

## HOUSE OF ASSEMBLY

Monday 20 June 2005

### ESTIMATES COMMITTEE A

Chairman:  
Mr J.J. Snelling

**Members:**

Ms K.R. Breuer  
Mr M.K. Brindal  
Mr R.L. Brokenshire  
Ms V. Ciccarello  
Ms R.K. Geraghty  
Mr E.J. Meier

*The Committee met at 11 a.m.*

---

South Australia Police, \$439 438 000  
Administered Items for Police and Emergency Services,  
\$5 306 000

**Witness:**

The Hon. K.O. Foley, Minister for Police.

**Departmental Advisers:**

Mr M. Hyde, Commissioner of Police.  
Mr D. Patriarcha, Director, Business Services, SAPOL.  
Mr Ian Hartmann, Manager, Financial Management Services, SAPOL.

**The CHAIRMAN:** The estimates committees are a relatively informal procedure and, as such, there is no need to stand to ask or answer questions. The committee will determine an approximate time for consideration of proposed payments to facilitate the changeover of departmental advisers.

The minister and the lead speaker for the opposition have agreed on a timetable for today's proceedings, and I believe we have a copy of that. Changes to committee membership will be notified as they occur. Members should ensure that the chair is provided with a completed request to be discharged form. If the minister undertakes to supply information at a later date, it must be submitted to the committee secretary by no later than Friday 29 July.

I propose to allow both the minister and the lead speaker for the opposition to make opening statements of about 10 minutes each. There will be a flexible approach to giving the call for asking questions, based on about three questions per member, alternating each side. Supplementary questions will be the exception rather than the rule. A member who is not part of the committee may, at the discretion of the chair, ask a question. Questions must be based on lines of expenditure in the budget papers and must be identifiable or referenced. Members unable to complete their questions during the proceedings may submit them as questions on notice for inclusion in the House of Assembly *Notice Paper*.

There is no formal facility for the tabling of documents before the committee. However, documents can be supplied

to the chair for distribution to the committee. The incorporation of material in *Hansard* is permitted on the same basis as applies in the house, that is, that it is purely statistical and limited to one page in length and that it is relevant to the question. All questions have to be directed to the minister, not the minister's advisers. The minister may then refer the question to his advisers for a response. I also advise that for the purpose of the committee there will be some freedom for television coverage by allowing a short period of filming from the northern gallery.

I declare the proposed payments open for examination and refer members to appendix C, page 2, in the Budget Statement and Portfolio Statements Volume 1, part 4, pages 13 to 38. I invite the Minister for Police to make an opening statement if he wishes to do so.

**The Hon. K.O. FOLEY:** I have no opening statement.

**Mr BROKENSHERE:** I will get straight into questions, but I want to put on the public record my appreciation for the work that the Commissioner and SAPOL have done over the last year under fairly difficult circumstances.

**The Hon. K.O. FOLEY:** What would those circumstances be?

**Mr BROKENSHERE:** Go out there and talk to your police and you will find out why there are difficult circumstances. My first question to the minister refers to Budget Paper 4 Volume 1, page 4.16, and relates to police patrol taskings in the metropolitan area, which are actually the number of jobs to which police are tasked. In 2003-04 the actual number of taskings was 385 284 and in 2004-05 the target was a similar number, namely, 390 797. Yet, the estimated result for this year is projected at 338 797. We are told regularly that there are counting rule changes and things like that, but it actually shows that they are estimating 52 000 fewer taskings than targeted for last year or actually achieved the year before. I would like to know why that is the case.

**Mr HYDE:** There has been a counting rule change. I will give a bit of background to explain where we are coming from in respect of that. The CAD system was established in the 1980s, if I recall accurately, and it was a system which was not well developed, as they were at the time, for management information and that sort of data. We have had difficulties over the years finding a useful way of using the data in the system and, particularly, to have reliable and accurate information to set reasonable management targets and report against them. Over the past couple of years, we have been analysing the data to sift out any data that gives a misleading impression about things and to confine it to only that sort of information which is meaningful from a management point of view. I will give an example.

The CAD system records all actions by police against taskings. For example, if a police officer radios in that he or she is about to check a motor vehicle, that is recorded as a tasking with a zero response time, because the tasking is occurring at the same time as the officer is responding to it. Quite clearly, that does not make a lot of sense in terms of trying to have meaningful indicators, particularly when it comes to response times. Indicators are in the papers which, if there is an interest in talking about response times, can explain why there appears to be a large variation in the response.

So, we have been going through the system, trying to make sure that it is set up in a way that provides meaningful data. Part of that is to take out things like that traffic tasking with a zero response time to leave meaningful data to be used.

I am not sure, in respect of the indicators and assessments which have been set here, to what extent it includes sorting out the counting rules for the data or the extent to which taskings have actually gone down. Certainly, in respect of the response times, we have found that the target was set by using old counting rules, and the estimated result was set with new counting rules. That does not seem to me to be a very sensible way to go about it, and I suspect that has been reflected in these figures as well.

**Mr BROKESHIRE:** As a supplementary to that, I am wondering, Commissioner, whether we could get a detailed response as to how you are actually altering the counting rules and how that also ties in with the response times, because the budget papers clearly show a blow-out in priority A and priority B taskings. This ties in with some concerns that have been put to me, as shadow minister for police, by the general public and SAPOL officers, who they tell me that they have been tight on the ground with numbers. I know that there is a push with every local service area to see a reduction year in, year out, on crimes statistics, so if we could get some detailed responses to how these counting changes and rules are occurring, it might help us to keep our confidence in response times and taskings.

**Mr HYDE:** Yes; we are happy to provide some information on changes to the counting rules. If I can refer to the response times, in the budget papers for priority A taskings, a target was set in the 2003-04 financial year to respond to 50.9 per cent within 10 minutes. The way of setting those targets in the past has been to take the data for the third quarter of the year and to estimate what it might be at the end of the year, and then set that target for the year following. In my view, setting that particular target was erroneous because the previous number of years' trends was for a response time within 10 minutes of around 45 per cent. I cannot explain why, suddenly, a target of 50.9 per cent was set; that was quite an erroneous target to set.

The second problem that occurred in providing information about the estimated result for the 2004-05 year was to use data with the new counting rules to respond to targets which had been set under the old counting rules. Of course, that ended up with quite a wide divergence between the target which was set—in this case, 50.9 per cent—and the actual result, which was estimated to be 39.1 per cent. It was about an 11 per cent variation between the two. That has been produced by setting too favourable a target and using data which had a more unfavourable response to it. If you use the same data, and keep in mind that the actual target should have been more in the order of 45 per cent rather than 50 per cent, the actual data shows a result (using the same counting rules as setting the target) of 43.5 per cent. It is much closer to what should have been set as the target in the first place.

**Mr BROKESHIRE:** I have a further supplementary question. Based on that explanation, is the Commissioner happy with the response times on priority A calls in the last 12 months? I understand and accept what the Commissioner is saying, but there still seems to be a negative difference with respect to response times.

**Mr HYDE:** We would really like to improve our services, rather than have them remain the same or even be less favourable than that. However, from a professional point of view, we will always seek to provide a better response than the previous year. From that point of view, yes, I would rather see a different result, but 43.5 per cent compared with a target that should have been set at around 45 per cent would still be within the acceptable range. From that point of view,

I am satisfied with the result. However, if I had my preference, obviously we would get a much better result.

**The Hon. K.O. FOLEY:** I would like to add that I am more than comfortable with the response times that the police are achieving. I will have an opportunity later to answer this in more detail, but, if we can overlay that with the substantial reduction in crime we are seeing right across our community in just about every category, there is absolutely no doubt that our police are achieving substantial success in reducing crime in our community. Whilst it is sometimes lost in the body politic, we should not lose sight of the fact that our police are significantly reducing the incidence of crime in our community.

**Mr BROKESHIRE:** Page 1.48 indicates that there has been an increase of 47 assaults per 100 000 head of population in 2004-05 as against the target figure for assaults. Can the minister or the Commissioner explain to the committee what they think has caused an increase?

**The Hon. K.O. FOLEY:** I will ask the Commissioner to respond to that question.

**Mr HYDE:** Results is an area which continues to be worrying for us. To illustrate the point, this financial year, for example, in respect of serious assaults, I think we are line ball in terms of reductions, and I think there is a 1 per cent reduction in minor assaults, although I am not quite sure about that. However, again, it is not really showing any reduction. Whilst we are receiving fairly substantial reductions in all other categories of victim-based reported crime, apart from motor vehicle crime, the area of assault is of concern to us. I do not have any explanation as to why we are not getting reductions in that area whilst we are getting reductions in most other areas.

**The Hon. K.O. FOLEY:** I advise the committee that murders are down 22.7 per cent; driving causing death, down by 1.3 per cent (but that is from a very small number); robbery—and this is a very important one—is down 10.4 per cent; other sexual offences, down 5.2 per cent; and assaults against police, down 5.3 per cent. So, this is a significant reduction.

If we look at some other categories, we see that the figure for serious criminal trespass in residences is down 3.1 per cent; serious criminal trespasses of non-residences, down 17.8 per cent; deception and manipulation, down 29.5 per cent; receiving or dealing in tainted property, down 27.3 per cent; theft from shops, down by 9.9 per cent; other theft, down by 9.6 per cent; property damage arson, down by 8.2 per cent; and property damage non-arson, down by 8 per cent. These are quite significant reductions in crime right across our community. I accept that sometimes there are some categories in which we have not been as successful. However, overall, I am advised that total recorded offences reported by victims are predicted to drop from 7.1 per cent to 6.3 per cent.

**Mr BRINDAL:** I have a supplementary question on the matter of assaults. I presume that the minister would concede that everything else can drop, but the most important thing for people is their feeling of safety in their own homes and on the streets. Minister, the Commissioner has just admitted that assaults have, in fact, not been as successfully dealt with as other categories. In the last few weeks, we have seen stabbings in the city, where people ran blocks. On the ABC news, we heard serious allegations with regard to assaults in Hindmarsh Square. People are scared to go into the city of Adelaide, and I ask the minister what the Commissioner is doing about that issue.

**The Hon. K.O. FOLEY:** I advise the member for Unley, who is now attempting to campaign for the city of Adelaide, that we can have two hours of parochial politicking in this chamber for base political purposes, or we can have a constructive debate about policing in this state. I will take this question, but, honestly, if the member wants to be political with me, I will return the compliment, and I do not think that will get us anywhere. As I have said, advice given to me indicates that serious criminal trespasses in the residence is down 3.1 per cent, robbery is down 10.4 per cent and other sexual offences are down 5.2 per cent.

It is base politics and reckless in the extreme for any senior politician to make a statement that people are scared to come into the city of Adelaide. My children catch the train to the city each morning to go to Adelaide High and each night to go home. They are safe travelling into the city, and they are safe travelling home from the city. I think we should keep this to a more constructive level of debate, otherwise we will not be adding much value to the day's proceedings.

**The CHAIRMAN:** Just before I call the member for Unley, did the Commissioner want to add to that?

**The Hon. K.O. FOLEY:** The Commissioner may want to add some specifics to that.

**Mr HYDE:** Thank you, Mr Chairman. I do not have any data in respect to the Adelaide CBD but I know that over the last few years there has been quite significant reductions of crime in the Adelaide CBD area. We have had some concerns of problems in and around the area of Hindley Street. That is really coming off a base of some fairly good reductions, in my memory, over the last few years, and we have had some concerns about the extent to which young people are loitering around the streets and causing some problems. We can provide more detailed information in response to that question and, as I said, my memory of it is that Adelaide CBD has had fairly good reductions in crime over the last few years.

**Mr BROKENSHIRE:** My next question is relevant to page 4.19, Motor Vehicle Thefts. Is SAPOL concerned that South Australia had the highest number of vehicle thefts per head of population in Australia last year, and why is this occurring? It shows that we are up 79 per 100 000, as against the target, which actually coincides with the national motor vehicle theft reduction document issued recently, showing that South Australia has the highest number of vehicle thefts per head of population in Australia?

**The Hon. K.O. FOLEY:** I am not sure whether I can respond specifically, but I can make a few comments. I think that the commissioner has been up front about that, in that there are incidents involving motor vehicle theft and damage that we are not happy with, and that is one area that we are clearly needing to do some more work on. But, again putting it in context, this is against a backdrop of significant crime reduction in most categories of crime. I wish we had a 100 per cent record of reduction in every single category. That is not the case but, equally, the parliament must give the police the weaponry—that is probably not the right terminology, sometimes they may want a weapon to deal with it—no, that is flippant. We have to give the laws to the police to properly address this issue. What readily comes to mind is the introduction of the hoon driving legislation, where we have now given a capability to the police to deal with a particular type of behaviour involving motor vehicles, and it has been extremely successful, and a significant number of people are being cautioned and dealt with under that particular law. Would the commissioner like to add any further comments to that?

**Mr HYDE:** Thank you, Mr Chairman. Yes, motor vehicle crime—and when I am talking about motor vehicle crime, it is theft and illegal use of motor vehicles, as well as tampering with, or interference with, motor vehicles, and stealing from motor vehicles—has been a target area for us for a number of years. We have had some fairly good reductions in that area. For example, in 2003-04 we had a reduction of 4.6 per cent in the theft and illegal use category over the previous financial year. We have Operation Vigil, which really focuses this activity. We have recently reviewed that operation and put into place quite a large range of initiatives to try and address the theft and illegal use, in particular, of the motor vehicle category.

In the past we have had some fairly innovative strategies, such as what we call Stop Thief Car, in partnership with RAA, and that is designed to apprehend would-be car thieves and has worked quite well in the past. There are some concerns about the illegal use laws, and the extent to which it is possible to successfully prosecute people who are apprehended, in particular, in stolen cars when they do not happen to be the driver. It seems to us that it is quite easy for them to be able to provide an excuse which seems to be acceptable within the eyes of the criminal law, and we have had some examination of that area in the past to see whether or not the laws ought to be changed to make it easier for us to prosecute people who are found, or have participated in, stealing motor vehicles. The new dishonesty laws expand our capacity to charge people with stealing cars and bring it within our definition of theft, so we expect some expansion there. But it may be worthwhile examining the illegal use laws to identify whether it might be more effective to prosecute offenders in that area.

**Mr BROKENSHIRE:** I have a supplementary question to the minister: based on the comments of the commissioner, and the fact that we have the highest number of thefts per capita in Australia for motor vehicles, and that it is the second most important and most expensive asset. We have an aged car fleet in South Australia, and have had for some time, I acknowledge that, but, given that we still have a serious problem with the highest number of car thefts per capita in Australia, would the minister consider looking at an initiative like that in Western Australia, where they provide locking devices for certain motor vehicle criteria?

**The Hon. K.O. FOLEY:** I am not familiar with the particular initiative that the member talks about. I guess that is something he might want to take up with the Minister for Transport, but I think it is fair for anyone to say that we probably need to keep looking—and the commissioner has certainly indicated that—at the laws that we have that govern the state. We clearly have to do more in terms of looking at the legislative framework that we have for the police to operate within when dealing with issues involving theft and misuse of vehicles. So, I think we need to look at toughening the laws. It has been a pretty aggressive and robust legislative program on the law and order front since we came to office. A lot of new laws have been brought into this parliament and into statute, and this clearly could be part of a second tranche should we have the opportunity or, indeed, should your party be the next government.

#### Membership:

Mr Koutsantonis substituted for Mrs Geraghty.

**Ms CICCARELLO:** I refer to the Portfolio Statements (page 4.15, program 1). Can the minister tell the committee

what steps SAPOL is taking to provide better opportunities for young people to enter the police academy?

**The Hon. K.O. FOLEY:** There has been some public debate about young people joining the police force. I say from the outset that, obviously, we are recruiting an extra 200 police officers above attrition. We will have, at a point in the future when all the program is fully implemented, a police force of 4 000 officers—the largest police force in this state's history from, I think, a low point of some 3 400 about eight years ago. There has been debate about the difficulties with which we have been confronted in recruiting police officers. Again, that needs to be put in the context of the fact that the labour market has never been stronger in South Australia, certainly not in recent memory.

All employment categories in any industry are experiencing extreme difficulty recruiting staff at present, and the police are not immune to that. Equally, very few professions in any work force have the bar set higher in terms of the standard of people who will be accepted into the police. The Commissioner has made a determination—with the full support of this government—that we will not reduce the standards that we expect of officers or people coming into the force simply to meet the tightness of the labour market. That would be setting up a future government and a future commissioner with very serious problems into the future.

If we were to drop the standards today to meet recruitment numbers, that would see problems emerging in years to come, and that would be a terrible legacy for people in our positions in the future. We do want to see more young people in the police force, and a lot of young people do come into the force. The debate can be a little skewed at times, but there is still a very large number of younger people. Of course, it depends on one's definition of 'young', too. In years gone by cadets, I suppose as young as 16, went into the academy, and they were trained for a couple of years.

Given the pressures of modern policing, you need a mature, balanced individual enforcing the laws of the state. Having said that, we have decided that we do want to do some more work with very young people who are applying to join the police force. We are setting up a youth recruitment development program. We will be employing a full-time youth recruitment development officer, who will target particularly 18 to 20 year olds who may have missed out on being accepted into the police academy. The officer and the unit will:

- develop individually tailored programs to help participants increase their chances of being selected;
- coordinate bimonthly recruitment and seminar days to be held at the police academy for potential young applicants;
- establish partnerships with non-government organisations such as Red Cross and St John to help program participants to increase their exposure to different life skills and community organisations; and
- provide increased information to unsuccessful applicants about what is required to become successful.

One of the critical elements, I understand, with police recruiting is that you need individuals who are well balanced, well rounded and experienced in a number of aspects of life. We do not have the luxury today, in this very complex, problematic society (that, perhaps, was not quite the same 20 or 30 years ago), to take a risk on very young cadets who do not have some of the experiences that are necessary to deal with the very complex situations, and often very mature individuals acting immaturely. But young police officers will

have to confront complex problems in society and they need to be exceptionally talented young people.

We will work with those people. That is also based on the very successful SAPOL program that runs throughout our school system. The school that my son attends is an active participant in a SAPOL program. A lot of unrecognised work gets done by SAPOL in our education system to introduce young kids and young adults to the experiences of policing. Part of that program is designed to teach young people in schools more about the balances that are necessary in life: discipline, responsibility and initiative. They are very good programs.

This is a very good initiative—put forward by the Commissioner to me in recent weeks—to ensure that we are able to meet the aspirations of young South Australians. I just want to emphasise that we cannot, will not and should not drop the bar or lower the standard to meet a tight labour market. We are prepared to assist and lift young people up above the bar but, at any point, we will not countenance a dropping of the bar in terms of the overall standards that we expect of our officers.

**Mr BROKENSHIRE:** As a supplementary question, I congratulate the Commissioner and acknowledge the minister for picking this up, because I strongly support any mentoring program to assist with potential recruits. No doubt the minister and the Commissioner, like I, have received lots of emails and letters from South Australians challenging why they were not accepted as a recruit. We are the first to support what the minister said about never dropping the bar, because we want to maintain the best police force in Australia. However, today's press release states that it will be for recruits between 18 and 20 years of age.

Clearly, a lot of people with whom we have had contact in the last couple of years are older than 20, but they are still young. They may simply need a bit of polishing up or a bit of support somewhere to get into the academy. They have indicated that they have been a little concerned with the follow-up process. Whilst I support this initiative, will this mentoring program assist a broader range than the 18 to 20 year olds?

**The Hon. K.O. FOLEY:** I will ask the Commissioner to comment, but where do you draw the line? The Commissioner and his officers have obviously identified a particular need in that 18 to 20 years area. I am not particularly interested in chasing the debate. If we made it 21 you would say 22, and if we made it 22 you would say 23. I will ask the Commissioner to respond, but I can say that I have received emails from people who have been unsuccessful getting into the Police Department. Also, I get a lot of emails from people who do not think they should pay tax. Complaining to politicians is one of the great things about democracy. But I find that you should explore the reasons—and I do not delve too deeply into them because I am one of these police ministers who reckon that there are boundaries between the body politic and the police that we should attempt to preserve as best as possible. Others may not share that view. Yet others may seek opinions from the Crown from time to time as to how far they can involve themselves in matters of policing, but I do not.

But, one thing I find is that, in the few cases that I have looked at or received advice about, always—and I think I am right in saying if not always, very close to always—there is a very obvious, sound and significant reason why a person has not been accepted. Without specifics and names, I can give an example. One person I can recall was, to the best of

my memory, dumbfounded why they were not accepted as a recruit. We asked a few questions—and we might find, as an example, that in fact the person had been charged with offences in an earlier part of their life but had not brought that to our attention. I am just using this as an example; I am not saying this is an absolute. These are the types of things you find when you delve into it: that there was a history of criminal activity, or not even that but a history of antisocial behaviour that is not appropriate for a police officer. The person trying to be recruited may see their behaviour as acceptable and might not think it is something that the police should have a problem with. However, the police have psychological testing and a whole lot of testing, as the former minister knows, that can determine whether individuals are suitable temperament-wise. And I know of another example.

*Mr Brokenshire interjecting:*

**The Hon. K.O. FOLEY:** I would make it past the written test but I reckon when I came up against the psychologist I would be bounced at, and the member would be the same. I will not go into the specifics. He once put out a press release about a certain person—and, again, there are behaviours of individuals whom recruitment people can pick are not going to make it, and we have to trust their judgment. But I want to say to the committee that, while the issue of recruitment has been a political issue and one of concern to the association and politicians, I am confident that it has been exceptionally well managed by the Police Commissioner and his officers. I do not believe there has been a barrage of complaint but, equally, some complaints are legitimate and should be treated properly. I think I am right in saying that for probably the majority of people who have complained about not being accepted there is very sound and valid reasoning why they were not accepted.

We do not make a lot of that public. On a quiet day I would love to be able to say to the Commissioner, ‘Can we explain why person X or person Y has not been recruited?’, but it would be a bit cruel and a misuse of information if I went public as to why somebody was not accepted. Even though someone is giving the government a whack for not being accepted into the academy, sometimes you have to take the whack and not return the reasoning because it might be unfair on the person. I do not know whether the Commissioner wants to add to that.

**Mr HYDE:** We do recruit to standards. We are required not to discriminate on the basis of gender, age and those things on which it is unlawful to discriminate. So we do focus on standards. Having said that, our recruiting campaigns are targeted at the 20 to 40 year bracket because the people within that bracket are normally best able to satisfy the standards we set, and that would be the case for any good organisation trying to target the people who are going to be most suitable for the organisation. That is not done in a discriminatory way: obviously, we do take people outside that range as well. For example, 13 per cent to 15 per cent of our recruits are in the 18 to 20 year bracket, and about 50 per cent of intakes are 25 years or below. So we do take quite a significant number of young people already.

Having said that, there has been concern from young people that maybe they are not able to satisfy some of the standards because they have not had the necessary experience in life to be able to demonstrate leadership, team work and decision-making, and things of that nature. So this program is really designed in a mentoring way to help lift those young people to meet those standards. We are not tightly targeting those ages, in getting to the gist of the question, and I am sure

that, if there are people with good potential around about that age bracket, we would look to take them into the program as well.

**Ms CICCARELLO:** Again from the Portfolio Statement at page 4.17 program 2: have any changes been made to the level of rewards being offered for major crimes?

