member would be more interested in places like Eden Hills, Stirling and Aldgate.

Mr GOLDSWORTHY: No, Nairne.

The Hon. P.F. CONLON: I can assure the honourable member that Nairne will be replaced according to the very objective criteria set down by the CFS in examining its priorities for capital programs. That is something that the CFS develops within its capital budget for itself, and that is something in which I do not attempt to second-guess the CFS.

Mr GOLDSWORTHY: Are the CFS officers able to expand on that?

The Hon. P.F. CONLON: Nairne is not in the list of recommended capital projects for 2003-04. We will take it on notice to see where it is in the priorities but it is not in those listed, so I would not go out and announce one tonight if I were the honourable member.

Mr BROKESHIRE: Given that it is the end of estimates and one can get a bit provocative, I put this question in a non-provocative way. It has been brought to my attention by a number of CFS brigades that a trend has developed that did not exist when we were in office to utilise the CFS fax stream to distribute to CFS brigades press releases and dorothy dixers asked in the parliament. I do not have a problem with that, but volunteers wondered whether, if the government is going to use the CFS fax stream to distribute government material, the minister would be agreeable to the opposition and minor parties also being able to use the CFS fax stream for the same purpose.

The Hon. P.F. CONLON: I have no idea what the honourable member's point is, but the truth is that the government is the government. It makes decisions that need to be passed on to the Country Fire Service. I can assure the honourable member that none of our people go to the fax stream and send it out. I assume that we send our information to the Country Fire Service and, if it feels that that information needs to be promulgated, that is entirely a decision for the Country Fire Service. I have no role, nor do any of my officers have any role, in telling people how to send out information.

Mr BROKESHIRE: It is a new practice and I felt that some bipartisanship would be good.

The Hon. P.F. CONLON: The news that it is an issue is entirely new to me tonight.

Mr BROKESHIRE: It has been brought up by a couple of brigades.

The Hon. P.F. CONLON: If on occasions in parliament the CFS has been singled out for praise, I would have no difficulty if that was circulated to CFS members so that they know that their elected representatives are supporting them.

Mr BROKESHIRE: Some was that sort of thing; hence my question.

The Hon. P.F. CONLON: We do send some information to the CFS—for example, today the CFS media office sent

out our press release about the appointment of Euan Ferguson. I have no difficulty with that at all. It seems to me to be a very commonsense approach.

Mr BROKESHIRE: I will talk to the minister about it later. But, where members of parliament raise issues that are relevant to the CFS and there is a fact stream, I think that it would be good on a bipartisan basis.

The Hon. P.F. CONLON: If we do that, the member will be saying something nice once a week, just to remind them who he is. We cannot have him doing that.

Mr BROKESHIRE: I say that, anyway—well, twice a month, then. Has Telstra met its contractual obligations around Auburn for the GRN and, if so, why is the CFS having to spend its budget to increase coverage? If Telstra has met its contractual obligations and there are further requirements and black holes, should that money be coming from a non-CFS budget line?

The Hon. P.F. CONLON: You are kidding, aren't you?

Mr BROKESHIRE: No.

The Hon. P.F. CONLON: Can I make a few points here. The notion of the GRN not doing all that it is supposed to do on the fire ground is not new. The continued use of the ATF system has been around since the inception of the GRN under the member's government. It did not do that job. If the member is asking me this question, I hope he asked it of himself. In terms of additional budget, one of the first things that we did was, I think, stick in something like an extra \$25 million over four years when we first came to government for driven costs associated with the GRN. The CFS 2003-04 capital budget includes \$1.3 million for replacement of Simplex mobile and portable radios for fire ground communications.

Mr BROKESHIRE: Perhaps to help the minister (because I am aware of that matter, and we have discussed some aspects of it before), this is just a specific instance. Around Auburn they have a problem with—

The Hon. P.F. CONLON: I have no difficulty understanding the member's question, and I am answering it as I see fit. Underlying the member's question was that they should not have to spend the CFS money: they should spend something else. The CFS budget is government money. The emergency services levy does not begin to pay for all of emergency services. It was one of the worst introduced and worst run levies in the history of revenue raising. The fact is that, out of consolidated revenue, we have been filling in holes and making the GRN work ever since we came to government.