**The Hon. K.O. FOLEY:** I thank the member for the question. Just prior to coming to the estimates committee, I called a press conference at which I outlined that, on advice from the Commissioner, the government has agreed to a request to substantially increase all posted rewards for unsolved major crimes to a standard value of \$100 000. There are investigations into missing persons believed murdered or known unsolved murders that, quite frankly, have had pretty paltry rewards for a long time. The government, on advice from the Police Commissioner, has decided to increase them. The murders or missing persons are well-known in many cases, and some of the rewards were as low as \$1 000 for missing persons believed murdered that date back into the sixties. We felt that, in the 19 cases related to missing persons believed murdered or known unsolved murders where the reward was below \$100 000, that figure should be lifted. All unsolved major crimes will now have a standard value of \$100 000.

**Mr BRINDAL:** That was at the request of the Police Commissioner.

**The Hon. K.O. FOLEY:** That is what I said at the beginning. If the honourable member had been following, I started the answer by saying ‘on the advice of the Commissioner’. The submission from the Commissioner has been approved by cabinet. It seeks to increase the posted reward to \$100 000 to reflect the fact that the crimes are still a focus of police investigation and are considered just as significant as recent crimes. It is also important for the community to be reassured that, even though a murder may have occurred decades ago, the file is still open and there is still police interest in these murders whenever we can find leads.

With the powerful arrival of DNA testing as a policing tool, the ability to go back over decades and uncover vital leads is very significantly improved. We have seen with some of the historical sexual offences that the police are now able to go back and uncover facts that can lead to prosecution. This is an important message for the community that, even though some of these murders occurred decades ago, they are still active in terms of police investigations. We need to encourage anyone who may have any information relating to any of the 19 unresolved missing persons believed murdered to come forward, and we will have on offer a reward of up to \$100 000.

**Mr BROKENSHERE:** As a supplementary question, how many times has a reward of \$100 000 or a significant amount like that been paid in the last three years?

**The Hon. K.O. FOLEY:** There was one just recently. There is one exception to the reward figure in that the reward for information leading to the people responsible for the NCA bombing in South Australia is posted at \$500 000. That is considered to be an exceptional case, and that \$500 000 reward will not be reduced as a result of this.

**Mr HYDE:** I am afraid I cannot answer that question. We can certainly get the information for the honourable member and pass it on.

**Mr BROKENSHERE:** I acknowledge the concerns that the Commissioner and many of us have about illicit drug availability in South Australia and the fact that there seem to be many stories in the media about what appears to be a

significant increase in outlawed motor cycle gang activity in drug trafficking, with clandestine labs now being set up in the boots of vehicles, motels and the like. Given that overview, what is the reason for illicit drug offences detected by police being down 500 from the 2003-04 actual figures and the target for 2004-05?

**The Hon. K.O. FOLEY:** Illegal drug activity is a great concern for the Commissioner, for the government and for all politicians. The advent of amphetamines into the market, particularly for young people, is one of the most disturbing features of modern society. Both as a parent and policy maker, the arrival of these types of drugs into our community causes me great concern. We have a very vigilant police force dealing with these. We have a very strong law reform agenda in terms of making the laws more responsive to modern community expectations and to give our police more powers, but the war against drugs is a war that must be fought and we must always be vigilant and make the laws tougher, the penalties harsher, in an attempt to reduce the activity of illegal drug supply into our system wherever we can. I will ask the Commissioner to comment.

**Mr HYDE:** The supply, trafficking, cultivation, manufacture, possession and use of illicit drugs are high priorities for us as an organisation to deal with. We have had a strategy plan in place for a number of years, and that is up for revision and renewal and we are looking through that process at the moment. Previously, we have targeted our activities through a drug operation, Operation Mantle, which sets up a number of teams across the Adelaide area, and they have been very successful in dealing with drugs at street level to just higher in the order of trafficking.

Recently we have conducted a review of that operation and are yet to consider the outcome of that review, but it will be about making sure that we focus attention on dealing with drug use and possession, which is the major category in the number of offences that have been referred to in the papers. We are a little concerned at setting up some special units to tackle things like drugs, as it does occur in other areas as well. This can result in officers believing that it has been taken care of by someone else and that they do not necessarily have to pay as close attention as might otherwise be the case. We do not know whether that is part of what is occurring here, but we do know that, unfortunately, illicit drugs are readily available on the streets in South Australia. They cause enormous harm within the community, they are a priority for us, and we are looking at ways of making sure that we have higher rates of detection.

**The Hon. K.O. FOLEY:** Can I also add that it is not just the responsibility of the state government and the South Australian police force; it is also a responsibility of the federal government. As the former minister would be aware, at our ministerial council meetings we talk regularly about illicit drug importation into Australia. There was a quite public incident in recent months involving a container of, I think, heroin. I cannot recall what the drug was, but a major drug importation attempt was uncovered by federal authorities. Improvements need to be made at the federal level in terms of drug importation into Australia, particularly South Australia.

At one of the first ministerial council meetings I attended, I had a moment of debate with the federal justice minister about the fact that, at that time, we did not have an x-ray camera at our container terminal. I will not go into detail about that, but we now do have one. However, we need to do more. We need to make sure that there is full scrutiny of the

access points into the country, and we need to work with our federal colleagues in a global sense so that the war against drugs is as strong and vigilant federally as it is at the domestic level.

**Mr BRINDAL:** I ask a supplementary question on the subject of amphetamines. From recent discussions with very senior police officers, without going into the specific details, it has come to my attention that, unless Operation Mantle actually apprehends people in the process of manufacturing of amphetamines, it is unlikely that the current law is adequate for a prosecution to result. The police may have occasion to visit a suburban house which has been rewired and where all the paraphernalia is found, with 50 kilogram empty bags of industrial pesticides out the back. The conditions might be such that any reasonable adult would believe that an amphetamine laboratory had been conducted in that place. Notwithstanding that, it is my advice from these senior police officers that our current laws are not adequate to deal with this, because none of the ingredients or the paraphernalia are illegal. Is this not a case, minister, where, by your own words, we need to be tougher with these penalties and harsher with the law? This parliament should pass a law to ensure that a jury can convict these people, because clearly they have been manufacturing amphetamines, but the law does not currently allow the police to adequately prosecute these sorts of cases.

**The Hon. K.O. FOLEY:** I will ask the Police Commissioner to respond, but, as I said, probably the most difficult part of policing and public policy is how we deal with illicit drug use and manufacture. As I said earlier, this is the subject of debate at the national level, and we can never say that we have done enough. On behalf of the government, I would always say that more needs to be done—there is no question about that—and more will be done. I will ask the Commissioner to comment.

**Mr HYDE:** Amphetamines are of particular concern for us in the community. Obviously, we are concerned about hard drugs, particularly heroin. Towards the end of the 1990s, we saw a large number of fatalities involving overdoses from heroin-based drugs and a considerable amount of harm occurring. Then, in the early part of 2000, we had what is referred to as a heroin drought where the supply of heroin began to dry up. That is not to say that it did so completely. There were a number of reasons for this including interdiction programs on the border and also (in the supply chain) some changes to production overseas. However, this resulted in a higher take-up rate of amphetamines.

Amphetamines are a particular problem for us because, rather than being 100 per cent imported (like heroin), there is a substantial production of amphetamines within Australia. I am using the term 'amphetamines' quite loosely to refer to a lot of the amphetamine type substances. In the main, they are methamphetamines, and there are different varieties, if I can put it in that way, within that range as well: for example, crystalline methamphetamine known as ice. There is not a lot of production of that in Australia; it is mainly imported, but there is certainly large-scale production of methamphetamine within Australia.

This is produced in a number of ways. There are small-scale operations with a laboratory which can be carried around in a box. We refer to those as box laboratories—they can easily be set up and dismantled and moved on—and then there are larger scale operations. For the smaller operations, quite often they use pseudoephedrine which is obtainable from legal sources within Australia, but they can also be

diverted from other legitimate processes to move into that production method as well.

For large-scale operations, other chemicals, which we call precursors and which are necessary for the production of amphetamines, are used. The current law in South Australia does not have possession of precursors as an offence per se, and that is largely because there is a legal use for these precursors as well as an illegal use. I believe they have passed a law in Western Australia which makes it an offence to possess precursors without a lawful excuse, so that puts the onus back on a person who has been apprehended with precursors to prove that there is a legal use for those particular drugs.

In South Australia we are concerned that it is too easy for people to proffer some half-baked (if I can use that phrase), legitimate reason for having precursors and we are, effectively, unable to take any action against them. So it is an area that I think should be examined to see whether the laws in respect of precursors should be changed.

**The Hon. K.O. FOLEY:** I would like to add to that. Obviously, these are matters that the Commissioner raises with us from time to time and we will certainly look at that, but another example of the problem is the issue of the importation of the machines used to make the tablets—and we had a discussion at the last ministerial council on this. One of the jurisdictions (I think it may have been New South Wales or Victoria) was saying that we should have a very heavy regulation, almost a banning, unless you can absolutely show what the use of it is. Superficially, that sounds like a good idea until you think it through a bit and realise that there are a lot of legitimate uses for tablet-making machines. With confectionery, for example, small businesses that make lollies use these machines.

So the problem is that there is a fine line between legitimate and illegitimate use, and there is also a very strong argument that people going about their lawful endeavours should not be overly penalised for the fact that some people misuse these things. That matter, for example, is still to be debated and discussed in terms of how we might go forward. We are coming up against the fact that these things are legitimately as well as illegitimately used, and that is where it is difficult to walk the fine line.

**Mr BRINDAL:** Just to finalise this, minister, I listened carefully to what you and the Commissioner said, and I think that all of us on this side would be heartened by that. However, would you concede that where, for instance, police visit a place and there are 250 gram empty containers of agricultural chemicals but the person is supposedly a baker in suburban Adelaide, where all the equipment is there, where the electrics have been modified and the windows show signs of being taped up, that maybe the police should be able to act? Similarly, I know of another case in regional South Australia (and the Commissioner may be aware of this) where a house was sold and the new owners discovered a basement under it that did not appear on any plans and where there were in excess, I think, of 100 000 Sudafed tablets. Now, I know that we all get sinus, but I do not think any of us are likely to buy 100 000 Sudafed tablets to fix our sinuses in this or any other lifetime.

I am being constructive here. I really do think that unless you as minister, and perhaps the Australian ministers, can work a way through it and have a test of reasonableness in terms of access to legitimate things (and you raised some quite legitimate reasons for having things), we are letting

crooks get away with being crooks and tying the hands of the police behind their backs.

**The Hon. K.O. FOLEY:** I think the Commissioner has already answered that question, and I do not know if he wants to add anything more to it. However, your point is well made and I agree with you. It is like the issue of the fertiliser, ammonia nitrate. I cannot recall the exact figure, but we are now having to put hundreds of thousands, if not millions (in fact, it is millions, from memory), into a register for ammonia nitrate. Because of world developments in the use of that particular chemical—and the less said about that the better—we now have to have a very high regulatory regime which is onerous on the government, the taxpayer, and the legitimate users of that fertiliser but which is clearly necessary in terms of keeping track of this particular substance and how it can be misused.

**Mr BROKESHIRE:** My question is to the minister—although I am happy for him to put this through to the Commissioner if he likes, after he has made some comment—and it is with respect to what are clearly concerns in the community about the activities of outlawed motor cycle gangs. We saw it at the AAMI Stadium recently, and we have seen recent media reports that I do not think it is relevant for me to touch on right now. When I was police minister I was advised (and no doubt you have been as well, as current police minister) that the outlawed motor cycle gangs are big into the production and distribution of illicit drugs—particularly amphetamines and the like on which the Commissioner has just been briefing the committee.

Fortification laws came through this parliament some time ago, and in my southern area I have seen a difficult situation where outlawed motor cycle gangs are clearly working around that fortification legislation to the point where they are now doing what appear to be staged developments to get outreach centres for outlawed motor cycle gangs to distribute these illicit drugs, particularly in areas where there are a lot of young people. I ask the minister and/or the Commissioner, first, whether they are satisfied that these fortification laws are working, because I know that the council did request the Commissioner to use his powers under the fortification laws to refuse that application but, from what I saw back through the council, it appeared that the Commissioner did not have enough discretion within that legislation. So, I ask whether that legislation is broad enough for the Commissioner to be able to do the job that I know he will want to do. Secondly, with respect to these illicit drug practices by outlawed motor cycle gangs, how many existing fortifications have been knocked over or applied to be knocked over?

**The Hon. K.O. FOLEY:** I will let the Commissioner answer that, but I can see the politics in that question. Can I make a suggestion to the member? I would recommend that, and I am sure that he talks to the local police in his electorate regularly—

**Mr BROKESHIRE:** Absolutely.

**The Hon. K.O. FOLEY:** I had a very good meeting recently at Christies Beach with Paul Greathead, and I compliment him and his officers on the significant reduction in crime that has been achieved in the southern suburbs. It is a very good story to tell, and it is probably as good an example as there can be of how the LSA framework is delivering significant reductions in crime.

*Mr Brokenshire interjecting:*

**The Hon. K.O. FOLEY:** Number one; exactly. I raised this issue that you have raised publicly and in this place about a so-called bkie headquarters being built in a house or

whatever in your electorate. I was heartened and very pleased with discussions that I had with the officers about their understanding of what is happening there and their views about it. I am not going to canvass them here publicly nor am I going to—

**Mr BROKENSHIRE:** They have been in the media.

**The Hon. K.O. FOLEY:** Sorry?

**Mr BROKENSHIRE:** His views have been in the media.

**The Hon. K.O. FOLEY:** And I am not going to discuss what he said to me, except that I think that, judging by the way in which you have represented this particular issue, you could receive some assistance and value in the way you look at this after more discussion with officers about it. Since coming to office, we have introduced the law that you talk about. We have probably been criticised by members opposite for that.

*Mr Brindal interjecting:*

**The Hon. K.O. FOLEY:** The member for Unley said he criticised it.

**Mr BRINDAL:** Because I don't think it would work—that's why.

**The Hon. K.O. FOLEY:** The member says that, but only time will tell. I know that there was a potential development of a bikie headquarters in Brompton that has not since gone ahead. Whether that was a result of this law, we do not know; I do not know. It may well be the case. The Attorney would be in a better position to answer that. This government has indicated that it is serious in wanting to see the laws improved and to give our police greater powers to deal with outlaw motorcycle gangs. Again, I will ask the Commissioner to add some comments.

**Mr HYDE:** I have very little to add. The legislation has been in place for a reasonably short period of time and, as with everything, at some point you should have a look at it and evaluate how effective it has been. Perhaps somewhere in the near future that ought to take place. I do not have any data or any information that I can provide today; however, if you require some, I am happy to pass it on.

**Mr BROKENSHIRE:** My next question is relevant to page 4.21 about road safety. I wonder why the percentage of SAPOL total expenditure per head of population for road safety is down to 3.7 per cent compared with 11 per cent nationally and 17.5 per cent in Queensland, according to the Productivity Commission report recently released.

**The Hon. K.O. FOLEY:** Those Productivity Commission numbers are very interesting and, having gone through many years of budget bilaterals, I can assure you that, in Treasury, we use those productivity numbers to grill departmental heads when it suits us and when the stats are good for us in our Treasury argument. Equally, CEOs and ministers are very quick to use those productivity numbers when it suits their argument. The truth with the Productivity Commission, and even to an extent with the Commonwealth Grants Commission, is that these types of comparisons, whilst useful, can be both misleading and of little use.

*Mr Brindal interjecting:*

**The CHAIRMAN:** Order!

**The Hon. K.O. FOLEY:** No; that is not what I said at all. I said that when I meet—

*Mr Brindal interjecting:*

**The Hon. K.O. FOLEY:** That is not what I said. I said that the use of productivity statistics can be valuable in an argument but, when you peel away the substance of this, sometimes they can be misleading. That is simply because comparing what we do in one jurisdiction with that of another

can bring significant distortions. The truth is that issues between jurisdictions can make comparisons extremely difficult. We expend significant and increasing amounts of money on road safety, as evidenced recently with the intensive police blitzes that we are funding through the budget. I think that this government's commitment to road safety is one of its great strengths. The Road Safety Advisory Council has come forward with clear suggestions and advice to government with which we have regularly agreed. Sometimes we have even been slightly ahead of the committee and pre-empted what it might be suggesting, only to be thwarted by the base politics of this place. I do not feel any sensitivities about this government's record on spending and initiatives in road safety. I do not know whether you have anything to add, Commissioner.

**Mr BROKENSHIRE:** When you were in opposition and I was the minister, the Productivity Commission report was gospel.

**The Hon. K.O. FOLEY:** Exactly; there is my point.

**Mr BROKENSHIRE:** It has changed now.

**The Hon. K.O. FOLEY:** Exactly.

**Mr BROKENSHIRE:** Because you're in government?

**The Hon. K.O. FOLEY:** No; I am not sure that I ever held up the Productivity Commission to support any of my arguments. I might have; I do not recall.

*Mr Brindal interjecting:*

**The Hon. K.O. FOLEY:** The Productivity Commission?

*Mr Brindal interjecting:*

**The Hon. K.O. FOLEY:** I would have used the Productivity Commission data only when it suited me.

**Mr HYDE:** It is difficult to get accurate figures in the split-up of our budget into our programs. We use a survey methodology in the workplace and, unfortunately, from time to time there are variations in it that we know do not have any real reflection across the board in terms of the substance of our priorities and where our resources go. However, it is the best method we have to provide some sort of breakdown for the programs in the budget papers and for the Productivity Commission report as well. So, it is not a very reliable figure to use for determining exactly where the resources go.

**Mr BROKENSHIRE:** Budget Paper 4, page 4.23, deals with road safety, which is something about which we all have major concerns. The minister talked a bit about that when answering my last question. On page 4.23 of the budget papers, under 'Road Use Education', it shows that the 2003-04 actual amount spent was \$3.4 million, a budget of \$3.897 million for 2004-05, and an estimated result of only \$2.694 million. Can the minister explain to the committee why the road use education program was underspent by \$1.2 million this financial year and shows 200 fewer sessions than the 2004-05 budget target?

**The Hon. K.O. FOLEY:** That is a good question, but I do not have an answer. I will take that question on notice and get the member an answer.

**Mr BROKENSHIRE:** Does the Premier have a police GRN radio installed in his ministerial car?

**The Hon. K.O. FOLEY:** Have I just been promoted?

**Mr BROKENSHIRE:** This question is to you as police minister.

**The Hon. K.O. FOLEY:** One thing I will not do is comment on the security or otherwise of the Premier's arrangements. I think that would be most inadvisable.

**Mr BROKENSHIRE:** By way of explanation, I am not asking about security; I would not be so silly as to do that. It is a just a simple question. Some premiers have police



officers travel with them, and we have heard the Premier discuss that fact. Recently, the Premier said that he chose not to have a police officer travel with him. I am advised that the Premier has a police GRN installed in his car, and I simply want to know whether or not he has one and, if so, why.

**The Hon. K.O. FOLEY:** I find the question odd. If the Premier has such a communication device in his car, he would have it on advice. If he does not have one, I assume that the assessment would be that it is not needed. I am not going to comment on the level of security or otherwise the Premier may have. I think that is unwise.

**Mr BROKENSHIRE:** There is no problem with the Premier having a GRN radio if it goes directly to one part of the police, but I would have some concerns if it was just a general GRN police radio.

**The Hon. K.O. FOLEY:** Is the member suggesting that the Premier would somehow tune into police communications?

**Mr BROKENSHIRE:** No. I am simply asking the question. It has been publicly discussed that the Premier has one, and I merely want to know whether he has.

**The CHAIRMAN:** I am not sure whether this is relevant to this line of the budget.

**The Hon. K.O. FOLEY:** It is not. I will take the question on advice. I do not know the answer. The Premier's car has a number of aerials on it, and it may well be that he does have one. However, it is absurd to suggest and to leave hanging a suggestion that the Premier, if he has such a device in his car, would misuse and abuse it.

**Mr BROKENSHIRE:** I am not suggesting that for one moment.

**The Hon. K.O. FOLEY:** Well, the member has.

**Mr BROKENSHIRE:** It was brought up publicly, and we have a right to know the basics.

**The Hon. K.O. FOLEY:** I will take the question on notice and either advise the member privately or publicly.

**Mr BROKENSHIRE:** That is all I want. That is all right.

**The Hon. K.O. FOLEY:** No, it is not all right for it to be ending there. I just want to make the point again that, if such a device is there, I can assume only that it is on advice from those whose responsibility it is to advise the Premier on his security requirements. Often it is up to the Premier to decide whether or not he accepts that advice. However, if he has accepted advice on this matter and he has such a piece of equipment in his car, one thing I do know is that it would not be misused. It is just a silly suggestion.

**Mr BROKENSHIRE:** I have not suggested that it would be. I would not—

**The Hon. K.O. FOLEY:** Well, the member just put the allegation out there. He said that it would be wrong if the Premier did.

**Mr BROKENSHIRE:** No, I did not say that.

**The Hon. K.O. FOLEY:** What did the member say?

**Mr BROKENSHIRE:** I asked whether, if the Premier did have a GRN radio, it would be to a specific point in SAPOL or whether it would be a general GRN police radio; that is all I said. I did not imply or express anything.

**The Hon. K.O. FOLEY:** You did that. I will take the question on notice.

**The CHAIRMAN:** That line of questioning has probably gone as far as it can.

**Mr BROKENSHIRE:** I am happy with that.

**The Hon. K.O. FOLEY:** Incidentally, I do not have one.

**Mr BROKENSHIRE:** On page 4.13, in relation to police numbers—

*Mr Brindal interjecting:*

**The CHAIRMAN:** Order! The member for Mawson has the call.

**The Hon. K.O. FOLEY:** The member for Unley cannot have a side discussion with me and then make all the points the shadow minister said he was not making. The member for Unley is saying that it would be improper for me to have one, where I would be listening into police communications. Well, hello, exactly; I do not have one. It would also be wrong for me to do a lot of things, but I do not do it. I do not have a police radio in my car, and I do not tune into it. I have enough in my life to keep me happy without surfing the radio waves to listen to police communications.

**Mr BRINDAL:** It was responding to—

**The CHAIRMAN:** I do not think it is relevant to the line in question. The member for Mawson has the call.

**Mr BROKENSHIRE:** I refer to page 4.13, in relation to police numbers. As everyone knows, government opposition parties are all delighted that we are finally seeing 200 extra police come on board. We are very happy about that; the more the merrier. We were advised that the extra 200 police would be in SAPOL by June 2005, and then there was an extension to December 2005. In recent comments, minister, you have indicated that it will now be June 2006 before the extra 200 police are in SAPOL. Can the minister clarify that point, please?

**The Hon. K.O. FOLEY:** I think it is beneficial for the committee—and I know the member for West Torrens and the member for Norwood would be particularly interested in this—

*Mr Brindal interjecting:*

**The Hon. K.O. FOLEY:** No; I am just looking. Let us use that 30 June number—for 1997, sworn police, 3 410; June 1998, 3 510; and June 1999, 3 456. Let us go through it: June 2000, 3 525; June 2001, 3 608; June 2002, 3 761; June 2003, 3 770; June 2004, 3 779; estimates at this stage, on the advice that I am provided with, June 2005 is estimated at 3 904; and an estimate—and these are estimates only, obviously—in June 2006, I am advised that we are looking at about 4 013. So, a few months after the next state election, this government will have increased the police force of our state, since the low point of 1997, by in excess of 600. That is a fair achievement.

**Mr BROKENSHIRE:** You have to be careful in talking about it like that. That is a bit of poetic licence there, I must say.

**The CHAIRMAN:** The minister is still in the process of answering the question.

**The Hon. K.O. FOLEY:** I am not sure what is poetic about telling you what the 30 June number is.

**Mr BROKENSHIRE:** Because you are actually picking certain figures there.

**The Hon. K.O. FOLEY:** No, I am giving you 30 June numbers.

**Mr BROKENSHIRE:** You were not in government for all that.

**The Hon. K.O. FOLEY:** I do not think that the shadow minister can be as bold as to suggest that I am misusing data, given his political campaign. The other point that we need to make is that not only are we recruiting 200, we are also having to deal with attrition. I think we are looking at recruiting around 300 through the year. I am advised, commissioner, that the final target figure is some 344, to be

completed with a course of 30 starting in June. These are big numbers getting through our academy. I do not think that our academy has for a very long time been as active in recruiting as it is now.

**Mr KOUTSANTONIS:** Lucky we've still got it.

**Mr BROKENSHERE:** You wanted to sell the damn thing. You even had the surveyors down there pegging out the esplanade. We stopped that one.

**The CHAIRMAN:** The minister is in the process of answering the question that the member for Mawson asked.

**The Hon. K.O. FOLEY:** I think it was the member for Bright who put the academy sale on the map.

*Members interjecting:*

**The CHAIRMAN:** Perhaps if we can just allow the minister to finish the question.

**The Hon. K.O. FOLEY:** I think the issue is—which is one that we can debate and discuss at any old time—that at some point we are going to have to upgrade and refurbish the police academy. It is looking a bit tired down there right now, and we probably have issues of asbestos and all sorts of things on that particular site.

**Mr BROKENSHERE:** You do not want to flog off your esplanade land in your electorate, surely?

**The Hon. K.O. FOLEY:** That is not what I am suggesting. I am suggesting a debate, and governments—either this government or future governments—will have to make a decision about upgrading Fort Largs. I think that Fort Largs is a good police asset but I do not think it should be beyond the capacity of any government to have a look at the business opportunities and the opportunities that could be available to redevelop that site. So, I do not think we should shy away from that one. Recruiting difficulties in the first part of the financial year led to a slippage in the recruitment program, and they have been recruited later in the year. I am confident that we can reach those targets of 30 June next year, but I have never shied away from the fact that recruiting police is a very difficult job, and sometimes in my quieter moments, I think, 'Crikey, we seem to have bought off more trouble by recruiting police than if we hadn't been recruiting police,' but that would not have been good public policy.

**Mr BROKENSHERE:** My next question is 4.13, to either the minister or the commissioner. What is the current situation in the Pitjantjatjara Lands regarding permanent police presence and a police residential complex?

**The Hon. K.O. FOLEY:** I will ask the commissioner, but from the outset—and I should try and do this before the year is over—I had the opportunity with the commissioner to visit the lands, and made my views known about what is going on there publicly, and controversially in some cases. I think, as I have always said, that the activities occurring on the APY lands are a tragedy and something for which neither side of politics, or neither government, federal, Labor or Liberal, can be particularly proud of. But we are working to significantly improve the conditions for those living on the APY lands. One of the best things that we can do initially is to provide safety for the community, and we have a significant police presence on the lands, coming operationally out of Marla. The Commissioner and I have discussed the need for a permanent police presence on the lands, not only for functional purposes in terms of the officers but also perhaps as a more significant statement by government that the law is ever present on the lands. I have not factored any money into the budget for a police station, but a police presence on the lands is something that will have to be a priority for us in the future. But, like everything, putting my hat as Treasurer on,

it has to compete with all other priorities that we currently have in terms of governing. I also want to make this point: we have to be sure, and I am using a bit of licence here, and my message to all—to government in particular, but also to the wider community—is that the police are not the authority on the lands. The police cannot and should not be the de facto administrator of the lands as such.

**Mr BROKENSHERE:** I agree with that, but I have been up there and you need a police presence on the lands.

**The Hon. K.O. FOLEY:** That is not what I am arguing. I am arguing in complete agreement, and we are doing that. But I want to put this cautionary note out as a police minister, as much for the government as anyone else, that we cannot excuse activity and effort in other areas of government by simply having our police maintain civil order, and end up doing things for which police are not responsible. I do not want police officers having to carry the burden of the social and emotional stresses that are on the lands, beyond what should be their responsibility as police officers. It concerns me that in remote areas such as this the police can be doing more than is their required role. That will happen, obviously, but I do not want it to be an accepted responsibility of police, and that is why in government we have been putting more and more services up on to the lands to complement what we are doing with police. I will ask the Commissioner of Police to add to that.

**Mr HYDE:** In terms of permanent establishment for the lands, currently, we have 23, which consists of 12 positions for community constables on the lands and 11 at Marla to support those operations. They are mainstream police at Marla. We have found over the years that that has not been a satisfactory way of providing a police service to the lands. For the last couple of years mainstream police officers have been flown in on a week by week basis to operate from within and not outside the lands at Marla, as is the case at the moment. I think that the two officers we put on the lands also come from Marla; there are seven of them.

We are proceeding to a permanent establishment of police within the lands. An inspector is based at Marla at present, and his sole responsibility is to work on new initiatives for policing and managing the operations in the lands. Our aim is to have eight police based permanently in the lands with 10 community constables. The eight police will comprise a senior sergeant in charge, a sergeant training officer for the community constables plus six other officers. The main difficulty with getting them into the lands has been finding reasonable accommodation.

We have identified that the two best prospects for that are Umuwa and also an area called Murputja, which is in the north-western corner towards Pitjantjatjara in the lands. We are looking to have permanent accommodation in those locations for our officers. We have made fairly good progress in terms of getting accommodation at Umuwa. I do not have the number of dwellings that are available, and I do not have the expected completion date for the rest of the accommodation, but it is well under way. We can provide that information.

**The Hon. K.O. FOLEY:** The Commissioner took me to the lands. I must compliment the Commissioner, because he has been particularly mindful of the needs of the APY lands. He has taken a very strong personal interest in policing on the lands, and he regularly raises concerns about the lands with me. We looked at the Kintore model. When you hop off the plane at Kintore a sign indicates that it is the closest Aust-

ralian town to every beach in Australia. It is smack bang in the middle of Australia.

A police complex has been built. It is in the Northern Territory but a Western Australian police officer is based in the facility. The Western Australian government can police their communities out of Kintore, just across the border. The decision was taken—quite a unique decision in Australia's system of government—that we could have a police station in Kintore where officers (I think I am right in saying this) have multi-jurisdictional powers. An NT police officer can operate in WA and a WA officer can operate in the NT. That is one of the models we would look at.

If we needed to establish a permanent facility, could we look at doing one closer to our borders with the NT and/or WA, and would we look at sharing of resources both in the capital cost and in the recurrent costs of putting officers in there? Ayers Rock and Alice Springs are closer to the APY lands than Adelaide. There are opportunities to be a little creative, and we are looking at that.

**Mr BROKENSHIRE:** Can the minister or the Commissioner confirm whether there is an underspend in this current financial year's salary and wages component of the budget?

**The Hon. K.O. FOLEY:** I will ask the Commissioner to answer. Again, we have indicated difficulties in recruiting so it would not surprise me if there is, but I do not know specifically. I am sure I have been briefed on it but I do not have that brief in front of me.

**Mr HYDE:** Yes, there is an underspend, mainly attributable to the salaries line. Some of it is attributable to the lag in bringing in police recruits, which, I think, is well known. The other part of it is an underspend on unsworn salaries, public servant salaries. Some of that is a delay in introducing road safety initiatives. It requires new technology, the arrival of which has been delayed. We have therefore delayed bringing some of those staff on. There are some carry-over issues, which we raised with Treasury. There is a combination of things which means that we have an underspend this year. It is of the order of \$5 million to \$6 million. I do not have the exact breakdown with me at the moment.

**Mr BROKENSHIRE:** As a supplementary question, could I seek a detailed response to that question? With respect to the carryovers, has Treasury assured the Commissioner that he will be able to keep them? I am asking the Treasurer.

**The Hon. K.O. FOLEY:** I am the police minister.

**Mr BROKENSHIRE:** It is a worry.

**The Hon. K.O. FOLEY:** I do not have that answer in front of me. I will look it up.

**Mr BROKENSHIRE:** Will you let us know in due course?

**The Hon. K.O. FOLEY:** I will look at the question and consider the answer, yes.

**Mr BROKENSHIRE:** I refer to page 4.6 of the budget papers and 'financial performance—workers' compensation'. What is the situation in 2004-05 for the number of workers' compensation claims compared to 2003-04 and 2002-03, and how many of the claimants are back to full duties within three, six, nine and 12 months?

**The Hon. K.O. FOLEY:** I will please Mr Patriarcha and his officers who have so diligently put this brief together by reading from one. SAPOL registered some 413 workers' compensation claims during the period 1 July 2004 to 31 March 2005 compared with 462 claims for the same period in the previous financial year. The most common injuries to police to date for claims registered during the 2004-05 financial year were caused by: body stressing, 26 per cent;

being hit by moving objects, 22 per cent; falls, trips and slips, 20 per cent; and mental stress, 10 per cent. As at 31 March 2005, other medical expenses costs decreased by 2 per cent for new claims and increased by 11 per cent for old claims. This is a 7 per cent increase for all claims. Income maintenance has significantly decreased by 62 per cent for new claims but has increased by 11 per cent for old claims. For all claims, this means that there has been a reduction of 1 per cent in total income maintenance costs compared with the same period last year.

The most significant workers' compensation cost exposures for new claims are: mental stress, 30 per cent; body stressing, 24 per cent; falls, trips and slips, 18 per cent; other and unspecified mechanical (that is, vehicle) accidents, 12 per cent. Would the member like more information?

**Mr BROKENSHIRE:** I am happy for that to be tabled, and I can read it myself.

**The Hon. K.O. FOLEY:** No, I will give it to the member.

**Mr BROKENSHIRE:** The other piece of information is: does the minister or the Commissioner happen to know the outstanding amount for long-term workers' compensation claims?

**The Hon. K.O. FOLEY:** No, we do not have any actuarial information in front of us on that but I will come back with that. I will come back with an answer, as the member has asked: I will not give this to him. I will check it first.

**Mr BROKENSHIRE:** Why would you do that? The police have written it. It has to be accurate.

**The Hon. K.O. FOLEY:** But I will compare it to the question. There is probably more information that you have asked for than I just gave and, if I just give you this, you will not be getting all that you wanted.

**Mr BROKENSHIRE:** I have a question about rosters. Does either the minister or the Commissioner have a concern with officers working 24/7 rosters over a four week period? I am advised that, as a rule, it is a six week roster.

**The Hon. K.O. FOLEY:** That is not a matter that I would care to comment on. I will ask the Commissioner to answer.

**Mr HYDE:** A number of rosters are in place and, essentially, we have an approach which allows areas to develop suitable rosters based on some principles to maintain flexibility in approach. There are three week rosters, four week rosters, five week rosters and six week rosters. It really depends on the particular location. I cannot make any comment with respect to any comparison between four and six week rosters. I do not have that information available at the moment.

**Mr BROKENSHIRE:** Could I have a detailed briefing on that when that information is available?

**The Hon. K.O. FOLEY:** We will look at the question and add anything to the Commissioner's comments that is necessary, yes.

**Mr BROKENSHIRE:** I am pleased to see stage three of the Christies Beach complex announced in the budget but, according to the budget papers, not a dollar is allocated for it in the next financial year.

**The Hon. K.O. FOLEY:** It is like many things in government that we make decisions on and program into our forward estimates. We announce them in the budget, but that does not necessarily mean that, because you announce a new project in a budget, it is within that budget year that the majority of the expenditure will occur. We made a decision as part of the Budget Paper that that police station would be put into forward estimates and funded, and the appropriate

time to make that announcement is in the budget for which you make that decision.

**Mr BROKENSHERE:** Again in relation to capital works and the \$44 million of the public private partnership which, as the minister knows, we support (we started that and we are happy to see it being continued), given that it was announced in the paper, I think over the weekend, when would you expect that to go to Public Works Committee?

**The Hon. K.O. FOLEY:** I have absolutely no idea.

**Mr BROKENSHERE:** Through you, could I ask the relevant officer?

**The Hon. K.O. FOLEY:** That is a public private partnership and will not be going to public works. I now do have an idea. The point about what does and does not go to the Public Works Committee has been debated. It went to the State Supply Board. But the decision—

**Mr BRINDAL:** We can refer it to the board.

**Mr KOUTSANTONIS:** You can try.

**The CHAIRMAN:** Order! Can the minister be allowed to answer the question?

**The Hon. K.O. FOLEY:** I guess the decision was probably also taken when the former minister was in office—I may be wrong and I do not want to verbal him—but the issue about whether or not private public partnerships go to public works was an important one for government to clarify, and the decision not to send these projects to Public Works Committee was made for very obvious reasons. These are private sector initiatives, and you cannot expect the private sector to be part of the political processes in the same way as government appropriations, because you have to negotiate in good faith; you have to award contracts; and you have to have financial close, which we have now achieved. You cannot then put something before the Public Works Committee that the Public Works Committee may choose to reject, vote against, alter, delay—

*Mr Brindal interjecting:*

**The Hon. K.O. FOLEY:** No, hear me out, member for Unley, because it is an important answer. There are issues of sovereign risk and, if you say to the private sector at the end of a PPP process, 'And, by the way, we are going to put you through the torture of the parliamentary process,' they will do it but we will pay for it. They will price that risk into the project. The market will say that it is not going to accept the risk of politicians overturning or changing it and will price the project accordingly. So, there are very valid and quite obvious reasons why you do not do it. I would be very surprised if the opposition's treasurer would have any different views.

*Mr Brokenshire interjecting:*

**The Hon. K.O. FOLEY:** We are open and accountable. This has gone to the State Supply Board. The honourable member is welcome to be privately briefed on it.

**Mr BROKENSHERE:** I will take that up at this stage, thank you. That is appreciated. I am pleased to see the Aldinga police station being built, but recent advice to me says that it will now be about July or August next year before that will be available for use. Can that be confirmed?

**The Hon. K.O. FOLEY:** Cabinet approved the construction of a new police station and patrol base in Aldinga on 29 November. I must admit, the officers at Christies Beach LSA were extremely pleased with their resource allocation. The new facility will replace leased accommodation at the Aldinga Central shopping centre, which has been utilised by SAPOL for 10 years but will now be insufficient to support the expansion of police services. SAPOL is moving to the

provision of a local 24-hour patrol operation and increased police numbers, and will continue to maintain front counter services.

It had been SAPOL's intention to commence 24/7 patrolling and policing services at the existing Aldinga police station from 5 January 2006. However, arrangements, including the provision of resources, are well advanced and the commencement of the 24/7 patrol services are likely to be significantly advanced. We are not delayed, is the short answer.

**Mr BROKENSHERE:** It originally was reported that it would be ready for opening in January or February, and I wanted to check whether there was any delay.

**The Hon. K.O. FOLEY:** The last quarter of 2005-06. The Commissioner points out that we are looking to do the 24/7 arrangements out of the old building very soon ahead of opening the new facility, although it is a bit cramped. I must say that the southern districts have done exceptionally well out of this government: Christies Beach, Aldinga, Victor Harbor.

**Mr BROKENSHERE:** The 2004-05 budget papers showed \$2.9 million for replacement aircraft and 2005-06 shows \$4.7 million. I understand that there has been some change of mind about the type of aircraft the government is purchasing. The money was carried over for the \$2.9 million. I gather there were not two aircraft being purchased but the minister is just buying a bigger aircraft for STAR Force etc; is that right?

**The Hon. K.O. FOLEY:** To be honest, having flown only once in our Police Air Wing aircraft was enough to suggest to me that we do not have anywhere near an adequate capacity with our Air Wing. The pilots are outstanding: it is the planes I am talking about. The pilots are brilliant but the aircraft are a little on the smallish side, which would be an understatement, for a state with such a large geographical area.

I think the original budget allocation was simply to replace the existing planes with like models, but I and the Commissioner took the view that we really need something akin to what is available to police services in both the Northern Territory and WA, which is a more substantial plane that can lift our STAR Force, in particular, to anywhere in the state fully equipped, but equally allows us to respond to emergencies not just with STAR Force but with biological and chemical people, other policing people or whatever. We will have a great capacity, and a better sea rescue capability as well.

**Mr BROKENSHERE:** You will not have a winch on it, though.

**The Hon. K.O. FOLEY:** A winch on a plane: that would be interesting!

**Mr BROKENSHERE:** The minister is saying sea rescue capability.

**The Hon. K.O. FOLEY:** I mean search and rescue. But we have also put in another helicopter. No government has done more to advance the air capacity of our state than this government.

**Mr BRINDAL:** I note from Budget Paper 4, Volume 1, page 4.19 in the Performance Commentary that breaches that occurred in the past year in respect of prostitution in this state have plummeted. I believe the Commissioner has quite publicly commented on this and written to the minister and to many members of parliament saying that the current prostitution laws are unworkable. Will the minister confirm

that SAPOL is no longer policing prostitution law in this state because it is unworkable and that this and the previous Commissioner have asked for reform in the law? It is unworkable, out of control, there have been articles in the *Sunday Mail* and I wish to know from the minister, in view of this performance report, what his government is doing about this area of law.

**The Hon. K.O. FOLEY:** My views on prostitution law reform are well known. I cannot believe I did it, but I lined up with the honourable member on prostitution law reform. I was one of the very small number of people who supported him.

**Mr BRINDAL:** It passed this house.

**The Hon. K.O. FOLEY:** It did in the end. I am on the public record as saying that I would rather our police resources were not required necessarily to—anyway, we are all entitled to our view. The police are following the law. I know this because of a particular issue that occurred in my electorate. I met with senior officers from the Port Adelaide LSA only a month or two ago to discuss the issue of prostitutes streetwalking, and all that, and the disruption that that causes to decent members of the community. That is some of the uglier side of prostitution, but the police are serious about dealing with that from my personal experience as a local member. I will ask the Commissioner to add anything that he may wish.

**Mr HYDE:** We have changed the way we deal with prostitution offences along with licensing, gaming and security by forming the Licensing Enforcement Branch. This branch is responsible for dealing with the regulation of all of those areas: vice, liquor licensing, gaming and also the security industry. So, in recent times we have changed our focus on that area, but that will not be reflected in the figures to which the honourable member refers. In general, prostitution laws are not effective in this state. Whilst we attempt to enforce the laws as they stand, they are not going to produce any significant results in terms of apprehending offenders, and no doubt that is reflected in the figures.

**Mr BROKENSHIRE:** There has been quite a lot of coverage of safety problems with existing firearms for our police officers. I noted recently that SAPOL has ordered some new firearms, but I am advised that they are the same as those which police officers are already using. Will the minister or the Commissioner confirm whether or not the problems with the existing older firearms have been rectified with the purchase of new firearms of the same model and whether Glock and those sorts of firearms have been considered in terms of this purchase?

**The Hon. K.O. FOLEY:** I do not have an opinion on what firearms our police should use. I do not like guns, and I have little interest in them. I know very little about guns. I accept the judgment and the advice of the Police Commissioner and his officers. It would be a sad and sorry day if the police minister started to chip into a discussion about the type of weaponry or the model of guns that our police should wear. We are entitled to a view on certain things, but the type of guns that our officers use is something on which we have to trust the judgment of the Police Commissioner. I am not saying that the honourable member is disagreeing with that at all; I am just saying that I am in no position to know whether a Glock or a magnum or whatever we currently have is better. I value the advice of the Police Commissioner in this respect. We are always buying new guns, and I am aware there have been some problems, but I will let the Commissioner respond.

**Mr HYDE:** In the main, we use Smith & Wesson. There are some other types of handguns used in areas such as our STAR Force operations, and some of those are semi-automatic Glochs. The Smith & Wessons have been in place for a number of decades. They are generally a reliable handgun. They have a very simple mechanism and generally are quite safe to operate. Other weapons such as semi-automatic handguns are obviously available. There are concerns about those because you do have to take a two-stage approach to their operation. First, you have to cock the firearm to put a round of ammunition in the chamber, and then you pull the trigger, whereas that is all the same mechanism for a Smith & Wesson revolver type operation.

What it does mean though is that, if you carry a semi-automatic with a round in the chamber, there is the danger of accidentally discharging the gun. It is not only dangerous for the officers concerned but also for suspects who might be under some sort of coverage by an officer holding a semi-automatic weapon. They can discharge much easier than a Smith & Wesson. So, we are not going to move too readily to a different type of firearm. We will be looking to see whether or not there is a more effective and reliable firearm.

If I can just touch on some of the safety issues of the Smith & Wesson that have been expressed recently. There has been concern with an effect called 'splatter'. When a round is discharged, small fragments might shoot off and discharge laterally between the cylinder and the frame of the firearm. In our firing range when officers are practising alongside each other they can be hit by this splatter. We have determined that our firearms need to be changed, not the form of firearm at this stage but we need to get new revolvers into place because this splatter occurs in older firearms which are more worn and where there is a bigger gap between the cylinder and the frame for that piece of metal to discharge.

We are in the process of replacing older firearms to avoid that. Even though there was a report recently of a new firearm causing that, we have tested that firearm and we are satisfied that that claim of splatter was not correct. We also have a better servicing program in place for our firearms. For a number of years our servicing program was not adequate, and we have taken steps to make sure that that is corrected now. I am quite open to changing the type of firearm we use provided we can find another firearm which is suitable to our needs and more reliable. However, in the examination of that issue, I do not expect someone to simply go and buy another gun and fire a thousand rounds through it and say that this is a good gun.

We have over 3 000 Smith & Wessons and in training we discharge about 400 000 rounds a year, so the difficulties we have experienced with handguns need to be put into that context. If we are going to look at a different type of handgun we need to compare like with like to see whether it is more reliable, given the number of firearms and the usage we have, so I am not readily going to move down that path. They also cost a significant amount of money; the Smith & Wesson in the order of \$750 per revolver. When you multiply that by 3 000 plus then you are talking about some millions of dollars. The other concern I have is that with Glochs you do need to practise more, so if we move to a different firearm that would mean we could potentially have officers taken out of the field to do more training—and I am not really keen on that either, I would rather have them in the field.

It is a complex area, one that does need to be carefully considered, and I have to say that the emotion needs to be taken out of it. Some people go on the basis of what is

fashionable, or what is the new flavour of the month, rather than what is necessary, or what is safe and reliable.

**The Hon. K.O. FOLEY:** I would like to add to that. South Australian police, in carrying out their duties, have shown over many years to be exceptionally responsible with the use of their firearms. When we look at what occurs in other parts of Australia I think we should acknowledge and compliment our police for the way in which they carry out their responsibilities and use their weapons, and the way it is done with a very high standard of professional conduct.

**Mr BROKENSHERE:** I support that, Mr Chairman. I want to put forward some omnibus questions, and that will be it from the opposition.

1. Did all departments and agencies reporting to the minister meet all required budget saving targets for 2003-04 and 2004-05 set for them in the 2002-03, 2003-04 and 2004-05 budgets? If not, what specific proposed project and program cuts were not implemented?

2. Will the minister provide a detailed breakdown of expenditure on consultants in 2004-05 for all departments and agencies reporting to the minister with the name of the consultant, cost, work undertaken and method of appointment?