The situation at Auburn is no different from the situation across government. We inherited a system that was inadequately planned and inadequately funded. We added very substantial additional funding out of consolidated revenue to make it work. We have stepped up to the plate in our commitment to make sure that emergency services have the funding they need for capital programs and that they have the communications they need, and nothing has changed.

Mr BROKESHIRE: Will the minister provide to me (and I do not expect it tonight, but I think it is relevant to the budget lines) the locations of the 43 rural areas and the 10 peri-urban areas that the emergency services review has identified for possible collocation?

The Hon. P.F. CONLON: I can do that now. I cannot remember seeing a list of identified locations. At the end of the day (and I will give the member an absolute ironclad assurance; that has been the approach of this government since coming to office), what will happen with respect to

those issues is that collocations will occur when agencies are cooperative and supportive in terms of them. We do not have a list; there is no list of where the review is looking for collocations. That will occur in the culture of the agencies, and when the support of the agencies falls in behind it. We believe that that is the only way it will be successful. We believe that the previous government's attempt to jam people into collocations before they were ready to do it simply has been counterproductive, and that is not our approach. The member can absolutely put out of his mind any notion that there is a list that we have of places to be collocated; that is nonsense. They will be identified as a result—

An honourable member interjecting:

Mr BROKENSHERE: The collocations worked quite well in the country; it was in the city.

The Hon. P.F. CONLON: The member might want to identify some budget line to which collocation is relevant, because I am entirely puzzled about the origin of the member's question.

Mr BROKENSHERE: In the transitional year (which, I understand from you, minister, starts on 1 July this year for the emergency services review), there are additional budgetary requirements in the first year, which will affect this budget—

The Hon. P.F. CONLON: Can the member tell me from where this notion of a list of places to be collocated came?

Mr BROKENSHERE: In the emergency services review, it is clearly identified that they have assessed 43 potential rural and regional collocations and 10 peri-urban collocations. It is part of the printed material in the review.

The Hon. P.F. CONLON: It is not part of this, is it?

Mr BROKENSHERE: Yes, it affects this.

The Hon. P.F. CONLON: What line is it here?

Mr BROKENSHERE: All of them.

The Hon. P.F. CONLON: I do not mind talking about this, because it is plainly mischievous. We have talked about white-anting before. The shadow minister is attempting to create a fear that there is some list of collocations. I can give an absolute ironclad guarantee that there is none: it simply does not exist. I am trying to cast my mind back to what was commented on about collocation in the Dawkins review.

Mr BROKENSHERE: If the minister is saying that it does not exist, I take his word for it, but—

The Hon. P.F. CONLON: I do not need the member to take my word: I am just telling him that the approach of this government has been that collocation occurs when people are cooperative and supportive of it. People are not jammed into it, and that will continue to be the approach. Certainly, this review of the whole reordering has not been driven from that perspective: it has been driven by a desire for better administration of emergency services.

Mr BROKENSHERE: I am happy to hear that, because my policy (like the government's policy clearly is now) was to collocate only when they wanted to collocate.

The Hon. P.F. CONLON: I am not sure that that was your policy.

Mr BROKENSHERE: Yes, it was mine.

The Hon. P.F. CONLON: I think you have jammed a few in that did not like it.

Mr BROKENSHERE: I will not go any further.

The Hon. P.F. CONLON: They worried about whether they had chairs and who did the cleaning, etc.

Mr BROKENSHERE: My next question is relevant to a budget line, because there will be expenditure on it this year. Has a decision already been made on the appointment of the

chair of the commission and, if so, how long is the appointment?

The Hon. P.F. CONLON: No, a decision has not been made with respect to the chair of the commission—there is not a commission. As I have told the member before, we will not tell people what the government's response will be until it is made. I will do my cabinet colleagues the courtesy of running a response past them before we talk about it in here. There cannot be an appointment of the chair of the commission until there is a commission. There is no appointment of a chair of the commission.