3. For each department or agency reporting to the minister, how many surplus employees are there as at 30 June 2005 and for each surplus employee what is the title or classification of the employee and the total employment cost of the employee?

4. In financial year 2003-004 for all departments and agencies reporting to the minister, what underspending on projects and programs was not approved by cabinet for carryover expenditure in 2004-05?

5. For all departments and agencies reporting to the minister, what is the estimated level of under-expenditure for 2004-05 and has cabinet already approved any carryover expenditure into 2005-06? If so, how much?

6. What was the total number of employees with a total employment cost of \$100 000 or more per employee and also, as a subcategory, the total number of employees with a total employment cost of \$200 000 or more per employee for all departments and agencies reporting to the minister as at 30 June 2004? What is the estimate for 30 June 2005? Between 30 June 2004 and 30 June 2005 will the minister list job title and total employment cost of each position with a total estimated cost of \$100 000 or more a) which has been abolished and b) which has been created?

7. Provide detailed breakdown for each of the forward estimate years of the specific administration measures which will lead to reduction in operating costs in the portfolio?

I thank the minister, the Commissioner and his officers.

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

*[Sitting suspended from 1.05 to 2 p.m.]*

---

Office of the Venture Capital Board, \$10 520 000

**Witness:**

The Hon. K.O. Foley, Minister Assisting the Premier in Economic Development.

**Departmental Advisers:**

Mr R. Sexton, CEO/Chair, Venture Capital Board.

Mr B. Price, General Manager, Office of the Venture Capital Board.

**Membership:**

Mrs Geraghty substituted for Ms Ciccarello.

Mr Hamilton-Smith substituted for Mr Brokenshire.

**The CHAIRMAN:** I declare the proposed payments open for examination. I refer members to Appendix C, page 2, in the Budget Statement, and Portfolio Statements, Volume 1, Part 2, pages 32 to 39. Does the member for Waite wish to make an opening statement or go straight to questions?

**Mr HAMILTON-SMITH:** I will make some opening remarks and then go straight into questions. The opposition is most supportive of the Venture Capital Board initiative, and the opposition agrees wholeheartedly with the recommendations of the EDB, although we would have liked to have seen matters progress quicker than they have. However, the concept and hard work that has been done by the VCB enjoys the wholehearted support of the opposition. We feel that the government has dragged the chain a little with it, and the thrust of our questions will be along those lines. I think that there needs to be a context for the VCB budget line. We feel that the government is awash with cash. If one looks at government revenues, they have increased by 25.6 per cent in the last four budgets.

**The Hon. K.O. FOLEY:** A point of order, Mr Chairman: as the Treasurer of this state I have already endured the estimates committee on the Treasury. This is a matter relating to the Venture Capital Board and, if the member for Waite wishes to put in a performance as the future shadow treasurer, that is fine, but I fail to see how those sorts of issues—

**The CHAIRMAN:** There is some scope for the member for Waite to explore, but it is not an opportunity for him to make general remarks about the budget.

**Mr HAMILTON-SMITH:** The context is important. Revenues have gone up by nearly 26 per cent, but government expenditure has gone up by 22.5 per cent at a time when inflation is just over 9 per cent. It is relevant to what we are discussing about the VCB. The Treasurer keeps telling us what a splendid job he is doing in running the budget but, when the cash is rolling over the counter, you can match that with expenditure growth. That is essentially what is occurring. It would be nice to see some of that money going into initiatives designed to transform the economy and to re-arrange business in this state so that we are more competitive. I think that is relevant to what the VCB is trying to achieve.

*The Financial Review* ran a story on Thursday that pointed out that, of the \$26 billion that is going to be spent around the country by the states on infrastructure, we are spending just over \$1 billion or 4 per cent. The government has taken the credit for the air warfare destroyer contract and a range of things that simply are not its work. The point has been made, by Standard and Poor's and others, that the GST revenues and the sale of state assets are what has delivered a healthy budget line to the state economy. Our take-home wages are the lowest of any state and we have massive budget blowouts and wastes in spending on the Port River bridges at up to \$178 million. It is significantly more than the National Wine Centre and the Hindmarsh Soccer Stadium combined I hasten to add. Those problems are looming.

So, the context is one in which the government is awash with cash. Spending is virtually out of control; it is matching revenues. We then find ourselves with the VCB initiative, which is also floundering, and, given the buoyant financial times in the context, one might ask why it has taken so long for the \$10 million to find its way onto the marketplace. Budget Paper 4, Volume 1, page 2.37 refers to it. Can the Treasurer tell us the reason for the delay in allocating the \$10 million to establish the private equity fund? The South Australian Private Equity (SAPE) program guidelines stated that the expected announcement of fund managers was due in February 2005. On 22 June 2004 *The Australian* was told by the government that the VCB would begin distributing the funds in separate tranches in financial year 2004-05. No announcement has been made. When will we get an announcement?

**The Hon. K.O. FOLEY:** The member for Waite's eagerness to be the next leader of the Liberal Party is so obvious.

**Mr HAMILTON-SMITH:** Mr Chairman, if you are going to accept points of order from the Treasurer about what is relevant to the matters before us and what is not, I would ask you to be even-handed about relevance.

*Mr Koutsantonis interjecting:*

**The CHAIRMAN:** Order! I did not accept the Deputy Premier's point of order. The member for Waite continued to make general remarks about the budget for more than half of his opening remarks. He can hardly complain if the Deputy Premier gives him a serve back.

**The Hon. K.O. FOLEY:** I will uphold the requirements of this committee. However, in context, the leadership ambitions of the member for Waite are obvious. Why else would he spend five or six minutes giving me a lecture about the economy and how he sees it. As I have said in this place previously, the member for Waite is an old time socialist in that he wants high wages. He berates the government because our wages are not high enough, and he berates the government because it is not spending enough. He mentioned a revenue growth of some 25 or 26—

*Mr Hamilton-Smith interjecting:*

**The Hon. K.O. FOLEY:** Oh, so now we are spending too much!

**Mr HAMILTON-SMITH:** The government is spending just about every penny it is getting.

**The Hon. K.O. FOLEY:** Well, actually, no. The member for Waite said something in the order of revenue being up 26 per cent and spending up 22 per cent. How much is revenue up?

**Mr HAMILTON-SMITH:** You tell me, you're the—

**The Hon. K.O. FOLEY:** I do not have the figures in front of me.

**Mr HAMILTON-SMITH:** Don't you know?

**The Hon. K.O. FOLEY:** No, I don't have the figures in front of me. The member mentioned a figure of something in the order of 26 per cent and expenditure being up 22 per cent. There is a difference, and that difference is being paid off the state debt. So, we are spending less than we are earning, and we are balancing the budget—which is something that the member and his colleagues, particularly the shadow treasurer, were incapable of doing in eight years of government. I will not sit idly by and have a leadership aspirant try to impress his colleagues by making silly remarks and statements about the state of the books in South Australia.

*Mr Koutsantonis interjecting:*

**The Hon. K.O. FOLEY:** No. I know what the member for Unley thinks of him, and I know what a lot of the member's colleagues think of his leadership abilities. The member embarrasses himself when he wears his leadership baton so openly in his knapsack. I like how the member for Waite says, 'Look, we thoroughly endorse and support the work of the VCB. We have nothing but full praise for the VCB, but we have some questions we want to ask the government.' Well, when it comes to the VCB, in most cases I accept its advice, if I think it is sound and prudent advice. The board's sound and prudent advice to me has been that we need to tread carefully and slowly, and get right the placement of a substantial amount of taxpayers' money, with a successful applicant for that money. We have engaged Macquarie Funds Management to provide advice on the SAPE program, and we have undertaken a review and due diligence of applications.

Two final applicants were assessed by the VCB, and it selected a preferred applicant in February this year. Whilst the applicant satisfied the majority of the SAPE program guidelines, there were a number of important issues, including a major structural change in terms of the entity which looks like being recommended and which required that organisation to address that particular issue before the board would be prepared to make a recommendation to cabinet.

The preferred applicant has been working on the changes that the VCB required since February 2005. It has called a general meeting of all shareholders for 20 June 2005 (today), recommending approval of the required changes. Directors of the approved applicant have advised that they are confident that these changes will be approved by shareholders, thereby clearing the way for the VCB to make a recommendation to cabinet. The required structural changes, whilst conceptually straightforward, were quite technical and legally complex, therefore requiring considerable consultation and negotiation between parties associated with the preferred applicant.

Once agreed with management, the proposed changes had to be canvassed and resolved with the principal shareholders. This consultation and negotiation period, combined with a legally required notice period for calling a formal shareholders' meeting to approve the changes, has resulted in a significant delay in finalising the matter. If shareholder approval is secured, expected timing is that, subject to cabinet approval, a formal offer should be made in July, with a formal commitment of funds then subject only to approval and execution on documentation. The time taken with the public RFP process is consistent with the federal government's innovation investment fund program in the late 1990s. None of the \$10 million will now be invested in this financial year and provision is being made to carry it over to 2005-06.

The Crown Solicitor's Office was involved with the RFP process, and it continues to provide advice on probity issues, and it will oversee preparation of legal documentation if cabinet ultimately approves an allocation of funds to the preferred applicant. There is no secret or issue with the delay; they are all for very good prudential reasons. As the Treasurer of this state, I insist that we ensure that, if we are going to place a substantial amount of money into the hands of a private sector organisation for use for leveraging up for venture capital, that process is thorough and rigorous. If that requires a delay, all the better, because I would rather have the process delayed than go to the market with a less than properly considered proposal and to have it blow up in our face.

If, after the State Bank and SGIC disasters, the member for Waite does not have the message about how to be careful and prudent with public finances, God help us if he ever finds himself on the Treasury benches.

**Mr HAMILTON-SMITH:** Well, Treasurer, it was you, not I, who was a cabin boy on the HMAS State Bank, along with the Premier, who was the senior minister, and you were the senior adviser. Before the minister starts lecturing us about the State Bank, he should remember that he had his hands in it right up to the tiller.

I refer to Budget Paper 4, Volume 1, page 2.37. Have the delays in getting the SAPEs approved by cabinet and getting the preferred fund approved been the issue? For example, how long did the process take from the time the draft SAPE's guidelines were given to you by the VCB for cabinet consideration and for approval? In terms of the delays, the minister is making it sound as though the VCB has caused the delay by taking its time to get information to you. I am interested to know whether information about the SAPE's guidelines has been given to you, as well as detail about the preferred fund, and whether the delay has actually occurred in getting that cabinet approval. For example, how long were the SAPE's guidelines with you for cabinet approval?

**The Hon. K.O. FOLEY:** The member asks some stupid questions. I have just given the member an answer about the reasons for the delay. If the member is now trying to suggest that somehow there was a delay in approving the guidelines, I can only say that I do not know how long that took. I will get an answer for the member, but I have extensively covered the import of the question as to why there is a delay, which I readily acknowledge. You really have to be flexible in this job. You cannot pre-write all your questions and then still use them if you were given the answer in the first question you asked. Listen to what I said, and I am happy to repeat it, but I am quite open and up front about why there has been a delay—it is for good reasons.

**Mr HAMILTON-SMITH:** No, you have not. You did not cover it all, because it is quite curious to the opposition, and to others in the industry that, after the EDB making its recommendation almost three years ago, we are now going to get this money delivered to the marketplace in the six months leading up to an election. It is just a little bit curious. You have had three years and four budgets to get this organised. You have been the responsible minister. Here we are getting it on the road, and we are going to have it out there in the six months leading up to an election. You are asking us to believe that that is just coincidence and unavoidable delays. Excuse us if we are a little more cynical than that but it sounds as though it is a very convenient series of delays.

**The Hon. K.O. FOLEY:** I will answer that because that is a pointed question.

**Mr HAMILTON-SMITH:** Very pointed and pretty obvious.

**The Hon. K.O. FOLEY:** Mr Chairman, I am being accused by the would-be leader of the Liberal Party, that I have personally manipulated a statutory entity, a board, and a chairman, to delay the placement of \$10 million for base political purposes. I find that offensive. I find that totally objectionable, and I suggest to the member for Waite: play politics with me by all means, but do not insult the chairman and his board by suggesting that they somehow have been manipulated by a minister to have this money placed just prior to an election, because unless you have not re-read politics 101, I do not think that putting \$7 or \$8 million to a

company on the eve of a state election—as you call it—to be something that will endear ourselves to the masses of the population. If anything, it will probably be looked at by some in the community as being a priority they may not have had. I do not mind you getting stuck into me about policy and mistakes I might make, but do not insult the integrity of a professional board and myself by suggesting that we would be manipulative in the timing.

I have given you a reason. It is because we had to go through a lot of consultation, and that we had sixty applicants. Expressions of interest closed in October 2004. Sixty people made applications and wanted copies of the guidelines. Macquarie Fund Management was appointed to provide advice on the SAPE program. This appointment was as a result of a tender process involving five short-listed parties that had been identified as being capable of providing the required advice. Macquarie Fund Management undertook a review and due diligence of applicants and two final applicants were assessed by the VCB.

The most successful of those two requires significant structural change to their organisation for us to be able to pay the money and for them to accept the money. They have to go through a consultation process. They have to get director's approval. They have to go to their shareholders. It is all pretty obvious and logical as to why this has taken so long and, quite frankly, if it takes another six months I could not care less, provided they get it right. I am not going to chuck \$7 or 8 million—or whatever it might be—out into the marketplace within six months.

That is how the state was bugged by the State Bank and bugged by the SGIC, because ministers did not keep their eye on the ball, were asleep at the watch, and allowed public servants and statutory entities to throw money out into the market without any due regard. I am not like that. As I said, God help this state if you ever become a minister of the Crown, and are responsible for dealing with substantial amounts of taxpayers' money. It is people like you who will see a recreated state bank in this state and I, for one, will not be party to that sort of conduct.

**Mr BRINDAL:** On a point of order: 'buggered' has a particular meaning in the dictionary and I doubt that it is parliamentary. Additionally, I am quite sure that God will help this state as much if the member for Waite is minister, as is the current minister, and I do not think that he or she should be brought into the debate, either.

**The CHAIRMAN:** I am not sure whether any previous speaker has given a ruling on whether 'bugger' is parliamentary or otherwise.

**The Hon. K.O. FOLEY:** I will replace 'buggered' with stuffed.

**The CHAIRMAN:** Thank you. That perhaps assists things. It would be preferable if we confined our questions and answers to the very exciting subject of the Venture Capital Board. I am hanging out to hear more about what happens in the Venture Capital Board. I look forward to the member's questions about Venture Capital Board and the minister's answers.

**Mr HAMILTON-SMITH:** I am most amused by the Treasurer's diatribe. I will try not to respond, and see if he does. I just remind him that he is the one with the proven track record in regard to state bank debacles, not us. Treasurer, you just mentioned a figure of \$7 million to \$8 million. The original figure being touted three years ago, I think, when you first got going on this project, was \$10 million. Where



is the money located now? Is it with the VCB, or is it in a Treasury account, and is it going to be \$10 million, or is it going to be \$7 million to \$8 million as you just mentioned?

**The Hon. K.O. FOLEY:** I keep the money in the bottom drawer in my office! I am not quite sure where the money is.

*Members interjecting:*

**Mr HAMILTON-SMITH:** Stashing cash seems to be an art form of this government.

**The Hon. K.O. FOLEY:** The money is appropriated to the Venture Capital Board and if it does not expend it this year it will carry it over into next year. The reference to \$7 million or \$8 million is because VCB's advice to me is that they have not yet determined exactly the quantum. It may be less than \$10 million that is made available, and the reasoning for that will be made known when, and if, the shareholders of the entity that we are negotiating with agree to the structural changes that we require. I know that you have had lunch with the Venture Capital Board, and I have made time available for you to meet with the Venture Capital Board, with Mr Sexton.

There is one area of government that I could not be more accommodating with, member for Waite. You can have as much access to the board, as much discussion with the board, as much access to information as is required, and where it is commercially sensitive we would ask you not to repeat it until such time as we are able to make a public statement. If you want to make a political statement and a political attack on the government, I think that you might need to find another vehicle other than the VCB. Anyway, that is your call. The reason for the \$10 million—and it might be less that we give in this instance—is that the guidelines require \$1 of government funding for \$3 of other funds. The amount of money that we provide is contingent upon the amount of money they put in. It may be a figure a little less than \$10 million.

**Mr HAMILTON-SMITH:** Do I take it from that reply that the investment you have decided to make is an option A or an option B?

**The Hon. K.O. FOLEY:** It is option A.

**Mr HAMILTON-SMITH:** Do I also take it from your reply that one and not two investments will be made? That was also floated in the guidelines.

**The Hon. K.O. FOLEY:** That is correct.

**Mr HAMILTON-SMITH:** I refer to Budget Paper 4, Volume 1, page 2.35. Most page numbers will be 2.35 or 2.37. How much is being spent on running the Venture Capital Board since its inception, and of the \$1.32 million spent on ordinary activities what proportion is salaries and pure administration compared to programs, seminars and workshops? I have seen in action the good work the VCB has been doing with seminars, networking and so on. I am focused on what amount of money is being spent on such programs compared to administration and salaries.

**The Hon. K.O. FOLEY:** I will take that question on notice and give a detailed answer to the committee.

**Mr HAMILTON-SMITH:** Budget Paper 4, Volume 1, page 2.36 talks about an improved South Australian share of the private equity market which, according to the annual report of the VCB in 2003-04, began with a turnaround in the financial year 1999-01. That is measured by the Australian Venture Capital survey. I am really querying what statistics and information are behind the Australian Venture Capital survey, and how resilient we feel those figures are. Are we fairly confident that they are correct, and has the governance of the VCB been involved in helping to compile those

statistics for the surveys? Is it a completely independent survey?

**The Hon. K.O. FOLEY:** If the honourable member wants to take credit for his role as minister when he was in government, then, yes, there was a time when he was a minister in a government, albeit briefly—for three months or something. Shower yourself in as much glory as you wish, member for Waite. I am happy for you to take the credit. The statistics, I am advised, are from the Australian Venture Capital journal.

**Mr BRINDAL:** You're being churlish.

**The Hon. K.O. FOLEY:** The member for Waite is trying to point score to impress his colleagues that he is good enough to take it up to the Treasury and the Treasurer.

**Mr HAMILTON-SMITH:** You have a very short memory in terms of when you sat over here for four years doing nothing but trying to point score.

**The Hon. K.O. FOLEY:** The member for Unley has just given me some good advice. I should rise above the leadership aspirations being displayed by the member for Waite.

**Mr HAMILTON-SMITH:** You are quite happy to dish it out, but you are not happy to take it. You have a classic glass jaw.

*Members interjecting:*

**The CHAIRMAN:** Order!

**Mr HAMILTON-SMITH:** How many private equity funds do we now have in South Australia?

**The Hon. K.O. FOLEY:** I will take that question on notice and get that information for the committee.

**Mr HAMILTON-SMITH:** You do not know?

**The Hon. K.O. FOLEY:** No.

**Mr HAMILTON-SMITH:** That is encouraging. How is South Australia performing in regard to the second key objective which the government set and which is to lift the number of investments made in South Australia from 5.3 per cent average over three years to June 2003 to over 9 per cent?

**The Hon. K.O. FOLEY:** The three year rolling average is 5.5 per cent with the financial year to date (2004) 7.1 per cent.

**Mr HAMILTON-SMITH:** Can the Treasurer tell the committee how the venture capital industry in the state is going in a qualitative sense and in regard to intellectual property development? How many VC investments have been profitable? Is the VCB keeping this data and managing and observing this market in South Australia? How many VC investments have been profitable compared to failures, and how many successful trade sales or IPOs have resulted from private equity investments in South Australia for the last three years?

**The Hon. K.O. FOLEY:** That is a very difficult question. I do not think we would have an exact answer for the honourable member. We are very confident that we are seeing a significant increase in venture capital and private equity activity in South Australia. We have seen a number of entities (particularly in the private equity area) coming in. I launched one for the ANZ Bank and Rundle Capital. I have launched Rundle Capital, as well as Gramercy. These are very good and encouraging signs in that we are seeing a significant improvement in the availability of private equity.

It is very difficult for me—and, I am sure, for the board—to compile issues of profitability, the level of trade sales, etc. I simply answer in a general sense that the amount of private equity is increasing. The role of the VCB has not just been to place money but also to stimulate activity, and that has occurred.

**Mr HAMILTON-SMITH:** Given that you seem to be going with one investment in one private equity firm, does the government still harbour a goal of encouraging a second fund, and, once this investment has been made, will the government move to wrap up the VCB? What are the government's follow-on intentions once this investment has been negotiated for the VCB and these activities?

**The Hon. K.O. FOLEY:** My view would be that we have to place this money, and that is why I am more than relaxed in ensuring that we get it right. I am not prepared to speculate about what we will do beyond that in terms of whether we will want to place more money. A large part of me would be saying, 'Let's just see how this one goes.' After we sifted through the 60-odd companies that wanted details and certain companies that made applications, it got down to two entities. One entity we did not believe was ready for the money; that was no criticism of the entity, because the entity was a very sound one. However, for what they were wanting to do and where we wanted this money to go, we were not of a view that the timing was right for that entity.

In regard to the other entity, we did think the timing was right but the entity needed some substantial structural change to its makeup, which is what I outlined in my answer. But I am a conservative on these things. I do not want us to be rushing into—

**Mr HAMILTON-SMITH:** It has taken three years.

**The Hon. K.O. FOLEY:** That is what I mean—conservative. I am going slowly, carefully. To be not conservative would be to be aggressive and reckless. I am not prepared to be aggressive and reckless with up to \$10 million of taxpayers' money. You would be critical of me, rightfully, and in a very strong position, if you were grilling me now because I leaned on the board and said, 'I do not care about due diligence, probity and due process. Just chuck out \$10 million to the first lot that comes along.' You rightfully would be hauling me over the coals, and I would have to accept that as criticism. I find it bizarre to be getting a flogging because we happen to—

**Mr BRINDAL:** You are hardly getting a flogging.

**The Hon. K.O. FOLEY:** Well, that is true. The member for Unley is right: we are hardly getting a flogging. But—  
*Mr Brindal interjecting:*

**The Hon. K.O. FOLEY:** It must be good to have allies like Mark on your side, Martin.

**Mr BRINDAL:** He is asking legitimate questions that are reasonable.

**The Hon. K.O. FOLEY:** Stop winking at me, then. I have lost my train of thought. I think I answered the question.

**Mr HAMILTON-SMITH:** Budget Paper 4 Volume 1 page 2.33 talks of three specific objectives that I am interested in, Nos 3, 4 and 5. How is the government measuring progress and success in the objectives of educating and training, and networking and assisting South Australian businesses to present their plans to private equity firms seeking investment, and how many successful deals have been facilitated in this way by the VCB in the past financial year?

**The Hon. K.O. FOLEY:** I do not have that answer but I will look at what I can get for the member. I can say that 35 workshops were held last year with companies. It would be very hard to measure that success—in fact, almost impossible, I would think—because this activity is occurring in the private sector. We do not waste a lot of our time, I assume—I would hope, at least—collecting data for data's sake. It is a small, lean unit that we have, and I think the work it has done

has been very good. It has done outstanding work; 35 workshops is a pretty heavy work schedule.

**Mr HAMILTON-SMITH:** In regard to that same budget paper and page and key objective No. 6, how much has been spent and what specific activities have been conducted aimed at 'facilitating commercialisation opportunities in South Australia's educational and research institutions'?

**The Hon. K.O. FOLEY:** Can I have the question again?

**Mr HAMILTON-SMITH:** It is to do with key objective No. 6 in the budget papers at page 2.33. How much has been spent and what specific activities have been conducted aimed at 'facilitating commercialisation opportunities in South Australia's educational and research institutions'?

**The Hon. K.O. FOLEY:** We have a separate working party within government run by DFEEST looking at that. I am happy to take that question for the member and get an answer, but it would be fair to say that considerable work has been done. As we have in this budget, we are putting a lot of money into research and commercialisation, whether it is at the Mawson Institute of manufacturing or the work we are doing at Waite, with which the member would be familiar, with the wine research activity. Quite a lot of work is being done by government, but I will attempt to get a more detailed answer.

**Mr HAMILTON-SMITH:** Looking at the Venture Capital Board's annual report on page 15, it is obviously relevant to this budget page. The minister mentioned some figures earlier and I will ask him to repeat them. How many applicants applied for VCB funding; and what was the cost, on average, if you are aware of this information, for applicants to go through the process? I understand that a registration fee of some kind was required. Did any applicants withdraw from the process due to the cost or length of time of the process?

**The Hon. K.O. FOLEY:** My advice is no, but we will consider this answer for the member. I think I said there were 60 applicants for access to the guidelines. I am not sure that is the actual number of people who applied: I assume not. We will get the numbers.

**Mr HAMILTON-SMITH:** Did you say 50 to 60?

**The Hon. K.O. FOLEY:** I said there were 60 people who inquired about the guidelines. Exactly how many applied I am not sure, and we will get that information. We are not aware of anyone who pulled out because of the cost. If a company pulled out of the process because of the cost, I think that would indicate that it almost certainly would not be the type of company that you would want to have embarking on this process. If a company cannot afford the cost—and I do not know the numbers, but it is not an overly large cost—that would indicate that it does not have the balance sheet or the strength to be proceeding in this area.

**Mr HAMILTON-SMITH:** My understanding is that you made the state's guidelines available on the internet and publicly, and then there were representations of interest. Then a second stage had to be gone through, which I understood was a further registration process that required an investment, and there may have been subsequent stages that required further investment. I am interested to understand how that process worked.

**The Hon. K.O. FOLEY:** As I said, we got the list and, in the end, there were two preferred people with whom we negotiated, and then there was one. I am happy to get an answer but, equally, as I said before to the member for Waite, despite our political shenanigans, I am more than happy if at any time you want to sit down with Mr Sexton or attend a

board luncheon and have absolute open access and dialogue about all these issues. I am more than happy for that to occur.

*Mr Koutsantonis interjecting:*

**The Hon. K.O. FOLEY:** No, the member for Waite has been to at least one luncheon. The point I make is that there is nothing that I am sensitive about, other than the commercial sensitivities of this. I am sure the member for Waite would understand that and work within the guidelines to make sure that we did not damage the state's commercial position by revealing anything too early. If the honourable member wants to meet tomorrow or the next day with Mr Sexton and the board or officers, or Mr Price, please feel free to do it. The more the opposition is aware of what we are doing, the better it is. There is no attempt by me to keep anything from the opposition.

**Mr HAMILTON-SMITH:** Thanks for the invitation and, as the minister knows, I have taken it up. But I am more interested in the government's enthusiasm and support for this process. Having met and dealt with the VCB, I know that its members are dedicated to the job they have been given but, like any group of people working for an enterprise such as government, there has to be momentum, there has to be pressure and there has to be support from above. There has to be fire in the belly, so to speak, from government to make this happen. It seems to me that this has been slow. The minister himself has said that it has taken time. Caution has been abundant, and the minister has explained the reasons for that.

However, in the weekend press I noted a story from George Kragulijac (whose company AARM has just gone belly up at a cost of \$2 million), a biotech player, making the point, as many have to me, that there is a lack of private equity funding in this state. If the money had been out there earlier, if the private equity market had been stimulated earlier, perhaps there would have been more opportunities for companies such as AARM that are going belly up. The minister is saying that it could not have been done any faster: I have been inquiring as to whether it could have been. That is what we are here for.

**The Hon. K.O. FOLEY:** The member for Waite is asking me the same question three or four different times and ways. I cannot be any more honest and open than I have been. It has been a slower process, for very good, sound, prudential financial reasons. I have done nothing that I can recall to slow down that process. I have turned around my correspondence from the VCB as quickly as I can. The VCB has decided on the time lines. You cannot say that you support the VCB but blame the government for delays. The delays that have occurred are the direct result of decisions taken by the VCB, which have my entire support because they were all done for a good reason.

The honourable member makes criticisms about this government not giving out money. As I have said time and again, the member for Waite and I come from different positions on industry policy. He is an old-time socialist. He wants to give, give and give more money to prop up industry. I do not. As to the gentleman the honourable member referred to from the weekend, my reading of his complaint in the *Advertiser* was that the government did not bail him out. We are largely out of that business: we are not into the business of bailing out companies out that are high risk, high return ventures. The honourable member clearly has a policy view that you could take a risk with a company such as Mr Kragulijac's, but I would not.

That is where he and I differ. I am prudent, careful and responsible. He, through his own admissions, is gung ho, reckless and a big spender, an old-time socialist when it comes to industry policy. That is our philosophical difference and I do not know why the honourable member and I keep arguing. I am a dry: he is a wet.

**Mr HAMILTON-SMITH:** The minister and the Premier have a proven track record of being financially reckless and ruining the state's finances through the State Bank, so there is no question about where he comes from.

**The Hon. K.O. FOLEY:** Yes, AAA territory.

**Mr HAMILTON-SMITH:** The descriptors that the minister just put to me are totally wrong, as he well knows. He has virtually revealed my underlying concern about the government's commitment to the VCB. The minister has just given us a short lecture about how he personally does not believe that the government should be investing in high risk ventures, that the government should not be involved in the very business we are here discussing today, the Venture Capital Board and its fund. Playford Capital is another application of this. The minister has virtually expressed the very view that I suspect, which is essentially that he does not think we should be doing this; he does not think this is how a government should be investing its money.

The minister has partly explained why delay rather than speed has been underpinning this whole process from start to finish. I do not know how the minister can sit there and say that he does not think we should be spending money on these sorts of investments, on the one hand, and then say, on the other, 'I am the minister here, fully supporting the VCB and want to see this fund established and going.' It seems like a contradiction to me. Can the government guarantee that all key personnel associated with a successful bid will be based in Adelaide and that the recommended fund manager or managers have reasonable prospects of being profitable and sustainable, which is from the minister's own guidelines?

**The Hon. K.O. FOLEY:** Yes, they will be required to be based in Adelaide and, as best as we can be sure, they will be a viable entity.

**Mr HAMILTON-SMITH:** I take that to mean that all key personnel will be based in Adelaide.

**The Hon. K.O. FOLEY:** Yes, that is my advice.

**Mr HAMILTON-SMITH:** Referring to Budget Paper 4, Volume 1, page 2.37. Has the government considered or is it considering any state tax concession for venture capital?

**The Hon. K.O. FOLEY:** No.

**Mr HAMILTON-SMITH:** What input if any has the VCB or the government had to the federal government's review of the VC sector announced on 10 May 2005?

**The Hon. K.O. FOLEY:** The VCB is putting a submission to that inquiry. The honourable member's reference to any tax incentives, it is not my intention as Treasurer to see that occur. Things may change, but I am not aware of any particular tax concessions that are sought at a state level and I am not of a mind to grant them. However, you do not rule anything out in this business.

**Mr HAMILTON-SMITH:** What is the reason for the increase in employee expenses in supplies and services of \$23 000?

**The Hon. K.O. FOLEY:** We will take that on notice. I do not have the details of that increased expenditure of \$23 000.

**Mr HAMILTON-SMITH:** I refer to Budget Paper 4 Volume 1 (page 2.33)—key objective No. 1. To what extent has the VCB been active in increasing the supply of private

equity capital in regional South Australia, and where and when were those activities conducted?

**The Hon. K.O. FOLEY:** The VCB has run a number of seminars in regional South Australia. There is an expectation that the entity for which we are currently negotiating will be looking for opportunities in regional South Australia.

**Mr HAMILTON-SMITH:** I want to better understand an answer to a question on notice which the minister gave me in relation to this budget page. On 28 September 2004 I asked the following question:

What discussions has the Treasurer had regarding any assistance or investment facilitation by either Playford Capital or the Venture Capital Board to Agrilink Holdings Pty Ltd and PWR Management/Investments Pty Ltd (now Paragon Advisory)?

The minister replied by saying, amongst other things:

Regarding Paragon Advisory, I received a request for financial assistance, dated 11 July 2003 and I declared a conflict of interest. I advised Paragon Advisory that the request would be referred to another Minister.

I am curious as to what that conflict was.

**The Hon. K.O. FOLEY:** Two of the principals of Paragon are personal friends of mine: Greg Boulton, the Chairman of the Port Power Football Club, and the former CEO of Elders in South Australia, a prominent and well-regarded businessman, Mr Ric Mollison. Out of an abundance of caution and the appearance of proper probity, I declared my personal friendship with them both.

*Mr Brindal interjecting:*

**The Hon. K.O. FOLEY:** The member for Unley makes a good point. It is not necessarily conflict of interest, and that is the advice I was given at the time, from memory, but I just think it is important that you be upfront about perceptions. If we ruled out everything we did in this business because of personal acquaintances, very little would get done in South Australia.

**Mr HAMILTON-SMITH:** That is correct. In his answer, the minister also said:

Following a discussion with Paragon, I suggested to Ms Helen Nugent (Chair of Funds SA), that the CEO Funds SA may wish to meet with Paragon to discuss what services they may be able to offer to Funds SA.

Could you elaborate on that?

**The Hon. K.O. FOLEY:** As I said, Mr Ric Mollison of Paragon, in a discussion with me mentioned that they would like to have discussions with Funds SA, which is the major fund manager, about Funds SA looking at some of their products. Again, out of an abundance of caution, I think I was to meet the next day or shortly thereafter with Helen Nugent (Chair of Funds SA), I asked Ms Nugent (if she felt it was appropriate) whether she would have her manager, Rick Harper, or her investment manager, Rick Smith, I think, talk to Paragon or have a meeting. I have no idea what they discussed or whether or not Funds SA had any interest in their private equity business.

I am sure the member for Waite as an MP and a former minister would attest to the fact that you often get requests from people to meet with others within government. I would have thought that from a probity point of view the minister passing on that request to the chair was appropriate. I could have had my chief of staff ring Funds SA direct, but I would have felt uncomfortable with that. So, I simply passed the matter on to the chair for her to deal with as she saw fit. I have no idea what occurred. I do not even know whether Mr Mollison actually met him; he may have, I cannot recall.

I do not involve myself in these matters; these are all decisions taken by the board of Funds SA.

**Mr BRINDAL:** Considering the Treasurer has described himself as a rank conservative, my question to him is as a conservative in the field of Venture Capital. I commend the government for trying to look at Venture Capital in this state; that is needed right across the nation, as the Treasurer would know. From memory, it returns something like 17 per cent to United States banking institutions and more in Israel and the United Kingdom where it is successful

Why has the Venture Capital Board adopted this particular model and why did the Treasurer not use his model to encourage basket Venture Capital groupings, as they do in overseas countries? He could encourage the private market more into the sector by using this money to guarantee the minimisation of losses and capping the money that they can make at the same time to actually encourage the banking sector in Australia into this area by helping them to realise that it is potentially very good for them, and use government money as a lever rather than just another banking pool?

**The Hon. K.O. FOLEY:** There are a lot of models that could be used. I think I am right in saying that this model was reasonably closely based on a federal model and on advice from Bill Wood whom people would recall from Austin Ventures. He was a member of the Economic Development Board and one of the most successful venture capitalists from the southern part of the United States. There is a simplicity about this model which is important, because I think governments could get themselves into all sorts of strife if we provided money directly to a company, or if we took equity positions in companies, which has been done in the past. That is fine if you get the upside; it is pretty ordinary when the downside comes along. So, we tried to keep the model of it simple in that we would only put money in if there was a \$3 to \$1 match.

Therefore, the entity itself has to attract significant private sector risk capital as well as, in some cases, potentially some commonwealth funding (if that is available) and some other institutional money. That means that we are putting our money into a mix where other people are also taking a punt but, to be honest, I view this as gifting this money. We are not taking equity in the company; if the company we are dealing with ends up being a \$10 billion company in 20 years' time we are not getting a share of it (at least I think that is right; I hope it is right).

We are gifting this money, we are providing this to the company, and we might lose it all. I doubt that, but any private equity venture capital company will have losses somewhere along the line; otherwise, they would not be sufficiently out there in the risk curve, I suspect, as an entity. So we have to brace ourselves for the eventuality of what may occur with this money, but we are confident that the entity we are dealing with is as good as we can get—they are South Australian, they are run by very good people and they will look after our provision of funding very well. However, this is risky business and it really comes back to my earlier answer. That is why we need to take a long time dotting the i's and crossing the t's. It is taxpayers' money with which we are dealing here.

**Mr HAMILTON-SMITH:** Regarding the amount that will be invested, is it \$7 million or \$8 million?

**The Hon. K.O. FOLEY:** I do not think we have decided that yet.

**Mr HAMILTON-SMITH:** Well, what is the reason to invest only \$7 million to \$8 million where previously we were working on \$10 million?

**The Hon. K.O. FOLEY:** Clearly, the member for Waite was not listening to my earlier answer. It is a three to one match. My advice is that the entity we are dealing with has not yet determined the quantum of the matching funds that they will have available; they are working that through now and are out raising capital as we speak. So, they have not actually finished their exercise of raising their own capital so that we know how much we will give to them under our guidelines. Indications are that they will not raise a level of capital that will equate to the full \$10 million—it may be a little less than that, but we do not know yet.

**Mr HAMILTON-SMITH:** Will the other \$2 million to \$3 million be returned to Treasury or will it be held to cover administration or other costs of the VCB? What will happen to the remainder?

**The Hon. K.O. FOLEY:** No; there is a \$10 million program. If they do not expend the \$10 million it will be treated like every other one, I assume: an application will either come forward to carry it over if they think there is someone else out there whom they want to provide the money to, or it will just come back in to consolidated revenue.

**Mr HAMILTON-SMITH:** Given the time, I think I will just read in some omnibus questions before time expires.

1. Did all departments and agencies reporting to the minister meet all required budget savings and targets for 2003-04 and 2004-05 set for them in the 2002-03, 2003-04 and 2004-05 budgets? If not, what specific proposed project and program cuts were not implemented?

2. Will the minister provide a detailed breakdown of expenditure on consultants in 2004-05 for all departments and agencies reporting to the minister, listing the name of the consultant, cost, work undertaken and method of appointment?

3. For each department or agency reporting to the minister, how many surplus employees are there as at 30 June 2005 and, for each surplus employee, what is the title or classification of the employee and the total employment cost of the employee?

4. In financial year 2003-04, for all departments and agencies reporting to the minister, what underspending on projects and programs was not approved by cabinet for carryover expenditure in 2004-05?

5. For all departments and agencies reporting to the minister, what is the estimated level of under-expenditure for 2004-05, and has cabinet already approved any carryover expenditure into 2005-06? If so, how much?

6. What was the total number of employees with a total employment cost of \$100 000 or more per employee and also, as a subcategory, the total number of employees with a total employment cost of \$200 000 or more per employee for all departments and agencies reporting to the minister as at 30 June 2004? What is the estimate for 30 June 2005? Between 30 June 2004 and 30 June 2005 will the minister list job title and total employment cost of each position with a total estimated cost of \$100 000 or more which (a) has been abolished and which (b) has been created?

7. Provide a detailed breakdown for each of the forward estimate years of the specific administration measures which will lead to a reduction in operating costs in this portfolio?

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

---

Department for Families and Communities, \$585 245 000  
Administered Items for the Department for Families and Communities, \$134 929 000

**Witness:**

The Hon. J.W. Weatherill, Minister for Families and Communities, Minister for Housing, Minister for Ageing and Minister for Disability.

**Departmental Advisers:**

Ms S. Vardon, Chief Executive, Department for Families and Communities.

Mr J. Ullianich, Director, Financial Services.

Ms L. Wilson, Director, Social Inclusion, Strategy and Research.

Ms M. Mills, Senior Project Officer, Social Inclusion, Strategy and Research.

Ms A. Gale, Director, Office for the Ageing.

**Membership:**

Ms Ciccarello substituted for Mrs Geraghty.

The Hon. M.R. Buckby substituted for Mr Brindal.

The Hon. D.C. Brown substituted for Mr Hamilton-Smith.

**The CHAIRMAN:** I declare the proposed payments reopened for examination. I refer members to Appendix C, page 3, in the budget papers, and Portfolio Statements, Volume 3, Part 9, pages 1 to 96. Does the minister wish to make an opening statement?

**The Hon. J.W. WEATHERILL:** I will make some opening remarks to place the committee in the picture about some of the issues facing aged services in this state. One of the biggest challenges facing us is the rapid growth in demand for our services because of the rate of growth of our ageing population, and this is an issue that will confront South Australia before it will other states and territories because our population is ageing faster than the national average. About 25 per cent of older people live alone and nearly 70 per cent are wholly dependent upon the pension to live.

We have been greatly assisted in boosting the strategic policy resources of our department through the appointment of Anne Gale as the Director of the Office of Ageing and, apart from having a sophisticated knowledge of the challenges of regional communities, hailing from Whyalla, she also comes from the Housing Trust, which has had a long history of providing accommodation services to older South Australians. The office will continue to provide the framework for policy and funding directions in South Australia. However, I want to draw to the attention of the committee some of the measures which were contained in this year's budget and which addressed the needs of our older citizens.

First, the Home and Community Care (HACC) Program is one of our flagship programs. It is the primary source of

funding for a wide range of services and, in this budget, we have made provision to match the anticipated federal HACC funding growth for 2005-06. This will mean that HACC growth funding will increase by \$2.5 million in 2005-06, a further \$2.7 million in 2006-07, \$3 million in 2007-08 and \$3.3 million in 2008-09, which gives important messages to the industry about planning its further service delivery offerings. They are very grateful of the forward estimates containing that matching funding. This represents a growth in 8 per cent of program funding or about 6 per cent growth in real terms, and we expect that will translate into a significant increase in services for older people.

We have also recently announced that 225 000 of the least well off South Australians, many of whom are older people, will receive a further one-off payment of \$150 from the state government. It will help those most vulnerable to meet rising energy costs on low fixed incomes. This is on the back of an increase in the concession from \$50 to \$120, as well as the rebate that was provided to thousands of pensioners and self-funded retirees who switched to the market-based contract. We are also taking the opportunity to remedy a longstanding injustice in extending the annual energy concession to 30 000 South Australians who had previously been excluded from the system; that is, single Centrelink recipients.

We also are engaged with the commonwealth at a range of levels, because our service delivery systems intersect quite considerably. The state government is not a major provider of residential aged care services, but it is heavily involved in the provision of acute and sub-acute rehabilitation community-based services. Obviously, collaboration between the two systems is critical. The distinction between federal and state responsibilities has been blurred. For instance, we have heard the commonwealth raise, by way of criticism, the fact that younger disabled people are taking up aged care beds but, on the other hand, we know that, especially in regional communities, if people want to stay in their community, they really are the only institutions that are available. It also fails to take account of the fact that people in supported residential facilities, which are state-supported, have not been able to access aged care packages as there is a commonly held view that SRFs provide those personal care services.

We know from our recent analysis of residents undertaken by the SRF assessment team that 30 per cent of the people in SRFs are over 65 years of age, and 90 per cent of these have been assessed as being eligible for aged care accommodation. We also have a situation where people with disabilities who are over 65 tend to remain in state-funded services. They might have gone into Minda and been provided with accommodation as a younger person but then stay there, so when they get into the over 65 age bracket, they remain in those state-funded facilities, and in that way the commonwealth is able to shift that cost to us.

There is also the complex problem of some people with disabilities having the early onset of age-related degeneration. For instance, with people who suffer an intellectual disability, you are likely to see the signs of some of the age-related disabilities, such as dementia, coming on much earlier than they would in the non-disabled population. They are discussions we want to have with the commonwealth, and we are actively engaged in a dialogue with the Minister for Ageing in relation to those topics. The commonwealth has sought to assist with that by offering us some money, and we are very keen to access that if we can.

Also, a Home and Community Care review is under way which is designed to ensure that, where HACC and other programs overlap, we increase our efficiencies. We are actively engaged with the commonwealth in relation to those important questions.

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

**The Hon. DEAN BROWN:** I will go straight into questions, except to make a comment about the minister's statement about people with intellectual disabilities needing to have a dedicated aged care facility. That is why the previous government built the aged care facility for people coming out of Strathmont; it was built out there on the paddocks at Northfield. I concur that we need aged care facilities. In that case, the commonwealth provided the bed licences, and therefore provided the ongoing recurrent expenditure, even though the state provided the money to build the facility. However, I think it has been a good outcome.

I refer the minister to page 9.28, under 'Sub-program: 3.3, 'Office for the Ageing Services'. I have a feeling that some of the material under 'Performance Commentary' is simply a reprint from last year, because it all relates to the financial 2004-05, not 2005-06. For instance, it states:

During 2004-05, the management of all HACC Program. . . will be consolidated within the Office for the Ageing.

It then goes back and makes a comparison with 2003-04. I draw to the minister's attention that I think someone simply took a reprint of last year's material and put it in this year's; all the dates appear to be one year out. There is certainly no mention anywhere in there of 2005-06.

**The Hon. J.W. WEATHERILL:** No, that is not right. What we have done is to consolidate the management of all the HACC program funding within the Office for the Ageing. That is something that occurred between the last budget and the budget we presently have under way.

**The Hon. DEAN BROWN:** The future tense is used there. You are saying that, during 2004-05, this will occur.

**The Hon. J.W. WEATHERILL:** I do not have the previous year's material in front of me, but a pretty significant event occurred between the last—

**The Hon. DEAN BROWN:** I understand that, and that has occurred in numerous other places in the budget documents—all in a historic context.

**The Hon. J.W. WEATHERILL:** Some of that did occur in 2004-05.

**The Hon. DEAN BROWN:** It did occur in 2004-05, but here you have put it in a future context, whereas everywhere else it is in a past context. I think that under 'Performance Commentary' someone has simply put in last year's material, rather than this year's material.

**The Hon. J.W. WEATHERILL:** I can check that point, but I can say that there is some work to be done there.

**The Hon. DEAN BROWN:** Will the minister table a complete list of all grants made under the Home and Community Care program during the past year?

**The CHAIRMAN:** Is the deputy leader asking the minister to table something?

**The Hon. DEAN BROWN:** Yes, I am asking whether the minister will table a complete list of all grants.

**The CHAIRMAN:** The minister cannot table anything, but he can distribute it or read it.

**The Hon. DEAN BROWN:** It would be too much to read, so I ask whether the minister could distribute the material for all grants under the Home and Community Care program (HACC) for 2004-05, including how much the organisation received and a very brief description of what it was used for.

**The Hon. J.W. WEATHERILL:** Certainly. I think I would have issued a community release at the time we made those previous announcements. They are usually signed off jointly between the Australian and state governments. If I did not describe all of them, I think there would have been an attachment to the media release that would have described them.