Mr BROKENSHERE: I will put the rest of the CFS questions on notice next week, because there are a number. I want to deal with some other areas. The helicopter rescue service contract, I understand, is heading towards finalisation from a tender call at the moment. It is my understanding that the recommendations with respect to the rescue helicopter tender call were that there would be two rescue 1s and a rescue 2, so that there were two helicopters with winching capabilities and multi-stretcher carrying capacity. At the moment, of course, we do not have that and if, indeed, rescue 1 is on a rural mission or, in fact, is out of service, we do not have winching capabilities. Can the minister advise me why the government has decided, in the tender call, not to pursue the recommendations of police and other agencies for an additional helicopter?

The Hon. P.F. CONLON: Is the member asking me why we made a policy decision for this current tendering process?

Mr BROKENSHERE: Yes—why the government decided not to go for an extra helicopter.

The Hon. P.F. CONLON: What tender is the member talking about? We do not have a tender out there.

Mr BROKENSHERE: I have been advised that there was a tender call in the last several months for the next rescue helicopter service contract, because the other one had a carryover for approximately a year from its previous expiration, and advice from the agencies was that we should have an additional helicopter.

The Hon. P.F. CONLON: There is no tender. We do not have a tender process for the service. We have asked for expressions of interest. Those expressions of interest, as I understand it, include a number of options.

Mr BROKENSHERE: So, the government would not rule out an additional helicopter with winching capabilities and multi-stretcher capacity?

The Hon. P.F. CONLON: We would not rule anything in or anything out. A decision has not been made.

Mr BROKENSHERE: I asked a question on the budget line regarding Surf Life Saving. Clearly, it is public knowledge that Surf Life Saving has had some financial difficulties. I appreciate that many of those certainly did not come to light when I was minister, nor, indeed, during the first part of the current minister's time. However, it is acknowledged that Surf Life Saving has financial difficulties. I understand that many of those difficulties have come from a drop-off in financial fundraising capabilities, which have been deteriorating since gaming machines were introduced.

However, the dilemma that I see for Surf Life Saving is that it needs an important and significant increase in its budget to be able to continue to exist as it does currently. In fact, I understand that it will probably be the situation where, over a two-year period, well over \$200 000 of additional money will be required. Will the minister advise whether the government will provide that support to Surf Life Saving?

The Hon. P.F. CONLON: I can give the member an absolute iron-clad guarantee that we have told the Surf Life Saving Association that it is in no danger of going under. I have met with the association and made it absolutely plain that, if it is unable to meet its creditors, up to \$100 000 this year will be made available to help it to do so.

The Surf Life Saving Association has also been told that it has to provide proper audited accounts, and that requirement will not change. Taxpayers' money will not be provided without the provision of fully audited accounts to demonstrate why it cannot meet its creditors. We will not be resiling from that, but the notion that there is any danger of Surf Life Saving going under is false.

If the association is unable to find the funds to meet its creditors, we have told it that we will be helping it to the extent of \$100 000 this year. To date, I have not received the audited accounts on which we can make a judgment about how much needs to be paid. That has been a frustration for us because, while a lot of political noise has been made about the dangers of going under, I can assure the member that we will not be forwarding taxpayers' money until we see audited accounts.

That has placed us in the position of looking as though we are not doing the right thing. Surf Life Saving has been given assurances face to face in my office in terms of its ability to meet its creditors. However, we must have a proper audit. No minister is in a position to forward money on the basis of someone's report on what they need. That is not the way we operate.

Mr BROKENSHIRE: I support the minister, as similar provisions were in place when I was minister, if there were requirements for reviews. I acknowledge and agree with the minister's view. Notwithstanding that, provided that the Surf Life Saving Association provides proper audited reports, can we be assured that, given its financial problems over the next several months, there will be opportunities to consider an increased budget, whether that be from the Emergency Services line or from another budget line, in the best interests of the 4 500 volunteers who provide a great service, which I think is a very cost effective service for South Australians along our beaches?