**The Hon. DEAN BROWN:** Minister, you gave me this information for the previous 12 months. However, I have looked at press releases, and they tend to pick out perhaps 12 or 15 examples out of hundreds of cases. That is why I am asking for that information.

**The Hon. J.W. WEATHERILL:** I will provide the member with that list.

**The Hon. DEAN BROWN:** Can the minister please provide a detailed list of what concessions are available, the amount of the concession and to whom they are available, including pensioners, commonwealth seniors health card holders, state seniors and others?

**The Hon. J.W. WEATHERILL:** I might be able to help the member with that now. I will provide the information by way of the benefit card and the various concessions that are covered. The pensioner concession card provides concessions on council rates, water and sewerage rates, energy, public transport, as well as ESL and River Murray exemptions.

**The Hon. DEAN BROWN:** I am sorry, minister, but I was asking for the amounts as well.

**The Hon. J.W. WEATHERILL:** I am sorry, the amounts are as follows. The energy concession is \$120 per year; the water and sewerage concession is \$47.50 per quarterly account; council rates, \$190 per year; emergency services levy, \$40 per year; and public transport, 50 per cent on transport costs. The pension concession card covers council rates, water and sewerage rates, public transport, and ESL and River Murray exemptions. The DVA gold repatriation card covers council rates, water and sewerage rates, energy, public transport, and ESL and River Murray exemptions. With the health care card it is council rates, water and sewerage rates, energy, public transport, ESL, and River Murray exemptions.

**The Hon. DEAN BROWN:** Sorry to interrupt, but they are not all the same amounts, and that is why I asked that specific question. For instance, am I right in saying that council rates for someone with a Commonwealth Health Care Card is \$100 whereas for a pensioner it is \$180?

**The Hon. J.W. WEATHERILL:** I am getting to that; I am moving through the different cards. So, health care card is council rates, water and sewerage rates, energy, public transport, ESL and River Murray exemption; State Concession Card is council rates, water and sewerage rates, energy, public transport and River Murray exemption; State Senior Card is council rates, public transport and ESL; Austudy/Abstudy is council rates, water and sewerage rates, public transport, ESL, River Murray exemption and energy concession from 1 July 2005; low-income is council rates, water and sewerage rates, and River Murray exemption; Commonwealth Seniors Card is energy and council rates up to \$100 per year; and British and New Zealand war widows

is council rates, water and sewerage rates, energy, public transport, ESL and River Murray exemption.

**The Hon. DEAN BROWN:** Minister, I would think that other electorate officers would appreciate that, too. Certainly I would for my electorate because, firstly, I have an aged population of up to 29 per cent of the total population of Victor Harbor, and we have numerous people who come in and ask exactly what are they eligible for. I wonder whether that could please be distributed to each of the electorate offices because there is considerable confusion as to which class—most people, when they come in, are unsure what their class is, and you have to work through it with them to determine their class, and then they are unsure what the nature of their concession might be.

**The Hon. J.W. WEATHERILL:** I am happy to do that.

**The Hon. DEAN BROWN:** Minister, if I could follow on from that, I had a case where a couple bought a home, and it involved a very minor sub-division of the land. They bought a house on some land, and at the time of the transfer there was a minor subdivision to transfer about 30 or 40 cm of land across from one block to the adjoining block. This couple have been in their house now for more than six months. They have been refused the concession for water and sewerage rates because although they have received an account for water and sewerage rates, SA Water are arguing that DAIS send through sub-division changes on 30 June, and they only transfer it into the names of people as from 1 July each year.

So, here are pensioners who have had a property title in their name, a house in their name, they have paid water and sewerage rates now for two full quarters, and have been told that they will be ineligible to receive any concessions. That appears to me to be no more than a bureaucratic stumbling block for them, and I believe that this individual has every right in justification. I have taken it up and I have been told by SA Water, 'Look, I do not care what you say, they are the rules, and they will miss out. If you have a complaint, go to the Ombudsman.'

Now, there is no doubt that these people are entitled to it, and just because the bureaucracy did not transfer across to SA Water the title on that land (even though it was formally sitting as of the day of purchase of the property late last year in the name of the individual) they are very distressed and concerned that they will miss out on two quarters. I will refer the matter, if you like, but I can tell you that I have an absolute 'No' from SA Water, and I think that there ought to be, at least, a change in rules and, at least, an ex gratia payment made to people like that because this is significant money for them.

**The Hon. J.W. WEATHERILL:** I invite the member to reduce that to writing. It seems, on the face of it, to be one of those hard cases that needs to be looked at, but I will get some advice about what the implications would be regarding changing the criteria to that extent. Certainly I invite you to send it to me.

**The Hon. DEAN BROWN:** I raised it with SA Water—and I appreciate that they are not your responsibility—that if they were not being notified of the change in title to this particular couple until 1 July, on what authority did they send the water accounts out for the previous six months? The individual in SA Water said, 'We have told our consumer branch that they had no right to, but they have gone ahead and done it.'

**The Hon. J.W. WEATHERILL:** It is not my direct area of responsibility. I think the concession scheme is adminis-

tered by the minister responsible for SA Water, but we will undertake to make representations if you could supply us with that material.

**The Hon. DEAN BROWN:** Thank you.

**Ms CICCARELLO:** I refer to sub-program 3.3 Office of the Ageing. What progress has been made in relation to the federal government's offer to contribute towards the cost of extending state government core concessions to Commonwealth Seniors Health Card holders?

**The Hon. J.W. WEATHERILL:** I thank the member for Norwood for her question. The commonwealth offered a contribution towards the cost of extending state government concessions to Commonwealth Seniors Card holders. It offered \$4.6 million and, in May, we indicated to the commonwealth that we were very interested in entering into negotiations about that matter. Nothing much happened, largely due to the fact that the other states were not expressing the same degree of interest. In September, I wrote again to the commonwealth expressing concern with the delay and urging that we progress the negotiations quickly, but in November we were informed that the commonwealth had amended its offer as a result of the coalition's election commitment to pay some of this money directly to Commonwealth Seniors Health Card Holders. That still left a sum of \$700 000 that would have otherwise come into South Australia, and I wrote again to Senator Patterson in January this year expressing South Australia's willingness to enter into negotiations for the revised amount.

Certainly, when I spoke to her, Senator Patterson did accept that there would have to be a revision of the offer in the light of the election commitment. Unfortunately, last month I received a letter from Senator Patterson stating that the offer had been withdrawn completely. That is very disappointing. We are being punished for the fact that this arrangement could not be put in place nationally. Despite all that, and even accepting the commonwealth's going ahead with its election commitment, we should have had the \$700 000 that would otherwise have come into South Australia. We are very concerned about that.

I have written to Senator Patterson expressing my disappointment with the situation, and asking her to reconsider. To give some idea about what we could do with that sort of money, the \$700 000 could assist us in extending the concessions on car registration to commonwealth senior health card holders. That would be an important benefit to older South Australians. It is a very disappointing response by the commonwealth where South Australia has missed out, essentially because of an approach which may have suited the commonwealth on a national basis but which, obviously, has affected us on a state basis.

**The Hon. DEAN BROWN:** As a supplementary question, does this not highlight the fact that your government should have accepted the agreement reached between the Liberal state government and the federal government at the end of 2001 and the beginning of 2002, whereby the commonwealth government is willing to pick up the cost, its share (I think it was about 60 per cent of the cost of concessions), for all independent retirees, and your government then withdrew the offer of the state contribution? As a result, independent retirees since then have missed out, even though there was a signed agreement between me, as the then minister, and the then federal minister, Senator Amanda Vanstone.

**The Hon. J.W. WEATHERILL:** No, the point that I am making is that we tried to accept this offer.

**The Hon. DEAN BROWN:** I am saying that the offer was already there and agreed to. We were to be the first state in Australia. That offer had been agreed to between the two governments and, if it had been taken up, independent retirees would have got all the concessions—60 per cent being paid by the federal government, including what concessions they already had. That would have applied from 1 July 2002.

**The Hon. J.W. WEATHERILL:** That assumes that it is not one of those special offers that is available only to one political party and not to another. This was a special offer—an incredible shrinking sort of disappearing offer that is offered to one party but it is not available to another.

**The Hon. DEAN BROWN:** This was not. This was a formal signed agreement between the two governments. It was an election offer: it was an agreement reached before the writs were issued for the election campaign, and therefore a legitimate offer and agreement, which would have applied whether it was a Liberal or a Labor government. It was the Labor government that withdrew that offer, so independent retirees have continued to miss out on the full benefit of the concessions.

**The Hon. J.W. WEATHERILL:** There are a couple of points about that. We have had experience with offers which it is said by those opposite exist and which are available for us to accept. We go to grab them and they end up being a puff of smoke. I do not necessarily accept that it was there to accept. Certainly, what we did in the meantime was increase the energy concessions considerably—the first time they had been increased in over a decade. We increased the state energy concession to \$120, which in value, I think, would have rivalled the sums that are being spoken about here.

We tried to accept this offer, and it does not exist. It is not an offer that is available, apparently, to South Australia to accept independently of other states. It is indeed strange that an offer that was negotiated between the previous Liberal government in the weeks before the last state election campaign is somehow available to the previous government but is not available to this government.

**The Hon. DEAN BROWN:** I point out—

**The CHAIRMAN:** That was a supplementary question. The member Norwood was in the middle of her questions. If the deputy leader wants to pursue that topic he can do so when I come back to him. The member for Norwood.

**Ms CICCARELLO:** I want to ask about the ageing and positive ageing development grants. Grants for seniors and positive ageing development grants are state funded and intended to promote opportunities for older people to be involved in their communities. How does the process of application work and what outcomes have been achieved?

**The Hon. J.W. WEATHERILL:** These two grants programs are an important part of our positive ageing program. The grants for seniors are very popular with seniors organisations. They help ensure that older people keep an active interest in community life and do not become isolated within their homes. Grants for seniors assist the purchase of practical items in a range of cultural, sporting, educational and recreational facilities. Previous funding allocations have been used for things such as friendship clubs, payment of social outings and set-up costs for concert nights, and even martial arts classes for elderly South Australians—although we do not necessarily want to encourage self-help in that regard!

The positive ageing development grants address issues such as mature-age employment, inter-generational issues and



other initiatives that facilitate the respect, participation and inclusion of seniors in their communities. In 2003-04, the number of applications approved were 101 grants for seniors, totalling \$138 052; 11 positive ageing grant applications, totalling \$178 000; and \$70 000 was also allocated to COTA for the grants for seniors funds for the Every Generation program, including \$20 000 to ensure Aboriginal participation in the event.

The 2004-05 grants to seniors in the positive ageing development grants funding round was advertised on 19 February 2005 and closed on 18 March. The Ministerial Advisory Board on Ageing is responsible for assessing the applications, and I have approved this funding package, which will be announced shortly.

**Mr HANNA:** I have one question arising from experiences reported to me about a local nursing home, and I am sure the minister has heard many horror stories about what happens in many of these nursing homes. My question is about what responsibility the state takes to inspect the standards in nursing homes. Are we doing enough? A related question which I will build into that is whether inspections are made without prior notice. A particular complaint has been brought to me that when nursing homes are inspected the proprietors are given notice of visits. Can the minister help reassure my constituents about standards in nursing homes?

**The Hon. J.W. WEATHERILL:** Certainly. This is one of those areas in which the commonwealth has a clear set of responsibilities. The commonwealth both funds the current expenditure for aged care places and is also responsible for the regulatory process and quality of care in nursing homes. But we can seek from the commonwealth a detailed explanation about how that process works, if the member wants us to do that, or I invite him to approach the relevant federal minister directly.

**The Hon. DEAN BROWN:** In regard to the commonwealth offer, in terms of concessions for independent retirees, I remind the minister that the commonwealth government renewed its offer in the 2003 federal budget, and I think Sue Vardon (who is sitting alongside the minister) was CEO of the department handling this matter at that stage. That was the offer made to all states in 2001, and the commonwealth government renewed it in its budget of 2003. No states took it up. I can show the minister a number of press releases by the then federal minister that decried the fact that no Labor state had taken it up. It renewed the offer again in 2004, and I think it made it slightly more attractive in the 2004 federal budget. Finally, it was only after a great deal of pushing by independent retirees throughout South Australia that the state government showed any interest in the matter.

**The Hon. J.W. WEATHERILL:** Can I respond to that, because it is a misinterpretation of the facts? That is the very offer that the state government tried to accept. I will explain to the honourable member why—

**The Hon. DEAN BROWN:** The 2004 one was.

**The Hon. J.W. WEATHERILL:** No, in the 2003-04 financial year the offer was repeated to us and we attempted to accept it. Can I explain why the commonwealth had to hold us off? The commonwealth government could not part settle this because, clearly, at some point, it was going to make its own universal concession directly to commonwealth Seniors Card holders, which it did during the federal election campaign. So we were wondering why it was that, when we kept saying, 'We want to negotiate this and accept it,' we

were being told, 'Yes, that is all very well,' but no offer materialised and nothing came back. Of course, it became obvious during the federal election campaign what the game was. The commonwealth could not settle with one state as it needed to have all of them in the cart, because if it settled with South Australia how could it have given \$200 to every South Australian commonwealth concession card holder? The other thing that would have been attractive to the commonwealth is the ability to send that cheque directly to the commonwealth Seniors Card holder rather than mediate through the states.

I do not want to attribute sinister intentions to the commonwealth, but the truth is that we could not accept this offer. We attempted to do so on numerous occasions. Of course, the commonwealth propaganda lies around the fact that they had nibbles but no serious acceptance of the offer. However, we did everything we possibly could and exhausted every avenue with commonwealth officers about what we needed to do next—we did not want to be seen to be dragging the chain—and, clearly, the commonwealth could not settle with us because it needed all the other states in the cart.

**The Hon. DEAN BROWN:** I point out that the offer was made again in the 2003 federal budget, as I have indicated and the minister has acknowledged. The first time the South Australian government showed any interest was just before estimates committees last year, when the minister's colleague, the member for Mount Gambier, issued a statement saying that the state government had now expressed interest to the federal government, more than 12 months after the offer was again repeated in the 2003 federal budget. We shall move on because, clearly, the offer is lost and it is the independent retirees who miss out, and we will make our own judgments on why they have missed out.

I come to the issue of grants. Besides the HACC grants, there are grants for seniors and positive ageing grants. I would appreciate a list of the organisations and the amount of money involved, and perhaps a brief sentence on the purposes for all those grants issued in the past year.

**The Hon. J.W. WEATHERILL:** In the next 24 hours, or it might have already happened, that list should be published. They have all been approved so that list should be capable of being provided fairly easily.

**The Hon. DEAN BROWN:** You have put out the list already?

**The Hon. J.W. WEATHERILL:** Yes.

**The Hon. DEAN BROWN:** I think there is a large number, but this only covers examples. Do you actually say in the press release 'Examples of the grants for seniors include'?

**The Hon. J.W. WEATHERILL:** Yes, we will provide a full list.

**The Hon. DEAN BROWN:** There are transport concessions that anyone with a Seniors Card can get in South Australia in terms of travelling on public transport. Perhaps the minister can tell me the current situation when they go interstate. I think New South Wales and Victoria do not recognise our Seniors Cards. However, when seniors from those states come here, we recognise their cards and give them concessions. Could the minister outline where we are at present in terms of recognition by other states of Seniors Cards held by South Australians when travelling interstate?

**The Hon. J.W. WEATHERILL:** Sadly, it is another example of the commonwealth deciding to leave us high and dry. As the member is aware, South Australia does the right

thing and offers reciprocal arrangements. The commonwealth in May 2002 announced a \$25.5 million funding offer for a national transport scheme for seniors. Seniors Card holders were promised the same concessions in their home state when travelling interstate.

That initial offer was unacceptable to most jurisdictions as the funding amount fell well short of the costs of the promised concessions. There were a number of bilateral and multilateral negotiations, including considerable delays on the part of the commonwealth. A revised offer was made that addressed many of the concerns, and the South Australian government responded positively to that offer. However, although the advice from the Office of Public Transport was that the offer to South Australia may cover costs, there was no actual advantage to South Australian seniors unless the other jurisdictions agreed, for the reasons that the honourable member has just outlined.

Unfortunately, in the last budget the commonwealth announced that it was withdrawing the offer of funding to states and territories for reciprocal public transport arrangements, so the prospect of getting those reciprocal arrangements, which was always going to require the commonwealth to broker because the burden always fell heavily on New South Wales, Victoria and the other states where our seniors like to travel, has now meant that that prospect is further away than ever.

**The Hon. DEAN BROWN:** Although I was only Minister for Ageing for a very short period, at their ministerial council meeting the states were attempting to negotiate something between themselves. We do the right thing by Victoria and New South Wales and I do not see why they should not do the right thing by us. Why can this not be done simply as an agreement between the states and territories, if it was accepted then?

**The Hon. J.W. WEATHERILL:** It could if the New South Wales government and those other governments where there is a net migration, if you like, agreed to bear all the costs. The sensible course was the commonwealth taking some responsibility, and it acknowledged that by making an offer and even revising its offer. It is just that when it could not reach speedy agreement it decided to ditch the offer and we are now back to a situation whereby we are probably less likely to get that collaboration agreement between the states than we were. A number of other states are very cranky about this, as we are.

**The Hon. DEAN BROWN:** Under the commonwealth scheme, how much of the \$25 million would we have got as a state?

**The Hon. J.W. WEATHERILL:** The usual rule is about 8 per cent here, so 8 per cent of \$25.5 million over four years. It is not a very large sum, but the truth is that it was not a great cost burden to South Australia to run a scheme of this sort.

**The Hon. DEAN BROWN:** So, it is \$2 million?

**The Hon. J.W. WEATHERILL:** Over four years, yes. We bear that cost already, without asking for any recompense.

**The Hon. DEAN BROWN:** How many other states do what we do?

**The Hon. J.W. WEATHERILL:** Most other states and territories do not, but I do not have the precise details. I know that New South Wales does not and that Victoria will not unless all other states and territories agree.

**Ms CICCARELLO:** With reference to Volume 3, page 9.28, the Home and Community Care program requires a level of performance reporting and accountability that causes difficulties for agencies receiving low levels of funding. How is the government assisting smaller agencies to meet these onerous accountability requirements?

**The Hon. J.W. WEATHERILL:** This question arose last year in discussions. The Home and Community Care (HACC) funded agencies are required to submit quarterly data to the National Data Repository through the HACC Minimum Data Set (MDS) and undergo self-appraisal and external appraisal against the National Service Standards Instrument. These requirements can be very onerous for agencies receiving low levels of funding, especially those that are volunteer-based, ethnic or Aboriginal-specific, and provide essential services but with very little funding. We have received a number of complaints, with at least one agency having surrendered its funding rather than attempting to meet the requirements.

Several letters of complaint and concern have been sent to the Australian government Minister for Ageing, the Hon. Julie Bishop, but the minister has reiterated the current requirements and the need for a single set of service standards, which she has stated 'will be mandatory appropriate for use across all community care services.' I would like to point out the significant efforts that have been made by South Australia to assist smaller agencies to meet these onerous requirements. In 2001, Aged and Community Services were funded to assist agencies receiving less than \$100 000 per annum (mainly ethnic community agencies) to implement the HACC Minimum Data Set. As an outcome in 2002, seven newly funded ethnic agencies were able to establish their services compliant from the outset.

In 2003, 12 more ethnic community agencies in receipt of less than \$30 000 were assisted with the completion of their self-appraisal. Another project was funded to monitor the progress made on action plans and to gauge levels of additional support. Financial assistance has been given to agencies with less than \$30 000 per annum funding to purchase hardware and software to collect and submit the MDS data. Paper data collections from small culturally and linguistically diverse agencies are collected by the Office for the Ageing to enter and submit on their behalf. This year, telephone and workplace support has been provided to volunteers and workers to assist in the data submission through the MDS unit.

This tangible and practical support to agencies is indicative of the government's commitment to smaller agencies, and it is important that we do not burden these volunteers with unnecessary paperwork. We would like a change in federal government policy, and we invite those opposite to use their relationship with their federal colleagues to assist us in that regard.

**Mr KOUTSANTONIS:** The minister would be aware that the major sponsor for the Seniors Card program in the past two years has withdrawn its support. Can he outline the progress of getting new program sponsorship? I refer to Volume 3, page 9.28.

**The Hon. J.W. WEATHERILL:** The Seniors Card program was launched in South Australia in October 1992. That sounds like it was just before an election. The objectives of the program are to: contribute to the economic well being of older people; provide a positive incentive for older people to remain active in community life; and express government recognition and appreciation of the contribution made by

older people. To be eligible for a South Australian Seniors Card a person must be aged 60 years or older, be a permanent resident of Australia, and work no more than 20 hours per week in paid employment. There are currently over 250 000 cardholders registered on the South Australian Seniors Card database with approximately 350 new applications received each week.

The benefits include: a 50 per cent concession on South Australian public transport; rebates on ESL and council rates; and discounts on products and services provided by supporting businesses. An annual discount directory listing all supporting businesses is produced and distributed to all cardholders, with the cost of the directory covered by advertising sales and revenue received via the recruitment of major sponsors. Without commercial sponsorship the Seniors Card program is at major risk of running over budget.

Over the past two years the Australian Seniors Insurance Agency has been the major Seniors Card program sponsor, which included the 2003-04 directory. The Australian Seniors Insurance Agency has ceased its support of the program, but I am pleased to advise that Insurance Line, Australian Natural Care and Life Plan were secured as minor sponsors. The three new minor sponsors will make up approximately the same amount of sponsorship funding as provided by the previous major sponsor. Negotiations to secure sponsorship for 2005-06 are currently under way.

**The Hon. DEAN BROWN:** I inform the minister that we will ask a number of ambit questions later this afternoon which will cover all agencies under his control, including those for the ageing. The only page devoted to Office for the Ageing Services is page 9.28, and there is some reference to the HACC money in terms of what the commonwealth government contributes. There is some detail also on aged care assessment programs on page 9.49, but information in terms of how the money is spent under the Office for the Ageing is pretty scant—one page only.

What are the total amounts allocated for grants for seniors and positive ageing grants; and does that \$44.8 million include any HACC money or is all the HACC money sitting outside that and, if so, where? I did see one reference to HACC funds, but it is rather confusing. It does not seem to come together under the Office for the Ageing, and I would have thought that all HACC grants (which amount to, I think, \$133 million, as indicated on page 9.55) would all be reflected through Office for the Ageing services. Why does that not occur? I would appreciate knowing specifically how much is in the grants for seniors and the positive ageing grants and also what does this \$44.8 million consist of, how much HACC money is included in that, and where else is the HACC money indicated?

**The Hon. J.W. WEATHERILL:** This relates back to your first question about the work in progress. We are bringing all the HACC funding to account in the Office for the Ageing. That is a change from what happened in the past where it was split between health and the Office for the Ageing, which I understand was the arrangement that existed when the honourable member held those portfolios. We regard this as more transparent, and we are seeking to bring it into account in this area. What you will see represented in 2005-06 is the net cost of the HACC program: that is, the state contribution to HACC rather than the state plus the commonwealth contribution, which is obviously a much higher figure. That process is not yet complete, but the aim is to have the Office for the Ageing reflecting all of the

HACC funding and all of the other Seniors Card programs and sums available for positive ageing grants and seniors grants within the same set of books.