The Hon. P.F. CONLON: There is absolutely no doubt that we have given the association all the assurance that it needs to ensure that there is no question about its continued operation. In the longer term, what the member has to accept is that the growth in funding, particularly in capital funding, from government for Surf Life Saving has been enormous and far greater in percentage terms than any other service funded out of Emergency Services. I do not have the figures in front of me, but I think that the total spend by government a few years ago, including sport and recreation, was about \$300 000. The total money made available (recurrent and, in particular, capital) is now over \$1.2 million a year. It is a very substantial increase.

We will ensure that the association exists. However, into the future we will have to devise a way of ensuring that the funding from government is made up of the right components for recurrent and capital. But, we cannot continue to go back to the Emergency Services Fund, not when we have increased funding from \$300 000 to \$1.2 million. We have to ensure that the association designs its affairs into the future so that that level of funding is sufficient to run a viable organisation; I find it hard to accept that it would not, given that it went from a very small base of government funding of \$300 000

to a very large allocation of approximately \$1.2 million per year over the next four years.

Every assistance has been given to the association. Sport and recreation funded some work on internal audit work on its accounts. Surf Life Saving has been given the iron-clad assurance, if it cannot meet its creditors demands, that we will. Again, I stress that we need to see audited accounts. Into the future, we will work with them in relation to the best way that government moneys that are allocated to the association can be spent to ensure that it is an absolutely viable organisation. We are absolutely committed to its existence and the service it delivers.

Mr BROKENSHIRE: On a bipartisan basis, so are we. If the minister needs any leverage support—

The Hon. P.F. CONLON: I have been advised that it is \$1.1 million.

Mr BROKENSHIRE: —from another budget line, we will be happy to help. On two occasions, my own home brigade has taken its Motorcharge card to get fuel for its CFS fire trucks. On one occasion, the card was not accepted for funding. Last week, I was contacted because, once again, they went to fuel their trucks with approximately \$160 worth of fuel. Because we do not have a Mobil service station, it is a different card from the other Fleet card. I did not raise this previously, because I thought it was a one-off situation. However, the Motorcharge card was again refused. When the proprietor checked to ascertain what was happening, he was advised that that card had been refused since 16 April 2003.

In fairness to the CFS, and certainly in protection of my own brigade (which I always want protected, as with any other brigade), it had the opportunity to draw a cheque through the group. However, I find it quite concerning that a Motorcharge card is refused once for payment and, a few weeks later, it is again refused and a stop has been put on it since 16 April.

The Hon. P.F. CONLON: I do not think anyone will be able to give you any information with respect to that card. However, we will obtain that information. Frankly, we have the same interests as the member. We need people to fill the CFS vehicles. It is very important to us that they are able to get out on the job. We will find out why that has occurred; I am sure that there is some simple answer.

Mr BROKENSHIRE: I am sure that the minister is as concerned as I am. As a supplementary question, will the minister advise me whether there is some functional problem with Motorcharge, compared to the normal Fleet charge card with the Mobil contract, so that this sort of thing does not occur in future? Such a situation places strain not only on the volunteers but also on those who want to supply fuel to those brigades.

The Hon. P.F. CONLON: That is no problem at all.

The CHAIRMAN: That brings the questioning to an end. I will take the liberty of making some comments regarding the process, having sat in this chair for 40 hours (although it seems like 40 days and 40 nights). I have argued for a long time that I believe that this process can be refined and improved. I question whether we need opening statements.

I know that many people in this place believe that the Constitutional Convention is the place to address the matter of estimates; I do not agree with that view. I believe that the Premier, the Leader of the Opposition, and minor parties and Independents need to get together to make this process much more efficient; I believe that there is plenty of scope to do so.

There being no further questions, I declare the examination completed. I lay before the committee a draft report.

Mr CAICA: I move:

That the draft report be the report of the committee.
Motion carried.

At 8.36 p.m. the committee concluded.