**The Hon. DEAN BROWN:** Would it be possible to be given some understanding of what this money is being spent on in terms of specific programs? Could we have some indication of how much is HACC money and how much is for the other grants I mentioned and how much is for salaries and things like that, because at this stage, according to my assessment, ageing has the least amount of description of how the money is being spent. There are specific programs elsewhere under the Office for Youth and the Office for Women but not the Office for the Ageing or ageing services. I also note that the act calls for the establishment of the Office for the Ageing but I note here that it is called the Office for Ageing Services. I did not know that the act had been amended.

**The Hon. J.W. WEATHERILL:** There are two discrete elements within this particular office: the Director of the Office of Ageing, which is a particular statutory office, and there is also a position of Director of Aged and Community Care Services. So one person holds both those offices. But what we are seeking to do in the department is ensure that we bolster, if you like, the strategic policy end of that equation. It was a criticism in the past that the office concentrated almost entirely on the administration of the grants program and was less involved in some of the strategic policy development, so we have sought to remedy that.

The other broad point I would make is that, of course, the Office for the Ageing programs do not represent the whole of government effort in relation to ageing. Three obvious examples are disability services, where we have made a substantial additional contribution for the care of aged carers (a program jointly funded with the commonwealth), the considerable devotion in the health budget, and public transport portfolio, which is an important issue in terms of access and mobility for aged people.

In terms of your specific questions, the operating budget for the Office for the Ageing is \$2.3 million, which is largely salaries in 2004-05. The office administers those programs. The Positive Ageing grant is \$200 000, the Grants for Seniors is \$200 000 per annum and the HACC program is the balance of \$42 million in 2004-05 and \$44 830 in 2005-06. That is a much more transparent set of books than has existed for some time.

**The Hon. DEAN BROWN:** You mentioned concessions for seniors on buses—is that now widely available? My understanding is that anyone travelling on a bus coming in from a country area is able to apply and get that same concession. Is that now freely available across the state for all state government-approved transport services on which older people might be travelling? For instance, Premier Roadlines have buses up and down all the time from my area, and my understanding is that the concession is available there. Is it available on all other services?

**The Hon. J.W. WEATHERILL:** There is nothing in the material I have which suggests that those concessions are qualified in a way which would negate your suggestion. In other words, I think I agree with you, but I just need to check that.

**The Hon. DEAN BROWN:** Could you do that, because (and the member for Light may correct me here) my recollection is that it was on a slightly different basis than the concessions on public transport in Adelaide? It was an offer made by the former Liberal state government to bus opera-

tors, but it was up to those operators to accept that offer. I wonder, therefore, how many of them have accepted it, because it required a part contribution by the bus operator and a part contribution by the state government. That is my recollection of it, and I think the offer was originally made in 2001. Some took it up immediately and some did not, so I would appreciate knowing how many government-approved bus operators from country areas have now accepted that offer.

**The Hon. J.W. WEATHERILL:** Can I just clarify whether you are talking about public transport, in other words government-provided transport, or about private transport?

**The Hon. DEAN BROWN:** This is private transport. In 2001 the state government made an offer to make a contribution towards concessions for those eligible for concessions—in other words, pensioners and others—and it was a part contribution from the state government and a part contribution from the operator of the private bus; they had to be willing to make a contribution. I am wondering how many of them have now accepted that.

**The Hon. J.W. WEATHERILL:** I do not know the answer, but I will clarify that for you.

**The Hon. M.R. BUCKBY:** I have a 63 year old constituent who is in the early stages of multiple sclerosis and who has been on a disability pension. She queried with me the other day whether, when she changes over to the aged pension, the energy concessions that she has been receiving will remain the same. She has currently been receiving two \$50 energy concessions (that was the information she gave me and I assume it is correct), and she questioned whether, when she swaps over to the age pension, it will remain the same.

**The Hon. J.W. WEATHERILL:** I think the answer is that the energy concession applies to holders of both those concessional arrangements. My advice is that there is no difference in the level of concession that we apply to each of those concession cards.

**The Hon. M.R. BUCKBY:** My second question is in regard to the HACC funding. Have the areas within the metropolitan area been restructured in the last 12 to 18 months? I have a 98 year old lady who is currently in the eastern area (and I have sent you a letter on this, minister, so you can address it in that) but she is, apparently, being moved from one area to another and, therefore, has a different care provider, with whom she is having some difficulties. I was wondering if there has been a restructuring of the areas and why that has been done.

**The Hon. J.W. WEATHERILL:** The major source of funding for domiciliary care is HACC funding. They organise themselves on regional areas that were recently restructured, so I suspect that is the explanation for what has changed for her. I will communicate with the Minister for Health to seek an explanation for that.

#### **Membership:**

Mr Brindal substituted for the Hon. M.R. Buckby.

Mrs Redmond substituted for the Hon. D.C. Brown.

#### **Additional Departmental Adviser:**

Dr D. Caudrey, Director, Disability Services Office.

**The CHAIRMAN:** The committee will now deal with disability services. Does the minister wish to make an opening statement?

**The Hon. J.W. WEATHERILL:** Yes; the key aim in disability services is to promote independence through meaningful support activities or opportunities for people to realise their own self-worth and also the important benefits that that can provide for the individuals concerned and, more indirectly, for their families, friends and wider community. This financial year we have had a significant increase in disability services funding, both once-off and recurrent.

The government has allocated an additional \$25 million funding to non-government organisations for investing in strategies that will assist the support of people with disabilities who live independently in the community. Also, \$67 million recurrent funding has been allocated to the disability services program across government, including in the education and transport sectors. Other commitments include our process of developing more community-based solutions, which include more community accommodation places, with an associated reduction in the number of residential places in institutions.

The Strathmont and Minda devolution projects are important elements of that program. Further, from 1 July of this year, APN options coordination and brain injury options coordination will transfer from being programs of IDSC and merge with the proposed decentralised community-based Julia Farr Services.

The department is also working very closely with Amata and Ernabella communities on the APY lands to coordinate the delivery of local support services to address the extraordinary burden of disability that exists in these areas. We also want to make sure that we take this opportunity, while the focus is on our disability services, to ensure that we have the systems in place that will deliver these services in the most effective way possible. A service delivery improvement program is under way within the department, and further announcements will be made about that as they complete their work.

**The CHAIRMAN:** Does the member for Heysen wish to make an opening statement or does she wish to go straight to questions?

**Mrs REDMOND:** Yes; I will make a brief opening comment. It relates largely to what the minister has just opened with. I notice that on page 2.35 of Budget Paper 3 the statement is made that the priority area for the families and communities budget in 2005-06 is disability services. When the budget was announced the minister issued a press release claiming a \$92 million injection into the disability sector but, when one analyses what he actually talks about in that press release, that \$25 million injection is stated to be an immediate injection, apparently from this year's budget, which begs the question, why, if that money is available this year, it has not been put into the sector before now. Then, of the remaining \$67 million that the minister referred to, \$25.72 million is actually from the education portfolio and \$3.46 million is in the transport portfolio; so, that reduces the \$92 million to \$37.82 million for the disability portfolio, and that is over four years.

Of course, in a number of areas such as accommodation support services and the Home and Community Care Program the forward projections contain more significant inputs than the amounts for next year. Even if one said that it was equally distributed over the four years, the reality of that \$92 million announcement is that in 2005-06 less than \$10 million is being put into the disability sector budget while the government is trying to run the line that disability services is a

priority area. With that comment, I will now ask some questions.

As to the transport subsidy system, a scheme is referred to in Budget Paper 3 on page 2.4 under the social inclusion area. A significant extra amount is allocated to increased eligibility for the disabled. I was wondering if you could explain what that means. Are there more disabled people who will be entitled to use the services or are there more services available? I just want to understand what is going on there. It seems to me that, if you simply increase the number of people eligible for a service, that will put more pressure on the service, unless you also increase even more the services available.

**The Hon. J.W. WEATHERILL:** Yes, indeed; it is actually broadening the scope of the eligibility of the SATS scheme. It has been a longstanding demand of the disability sector, and it involves expanding the scheme to cover people with visual impairment and also people with certain cognitive impairments. The scheme is administered by the Minister for Transport, and I am happy to take detailed questions on those matters and have him supply any additional material, if that explanation is not sufficient for the member.

**Mrs REDMOND:** I know it crosses over the portfolios, and that is a bit of a difficulty. Obviously, the Minister for Transport cannot tell me how it is extended. However, I am pleased to hear that it will cover people with visual impairment. Can the minister advise whether any other groups will be covered by the extension of the scheme?

**The Hon. J.W. WEATHERILL:** Well, cognitive impairment. Also, the other element of its expansion is to cover companions (that is, the people with whom the disabled person travels), and there is a process by which that companion scheme is to be expanded.

**Mrs REDMOND:** Presumably, that whole thing comes into the issue of Access Cabs as well.

**The Hon. J.W. WEATHERILL:** That is the scheme we are talking about—the Access Cab scheme, otherwise known as the SATS scheme.

**Mrs REDMOND:** The minister may want to take this on notice or he may say that the Minister for Transport needs to provide this information to someone else, but it seems to me that, if you are going to increase the scope of the service and to whom it is provided, unless you increase the number of Access Cabs available, it will mean, on average, a decreased service for those in the scheme.

**The Hon. J.W. WEATHERILL:** I am advised that many of the people in this area of coverage do not need Access Cabs. The expansion is into areas where people may not necessarily have a wheelchair, so obviously a person with a visual disability, together with a companion, would not necessarily need an Access Cab and could use an ordinary cab.

**The ACTING CHAIRMAN (Mr Koutsantonis):** Before the member asks her seventh question, I ask whether she wants to put her questions on notice, whether she wants to keep going on this line, or indeed whether she has some other questions she wants to ask.

**Mrs REDMOND:** I want to ask some other questions, but I will move off that particular topic.

**The ACTING CHAIRMAN:** Thank you. The member for Norwood.

**Mr MEIER:** Mr Acting Chairman, I have a supplementary question in relation to Access Cabs.

**The ACTING CHAIRMAN:** We can come back to it, if the member would like.

**Mr MEIER:** Sorry, I thought we might be moving on from that subject.

**Ms CICCARELLO:** I refer to Volume 3, page 9.52. One of the major variations in total revenue is listed as an additional \$5.9 million allocated to disability services to alleviate the waiting list for essential equipment. Minister, can you update members in relation to the distribution of equipment to people with disabilities?

**The Hon. J.W. WEATHERILL:** The Independent Living Centre manages a program called the Independent Living Equipment Program (ILEP). ILEP has been an extraordinarily busy place since December last year. I have visited there twice, and the Treasurer came with me on the first occasion, when we announced the boost in funding to clear the waiting lists. It was always anticipated that that would not occur within that financial year, so we have carried over that funding into the present financial year to complete that task.

The ILEP program provides equipment to people with physical, severe, multiple and sensory disabilities, and this extra funding will ensure that 750 adults and children will get the equipment they need to help them remain independent. Some of the funding goes to other organisations. The extra funding will also pay for seven extra occupational therapists to ensure that equipment provided through ILEP is customised to suit the needs of individual clients, and there is a storeroom full of equipment in ILEP which is ready to be distributed.

I am pleased to inform members that, at the end of May, \$2 251 000 in one-off money has been committed, and the breakdown is the assessment process under way for 340 items on a waiting list. The assessment process has been completed for 686 items; 410 requests are still awaiting attention; 328 pieces of equipment have been paid for and delivered; and a further 447 items are on order. The sort of equipment we are talking about makes an important difference to people's life and their independence.

As well as the money provided to ILEP, various amounts were provided one-off to disability organisations, including Novita, the Royal Society for the Blind and CanDo for Kids. We also provided an extra \$600 000 one-off funding out of the \$25 million funding injection to assist Novita to clear its equipment waiting lists; \$105 000 for smoke alarms for deaf people; \$150 000 to Novita for continence aids for children; \$25 000 for talking glucometers, which are to be provided by the Royal Society for the Blind; \$100 000 for the equipment storage shed at ILEP; \$41 000 for braille, again through the Royal Society for the Blind; and \$48 500 for lifters, through the Community Accommodation and Respite Agency (CARA).

**Ms CICCARELLO:** One of the targets for the next financial year is the transfer of Adult Physiological and Neurological Options Coordination to Julia Farr Services. Minister, can you explain the reasons for this transfer?

**The Hon. J.W. WEATHERILL:** The transfer of the two agencies—that is, Adult Physiological and Neurological Options Coordination and Brain Injury Options Coordination—was one of the strategies outlined in the Disability Services Framework document 2004-07. That framework was developed to provide a strategic direction for the development of policies and services in the disability sector, and it was put together after wide consultation with the sector. This is one of the first strategies to be implemented. From 1 July, APN and BIOC will merge with Julia Farr. The two agencies currently sit under IDSC, but the consensus view was that

they should no longer sit with an agency providing services to people with an intellectual disability.

The transfer to Julia Farr, given its client population, was considered to be a better fit, and it provides a greater opportunity for staff across the agencies to share their knowledge and expertise, as well as to collaborate on the delivery of service and the allocation of resources to clients in this sector. Already the clients are benefiting from access to a wider range of services and resources than were previously available, and this timing is fortuitous given that the Julia Farr service has moved its focus from residential accommodation to community accommodation and other service provision in the community. So, we are very pleased at the initial indications of how this merger has gone.

**Ms CICCARELLO:** I refer to Volume 3, page 9.52. What are the major variations in the total revenue from government between the 2004-05 budget and the estimated results of one-off funding of \$25 million for disability services? Can you explain what this money is being spent on?

**The Hon. J.W. WEATHERILL:** This is the extra funding that the member for Heysen dismissed with a wave of the hand previously. It is the largest single injection into disability services ever in this state. Nevertheless, \$17 million was given to Minda and Orana so that they can create extra places and services to allow people to go into supported accommodation in the community. This is important because it will also allow Minda to buy up some aged care licences that will allow them to place at least 50—perhaps even more people—straight off the waiting list and into state-funded accommodation places, putting them back where they belong in federal funded aged care places. Also, there is \$900 000 for the Down Syndrome Society, the Autism Association, Novita Children's Services, MALSSA, which is the Multicultural Advocacy and Liaison Service of South Australia, and Siblings Australia to develop training and support programs.

We were persuaded that there was also a need to look very carefully at the method of service delivery. There is, and there will always remain, strong demands to expand the number of services, but also the way in which services are delivered is crucial, and we saw gaps in the way in which services were delivered in a range of these areas. These organisations will partner with us in developing training and support programs to meet special needs that exist within the disability services continuum.

Also, \$2.4 million has been provided to 119 NGOs for administrative support; and \$1.6 million has been allocated so that we can purchase, I think, something in the order of 22 individual buses that will assist in helping to transport people with disabilities to their programs. Transport is a major issue that keeps coming up within our disability services consultations, and we are very pleased to be able to provide this additional contribution.

Also, \$150 000 has been given to Siblings Australia, in recognition of the work that they do in helping brothers and sisters of those with a disability. We referred earlier to the \$600 000 for Novita for additional equipment. Also, a further \$250 000 will be provided to SACOSS to look at a range of issues concerning work force requirements and also better pathways for people with disabilities in the TAFE system. We know that these are two very important issues that keep coming up about the quality of our service delivery; and \$1.9 million in minor capital works will go to a range of NGOs to assist them in ensuring that their organisations meet those special needs that have accumulated. There is a further \$188 000 for the Carers Association of South Australia for

a carers retreat program, for education and support for carers, to run a conference to be held in October.

**The ACTING CHAIRMAN:** Even though the opposition has had seven questions in a row, I am going to be lenient and go back to the member for Goyder for his follow-up question.

**Mr MEIER:** I have a supplementary question to the member for Norwood's question on Access Cabs. With people on a disability able to get a significant reduction on the taxi fare cost, it is my understanding that in the city Access Cab fares are the same as ordinary cab fares. However, my inquiries reveal that, certainly in at least one rural area, Access Cab fares are almost three times as much as a normal cab fare, which means that the person or persons using the cabs obviously are still paying as much as they would for a normal cab. Can that discrepancy be factored into the discounts that apply, where cab companies seek to charge that much more?

**The Hon. J.W. WEATHERILL:** I thank the member for his question. I will have to pass that question on to the Minister for Transport, I am sorry, and I will bring back an answer.

**Mrs REDMOND:** I want to go back to something that was raised by the member for Norwood but, before doing so, correct the record, the minister asserting that I dismissed with a wave of the hand the amount of \$25 million that was put into the disability sector. The point I made in my opening comments was simply that it was highly misleading of the government to assert that it was putting \$92 million into the disability sector when the reality is that the disability portfolio is getting something less than \$10 million extra this year, according to his own press release.

That said, in relation to this area of the equipment (and I refer to Budget Paper 4, Volume 3, page 960), the budget papers refer to an estimated result for this year for equipment of \$5.409 million, whereas the minister said in his press release that there was an injection of \$5.9 million to clear the waiting lists, not just reduce them. The actual result shows the \$5.4 million, and it reduces rather than clears the waiting list and, as I read the performance commentary, almost half of that amount—that is, \$2.6 million—is to be carried over to 2005-06. Can the minister advise why there has been such a delay in making equipment available, given that groups such as the Multiple Sclerosis Society advise that only 13 of the 90 their waiting list have received any assistance?

**The Hon. J.W. WEATHERILL:** I think there are two parts to that question. One is the apparent discrepancy on the face of the papers between the \$5.4 million and the \$5.9 million. Just to explain, \$5.9 million of additional funding is correct on page 9.52 of the portfolio statements. That includes an additional \$500 000 from the DVA Community Care Innovation funds that are processed through the Department of Families and Communities. The initial amount that has to come off the budget is \$5.4 million as per the media release, because, essentially, it states the state contribution. The total additional funding is \$5.9 million and the net cost to the state is \$5.4 million. That explains that difference. As for the delay, we are going at this as fast as we can. We put in additional resources to get the occupational therapists on the ground.

It is not just a simple question of buying the wheelchair and giving it to someone. They need an assessment. Sometimes they will have had an assessment and they might need an updated one. That can take time. Then we order the equipment. We have ordered in anticipation a number of pieces of equipment. We are doing everything we can to

spend this money as quickly as we can. We think that we have done quite well spending almost half of it in the few months that we had after we announced the additional money.

Harking back to an earlier criticism that was made about our supplying this funding when we did, the truth is that, as soon as we saw our way clear in terms of budget parameters, immediately our thoughts turned to the most vulnerable areas that needed funding. As soon as the Treasurer has been able to identify additional funds through the prudent management of this state government, we have applied those to our priorities, which, in this case, are disability services. Sure, it would have been nicer to do it earlier, but, once the constraints of the budget were modified or once we were able to see additional budget capacity, we immediately applied it to the areas of highest need. We did not even wait until the budget. We announced this funding before the budget cycle, between budgets. We continue to do that and we will continue to do it when and if additional resources become available.

**Ms BREUER:** I refer to Volume 3, page 9.13 and the 2005-06 targets. Under objective three 'Independence and community connection', a reference is made to working with Aboriginal community councils to help their local communities. Can the minister explain what the state government is doing to provide services particularly in the area of disability for our most disadvantaged South Australians, those with disabilities living in the APY lands and their families?

**The Hon. J.W. WEATHERILL:** I thank the honourable member for her question. I should also thank her for her advice and wise counsel in relation to the issues that confront our community regarding the APY lands. This is an area of the state which, sadly, the previous government was not prepared to look at; it was not prepared to address. We are now addressing it: we are turning our attention to a part of the state that has been neglected for too long. It is true to say that the things that we are uncovering are unpleasant and uncomfortable for the state, and rightly the criticism is being directed at our government to fix a state of affairs which has been longstanding and which is unacceptable.

We accept that responsibility. I pay tribute to the role that the member for Giles has played in looking after electors in this part of the state. We are working very closely with the Amata and Ernabella communities on the lands to coordinate the delivery of local support services in order to address the differing needs of people with disabilities. It goes without saying that the challenge of service delivery in a place such as this are enormous, but in January this year local disability support services commenced in those communities. Up to 25 people with complex and high needs are receiving frequent and daily assistance and support so that they can be more fully integrated into community life and cultural activities.

The long-term aim is to support these communities to run and manage their own disability services, providing employment to local Anangu. However, the communities currently lack the competency, capacity and infrastructure to achieve this. The essence of the difficulty on the lands is that we have not shouldered our responsibilities to ensure that these communities are capable of dealing with some of these complex issues. In the interim we are working with Anglicare, Northern Territory, which has been employed by communities as the disability support services provider.

The department and Anglicare are working collaboratively in developing and implementing a training and mentoring program for community council members in both those areas. The initial program will be run over 14 months to develop

Anangu capacity, knowledge, understanding and competency in the day to day management of disability support services, and \$120 000 in one-off funding has been made available from the Department of the Premier and Cabinet to facilitate this program.

Just this month we have secured recurrent funding for the development and implementation of a positive behaviour support service to address the challenging behaviours of people affected by petrol sniffing behaviour. Until that is up and running, we have negotiated with the Northern Territory government and bought services from its Positive Behaviour Support Unit.

Some other measures are also worth mentioning. The Department of Families and Communities (DFC) is currently funding Nganampa Health Council for a full-time physiotherapist, who commenced on 1 February. The state government has also provided \$70 000 to CanDo for Kids towards its employment of a speech pathologist to work on the lands for the next 12 months. The Department of Families and Communities has increased recurrent funding to the NPY Women's Council, enabling the expansion of its case management and respite services to people with disabilities across the lands. DFC continues to work closely with Tauondi College at Port Adelaide.

Anangu from the lands recently completed a pre-vocational disability services training course, and several others are now enrolled in a disability services certificate course to be provided through the college. It is expected that they will be employed within disability programs. The cross border collaborative group, comprising disability services in South Australia, the Northern Territory and Western Australia, is addressing the needs of Anangu in Central Australia through tri-state funding agreements.

**Ms BREUER:** I refer to Volume 3 at page 9.57 and the 2005-06 targets. One of those mentioned is 'Develop a project under the commonwealth government's Innovative Pool program'. Can the minister explain what the Innovative Pool is and what the project might be?

**The Hon. J.W. WEATHERILL:** I thank the member for her question. The commonwealth has what it calls an innovative pool of funding for specific projects around the complex issue of young people in nursing homes. As the member would appreciate, nursing homes which are for older people are not always the best places for young people with disabilities. However, I add that in some areas, particularly in the regions, families would rather have their family members in the local nursing home instead of miles away at the nearest supported accommodation facility, so we need to balance those issues. However, the state government has been negotiating with the commonwealth on how we could use money from the innovation pool to ensure that younger people with disabilities are given the option of living in alternative accommodation in the community.

Julia Farr Services is developing community living options for its residents, giving priority to young people with disabilities who are currently accommodated in aged care beds. The particular proposal put forward by Julia Farr involves moving 15 young people in nursing homes to accommodation in the community. We are also negotiating with the commonwealth aged care assessment teams to prevent the admission of young people into nursing homes in the first place, and the commonwealth is very keen to assist us to continue that work. So, common procedures will be put in place between ACATs, Julia Farr and IDSC so that anyone under 50 years with a disability can be screened by a high

level disability sector group before they are referred to aged care accommodation. This will ensure that we take every step possible before we send someone to a nursing home. Despite claims to the contrary, South Australia has the lowest percentage of younger people in nursing homes than any other state based on our population but, nevertheless, there are 67 people with disabilities under the age of 50 years in nursing homes, and about 1 200 people nationally.

There are the other issues that we seek to agitate with the commonwealth, and that is that we do our fair share of providing state-funded or supported places to people in SRFs who are older, and also we have a number of state-funded disability services places such as Minda, which looks after older people; and we think that a more rational set of responsibilities as between the state and the commonwealth needs to be arrived at. But we are hopeful that that innovation pool will assist us to do this. It is money the commonwealth will provide. Admittedly, it is not ongoing money, but we are given some comfort that the commonwealth might be prepared to consider extending that funding if it is a successful program.

**Ms BREUER:** I thank the minister for that answer, because I thought that question related to pools in the Aboriginal Lands. Can I say that, for the first time in my time in parliament, in the last 12 months I have seen things really happen in the APY Lands, and I thank the minister for his role in that.

My last question refers to regional disability plans, and I refer to Volume 3 at page 9.57 and the highlights of 2004-05. One of the highlights is listed as 'Completed regional plans for the Riverland, Port Augusta and the South-East'. Can the minister explain what these regional plans are and provide more detail about plans to produce similar regional plans for the Lower North and Port Lincoln, which are of particular interest?

**The Hon. J.W. WEATHERILL:** I again thank the honourable member for her question. The regional disability plans are really based on the principle that services work best when they are the subject of local collaboration and, if everyone who has anything to do with providing services to a person with a disability is able to plan together—and that is everyone from health providers through to people who provide transport needs, community services networks and local government networks—they will see opportunities for improving the service network. Everywhere this is done it works incredibly well. This is all about finding ways of supporting groups to better manage their relationship with each other, the outcome being more sustainable and better services for people with disabilities.

I have launched two of these plans, one in Port Augusta and the other in the South-East, and I will soon be releasing another plan in the Riverland region. They came about as a consequence of considerable consultation with local service providers and people with disabilities and their families. One of the great things about our regions is that they are used to working collaboratively and putting disability on the agenda, and asking them to talk about these issues has meant that an important set of innovations has occurred at these levels.

The consultation has worked well and we will be putting more plans in place. We are now moving to Port Lincoln and the Lower North: both plans are under way, and we are expecting to see a similarly improved set of outcomes there. We are well aware that the Lower North region has developed a well-meaning but very ad hoc set of services, and parents feel that it has not met their needs. So they were very keen to

ensure that there was a disability service plan for their area and they did a lot of work in presenting a very good starting point for that work. I was very pleased to dispatch officers to that area to help them with that task.

**Mrs REDMOND:** I want to ask about the respite services for older carers and the new program that is jointly funded with the commonwealth. I note that under the program parents over 70 years of age will be eligible for four weeks' respite care per annum. Can the minister explain the nature of that? I assume that it is for a disabled child to be accommodated in alternative accommodation, and I wonder, first, where that would be and, second, where the money comes from in the first instance. Is it paid by the commonwealth, or the state, or the parent and then repaid (which I would see as a problem)? Perhaps the minister could address that issue first.

**The Hon. J.W. WEATHERILL:** I must say that this has been one of the more pleasing negotiations I have had with the commonwealth. Ours was the first state to accept this offer and we put our money on the table very quickly indeed. Initially, there was some concern that the program would be quite restrictive, but there is a degree of flexibility in how we provide this respite service that means it can be tailored to the individual parents. But I will ask Dr Caudrey to address the specific questions, because they go to the actual service model. I invite Dr Caudrey, head of the Disability Services Office, to answer the question.

**Dr CAUDREY:** We made the commitment in January this year and put out recurrent funding to APN (Adult Physiological and Neurological) Options Coordination and the Intellectual Disability Services Council specifically to assist older carers—those over 70 years and then those over 65 years, particularly longer term carers—and we negotiated with the commonwealth to provide the service in any way that gave a respite effect. It was not necessarily in a centre which had a respite centre, which would have meant we would have had to build or create those centres. It can be done in a variety of flexible ways, as we tend to do with most respite. It could be in home respite, it could be taking the person out, giving them a period away for a while; a whole range of flexible options is available.

**Mrs REDMOND:** I note that those aged 65 to 69 can get up to two weeks respite but only if—and I presume it is one of the carers—one parent is hospitalised. I wonder, first, whether that is reasonable and, secondly, what happens if someone under the age of 65 caring for a disabled child nevertheless has to be hospitalised or if the person who is hospitalised is hospitalised for longer than two weeks?

**Dr CAUDREY:** Basically, the negotiations we did with the commonwealth were such that we could be much more flexible than that. If someone under the age of 65 needs respite because of hospitalisation, they can be provided with a service in the normal course of events. We have brokerage funding available and, under those circumstances where there is a carer who needs immediate attention, for example with hospitalisation, they immediately become a very high priority and can be provided with services, whether from this bucket of money or from another bucket of money.

Originally, the commonwealth wanted it targeted at the over-70s, over 65s, in a very restrictive way, but we negotiated that it could be used much more flexibly. We mix it with the other funding available so that to the consumer, in a sense, it is invisible.



**Mrs REDMOND:** It says that it is a joint commonwealth-state funded project. Is it a dollar for dollar matching or dollar for \$2 commonwealth? What is the ratio?

**The Hon. J.W. WEATHERILL:** It is a dollar for dollar funding arrangement.

*Mr Brindal interjecting:*

**The ACTING CHAIRMAN (Mr Koutsantonis):** The member for Unley will not try to direct the chair.

**Mr BRINDAL:** Won't he?

**The ACTING CHAIRMAN:** No, he will not. He will sit quietly.

**Mr BRINDAL:** Will he?

**The ACTING CHAIRMAN:** Yes.

**Mrs REDMOND:** On the Moving on program, the minister announced that all school leavers will receive the level of program they require. Is there a backlog and will that be addressed in terms of the Moving On funding?

**The Hon. J.W. WEATHERILL:** There certainly is a backlog. I think the last estimate was that something like 447 people were the present occupants of the Moving On program, and a proportion of those will not be receiving precisely what they want. If the figures of school leavers are anything to go by, out of the 65 school leavers we had something like 24 seeking these five-day-a-week options that we made available within the pilot project. It looks as though perhaps one-third of that group may be seeking something additional. We have approached all disability services providers and invited them to see what options they may be able to provide that will allow us to expand the program to a five-day-a-week program. We have been extraordinarily pleased with the way in which the pilot programs have been performing, both at Minda and the project called North Links, which is run out of the Strathmont Centre.

We have now made permanent both those pilot projects and there is some capacity for them to expand. They will be capable of providing additional places and, once we evaluate what has come back to us from the expression of interest process, we hope to have other service offerings. In the country regions, for people presently within the Moving On program, we have attempted to deal with the need for more days of services through the provision of additional funding. We have increased the amount of funding that is provided to disability service providers in the regions so that they can gain the additional days of service they need.

We were initially confronted with the demand that everyone have five days of day activities, because many of these young adults were coming from school. When we looked at it in detail, we became aware that not all of them wanted five days of day activities. Some were still able to obtain some employment, which accounted for one of the days, and others simply did not necessarily want to be engaged in something as intensive as five days of activities. It is a long way of saying that, although we cannot quantify it precisely, there is an area of need within the existing Moving On program that will now move with the additional budget allocation to meet the needs of those people.

**Ms CICCARELLO:** This is also to do with one-off funding. I refer to Volume 3, page 9.52. One of the major variations in the total revenue from government between the 2004-05 budget and the estimated results is one-off funding of \$25 million for disability services, which includes additional funding for Minda and Orana deinstitutionalisation. How many extra supported accommodation places in the community is this money expected to create?

**The Hon. J.W. WEATHERILL:** Of this \$25 million, \$17 million has been provided to Minda and Orana. This is an important investment strategy for these two crucial non-government organisations which are embarking on quite massive programs to help people with disabilities to live independently in the community. The funding of \$1.4 million for Orana will be for building costs and furnishings so that it can redevelop its hostel at Clarence Gardens into four separate houses for 20 people, in total.

The remaining money will go to Minda, which has been providing residential care for people with intellectual disabilities since 1898. Minda provides services and support for more than 1 100 people with an intellectual disability, accommodating 340 adults on campus and a further 204 in the community. Minda plans to move another 105 people into supported accommodation in the community; hence the project's name, Project 105. This one-off grant will accelerate the deinstitutionalisation process, and a substantial proportion of this funding will be spent on buying 14 group homes for Minda which will accommodate five residents each, and there are plans to buy commonwealth aged care licences so that Minda can provide that funding source to meet that need. That will then release resources that can take people straight off the waiting list for supported accommodation, and of the order of 48 to 50 places can be supplied within that one organisation alone.

**Ms CICCARELLO:** I refer to Volume 3 (page 9.5) where one of the major variations is listed as the Moving on program. Will the minister explain whether the federal government's changes to supported employment are having a flow-on effect to day options programs such as Moving on for people with disabilities?

**The Hon. J.W. WEATHERILL:** The federal government's changes to supported employment are bringing with them a number of consequences. Some of us grew up with the term 'sheltered workshop' as a way of describing supported employment programs. Organisations such as Minda, Bedford and Orana run programs like this with a great deal of success and respect in the community. Unfortunately, the federal government's supported employment programs are marginalising people with high and complex support needs.

We have heard threats of closure of some business services resulting in fewer pathways to supported employment for school leavers. We first heard of these stories in September last year, and I wrote to business services, special schools and disability organisations asking for their comments on the proposed reforms. Their responses were disturbing, with some organisations saying that some employees may be forced to leave their jobs while others would be eligible for targeted support. They believe they will be forced to deny jobs to people with low productivity encouraging them, instead, to leave employment altogether for state-funded day options such as the Moving On program.

South Australia raised this issue last year at the National Disability Administrators Group, and we are leading a project to look into the effects that changes in supported employment are having on people with disabilities. The project includes considering the whole interface between day options and employment. Employment is funded by the commonwealth; day options by the state government. I am pleased to say that South Australia is now managing the secretariat of the National Disability Administrators Group with Michael Griffiths now seconded to undertake that work. That gives us

an opportunity to make sure that the whole issue of supported employment remains high on the national agenda.

This is very important for South Australia, because we have the highest proportion of people with disabilities in such work programs. I think we should be proud of that rather than it being something for which we should apologise. Obviously, people with disabilities face many barriers to getting into the work force. It is obvious to anyone who attends a Bedford awards program the effect that working has on the self-esteem of these people. We are now facing a situation where the commonwealth says that it will not disadvantage these supported employment programs and that it is providing one-off funding to prevent people who may otherwise fall into day activity programs from doing so.

One obvious difficulty with that is that it does not affect new entrants, only those people who are already in a program. So, people who would have otherwise gained employment in a supported employment program will now have to fall back onto the state system. Even for those people who are now funded by the commonwealth for day activity programs, they are offering something like \$9 000 per place, whereas the cheapest day activity programs run at something of the order of \$18 000 per place.

**Mrs REDMOND:** I refer to Budget Paper 3 (page 2.5)—accommodation support services—provision of in-home support services for people with disabilities including psychiatric disability. I am interested in what one defines as a psychiatric disability. The minister would be as familiar as I am with the nature of WorkCover definitions under which a psychiatric illness is not considered to be a disability because there is the presumption that it is ultimately curable and therefore not a disability as such. If the minister has these figures, to what level are the services provided under this program used by those with a psychiatric illness or to what extent are they made available for people with a permanent disability?

**The Hon. J.W. WEATHERILL:** I should clarify my previous answer. I may have overestimated the cost of day activity programs. I think they range between \$12 500 and \$17 500 per annum. In any event, the commonwealth's offer of \$9 000 will not go anywhere near to paying for them.

The question raised by the member for Heysen is a very good one. I think the funding for this program is a very important breakthrough. For the first time, this program includes within disability services a stream of funding for people who have a mental disability or, as it is described in this case, a psychiatric disability. One of the great criticisms of our service response to people with a psychiatric illness is that we only have an acute response. This is a critically important issue, not least because people could have multiple disabilities.

Some of this funding will be applied to people who have a number of different disabilities, including both intellectual and psychiatric disabilities as well as perhaps a brain injury or some other form of disability that may arise as a consequence of drug and alcohol abuse, which itself may have had its origins in some form of psychiatric or mental disability. So there is an intention in this program to meet a need which has not been met up to this point, one which has been clearly identified by the Social Inclusion Unit in its 14-point plan to tackle homelessness. This particular group of people make up a large proportion of our homeless population, but I do not think there is any intention to adopt a narrow legalistic

interpretation of psychiatric disability or for anyone to have a particular psychiatric diagnosis.

The essence of it is that in-home attendant care is a missing part of the mental health picture. Acute care services are provided by hospitals and other mental health facilities and this is providing the other missing part of the equation—that is, to work closely with those mental health care services to ensure that people are linked with their acute care or allied health needs and given basic in-home attendance to their supports, things that will prevent people from having their tenancy fail because they are not supported as a person with a mental disability. It is intended to be not a narrow definition but rather an expansive one.

**Mrs REDMOND:** I appreciate what the minister says, and I understand what he is getting at, but I am trying to find out to what extent the mental health issue in the community (and I appreciate that the issue is an important one) is using up this particular budget, rather than the disability sector. I know that there is a cross-over and that there is an element of people who quite clearly fall into both, but to what extent are people with a disability—as opposed to a mental illness—going to be supported by this particular program?

**The Hon. J.W. WEATHERILL:** I suppose it is really a subset of that broader point about whether this money is attributable to disability services, education or transport. All we look at is people with needs; we are not seeking to compartmentalise them along program funding lines. The truth is that the commonwealth/state disability agreement always had provision for services to be provided for people with mental disabilities: it is just that up to this point very few resources had actually been provided, within the broad rubric of disability, to people with mental disabilities. We think this is an important part of the service offering and, as I said, the funding will not affect any of the money that presently goes to people with intellectual disability, brain injury or sensory disability. It is in addition to that, and will support and work with those other services.

**Mrs REDMOND:** Just before I go on, I do have some omnibus questions but they are for the minister in all his capacities, so I thought I would ask them at the end of the whole session rather than at the end of this session.

I have a few more questions. Budget Paper 4 Volume 3, page 9.3, Investing Payments Summary, shows a budget for 2004-05 of \$10.646 million but only about one-third of that (\$3.209 million) was spent, and I wonder why.

**The Hon. J.W. WEATHERILL:** It was, essentially, the delay in the Strathmont devolution. We are seeking to source the houses in the community that will allow that devolution to be completed; however, it has taken a little longer than we expected, and that has caused the slippage of that funding from one year into the next.

**Mrs REDMOND:** I take it, then, that that may be related to the additional group homes for IDSC that appear in Volume 5 at page 31? Last year's budget showed that that project, which had an estimated expenditure of \$1.8 million, was to commence in July last year and be completed now, but this year's budget shows the same project, worth the same expenditure, although it is not now due for completion until January 2007. Why has that blown out?

**The Hon. J.W. WEATHERILL:** Those two things are not related. That money is for the purchase of additional community-based accommodation which is additional to the de-institutionalisation funding. Once again, the delay in

relation to the community housing, the \$1.8 million, is the question of building and identifying the homes.

**Mrs REDMOND:** I think I read somewhere in the budget papers about that issue that there are some planning problems. Are they getting any closer to being resolved? I know that the community response is that everyone would like to have disability services, just not in their back yard: are there steps to resolve those issues so that these projects can move on, because they seem to be interminably delayed?

**The Hon. J.W. WEATHERILL:** If every MP sent newsletters out to their electorate like the member for Heysen, we would not have this problem, because I am very pleased to note that she explained to her community that they should all be expected to bear the responsibility for housing people with disabilities within their electorate and there should not be any complaint about it.

I would also like to say, though (to speak about another topic), that the housing portfolio does include targets to ensure that 5 per cent of all new developments are set aside for high needs housing. That was not just a question about increasing supply: it was also to try to grapple with some of the unfortunate things we have seen in some suburbs where, unfortunately, neighbours have resisted people with disabilities and resisted respite houses being established within their communities.

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

#### **Additional Departmental Advisers:**

Ms B. Dunning, Executive Director, Child, Youth and Family Services.

Ms L. Head, Executive Director, Community Connect.

Mr S. Ramsey, Deputy Executive Director.

Ms J. Paull, Director, Alternative Care.

**The Hon. J.W. WEATHERILL:** I think it is worthwhile mentioning where we have come from in this area. When we came to power we had a system that had been neglected and run down. We had the Semple review, commissioned in the dying days of the previous government, which was to look into the system of alternative care. However, one of the first acts of the Labor government was to call for the immediate review of the child protection system, which became known as the Layton review. Of course, Robyn Layton QC conducted the most comprehensive look at our child protection system that has ever been undertaken, involving some 12 months of representations from all sections of the community. We launched Keeping Them Safe in September 2004 with an extra \$210 million over five years to focus on supporting those most in need, in particular our high-risk infants, and the important rebuilding of our system of alternative care where a large proportion of that budget was devoted to transition link care houses for the emergency therapeutic needs of children in care, including additional therapeutic and counselling services for young people in care.

Overall, employment of 186 new staff added to the 73 new workers employed in the previous year. We are less than 12 months into Keeping Them Safe and extraordinary progress has been made but, of course, we have a long way to go. Staffing remains a challenge. Employing almost 200 new staff over 12 months has drained the sector of excess capacity for skilled workers and we need to find ways of ensuring that we have workers at the relevant skill levels.

Ensuring that new programs work well, and that staff gain the experience needed to deliver newly funded services, is always demanding, but this year has been an exciting year in terms of getting some of these programs off the ground such as Alternative Care, which has started working and benefits will begin to accrue.

Anecdotal evidence from the department suggests that the system is getting better at identifying children at risk and also presenting, identifying and assisting children with complex behaviours at earlier stages in the system. Our approach must be to focus on these areas where we know that children are in the greatest need. It is fashionable these days to visit every social problem on the child protection system and suggest that somehow the state is responsible for complex social breakdowns which fundamentally arise from the unequal distribution of resources in our community. We must keep our focus on those children who need our intervention in the highest risk area. We accept our responsibilities to those children where there has already been a threshold of harm established through the fact that they are children under the guardianship of the minister. Building capacity in the community is an area that we take seriously and a range of programs within the department of community, youth and family services are addressing that important role.

Finally, the other challenge that the department faces is that of increased scrutiny. We have put in place a range of accountability mechanisms which have been talked about in the past but never acted upon. The first is a special investigations unit; the second is the Guardian for Children and Young People; the third is the Child Death and Serious Injury Review Committee; the fourth is the Health and Community Services Complaints Commissioner.

These measures have been lacking in the past and their absence has undermined people's trust in the system. Their introduction will assist us in rebuilding faith in our systems of child protection and alternative care. It is critical that in this area, perhaps like no other, the debate be an informed and mature one. It is an area where cheap political shots are available because, when you intervene with families in difficulties, things will always go wrong. However, our focus is to ensure that we provide the speediest and most effective intervention to the most vulnerable children in our community and to ensure that those children entrusted to our care are kept safe and also that they flourish.

**Mrs REDMOND:** Minister, you mentioned the Layton report in your opening remarks. I know that one part of the response was to engage more case workers, and I seem to remember that last year you placed an advertisement for about 170 positions, seeking applicants as case workers. Can the minister tell me how many of these have been appointed and whether they are located in the city, metropolitan or regional offices and, if so, what is the spread?

**The Hon. J.W. WEATHERILL:** In fact, there have been an additional 579 full-time equivalents between the 2003-04 actual and the 2004-05 estimated result, some of which has been due to transitional arrangements following the split of the former DHS and DFC (127.5 through that process). The government's initiatives which have created the additional staff are as follows: 95.4 full-time equivalents for child, youth and relative care, which are concentrated on the 10 transitional link care houses that were provided; 81.5 full-time equivalents as an immediate response to the Layton review (that is, to address the shortages in workload in each of the district offices); 24 full-time equivalents for high-risk infants program of early intervention support; three full-time

equivalents for the Child Death and Serious Injury Review Commission; and 12 full-time equivalents for the Customer Relations Unit.

Of the CYFS positions, some 138 full-time equivalents were employed directly in field services, including 20 social workers; seven senior social workers; one principal social worker; 14 relative care workers; eight access support workers; two senior clinical psychologists; seven clinical psychologists; three supervisor, child and youth care workers; 13 senior child and youth care workers; 52 child and youth care workers; 11 learning and development officers; eight administrative support officers; and three regional business managers. The others were in other parts of the department.

**Mrs REDMOND:** Minister, in Budget Paper 5, at page 47, the capital investment program shows that the families and communities portfolio had a budget of \$18 million—which, again, is the amount there for this year, which looks pretty impressive. However, in reality, only \$7 million out of that \$18 million will actually be spent this year. I would like an explanation as to why well under half the allocated budget for this important area has been expended.

**The Hon. J.W. WEATHERILL:** Can the member take us to the page number and the reference?

**Mrs REDMOND:** It is Budget Paper 5, page 47, about one-third the way down the page. The Families and Communities budget for this year was \$18 million, the estimated result was \$7 million and the budget for next year is \$18 million.

**The Hon. J.W. WEATHERILL:** It is primarily made up of the slippage in the Strathmont devolution project. It is for the whole of the Department for Families and Communities, which includes the disability services element of the portfolio.

**Mrs REDMOND:** So, that is an \$11 million shortfall in spending?

**The Hon. J.W. WEATHERILL:** That money was meant to fall within the previous financial year but has now been budgeted to be expended in the next financial year. I think there was also some delay due to the location. I think some money was to be spent on the capital upgrade of the crisis report line accommodation. We were invited to delay our work on that project while some whole-of-government planning was taking place to ensure that we had, in fact, chosen the correct location. We budgeted something in the order of \$1.1 million, and there was a further sum of about \$1 million for an IT system, where some further planning had been undertaken and, once again, that has slipped into the next financial year. They are two small amounts, but the lion's share of the DFC projected spend which did not occur is the funding due to the devolution of the Strathmont.

**Mrs REDMOND:** Minister, when you say that they have slipped into the next financial year, is there an approved carryover from the current budget?

**The Hon. J.W. WEATHERILL:** Yes, otherwise they would not appear in the budget papers: they would disappear altogether.

**Ms CICCARELLO:** I refer to Portfolio Statement, Budget Paper 4, Volume 3, page 9.31. Minister, earlier this year, you indicated that you would be conducting public consultation on changes to the age criteria for the adoption of children, and we have seen something in the media today in this respect. Can you tell us what is the outcome of this public consultation?

**The Hon. J.W. WEATHERILL:** As the member correctly pointed out, I engaged in a public consultation

process on the question of the possible removal of age criteria as a blanket prohibition or as a presumption against adoption. The current adoption regulations presently set an upper limit of 55 years for an adopting parent and a maximum gap of 45 years. After consideration of the report into the public consultation (which showed that it was overwhelmingly the case that people supported the removal of the age criteria restriction), we are very pleased to say that cabinet has now approved the drafting of regulations to consummate that decision.

Under the new regulations, a thorough assessment of the skills and abilities of the applicant for adoption, and their capacity to provide the standard of care necessary and to promote the best interests of the child will be adopted, irrespective of the age of the applicant. Of course, age will be one of the relevant criteria, but it becomes one of a number of factors to be taken into account. It needs to be understood, however, that there are some overseas countries that set their own age criteria, and we cannot, unfortunately, affect that. We expect these to be up and running before the end of the year.

**Ms CICCARELLO:** I refer to the Portfolio Statement, Budget Paper 4, Volume 3, page 9.31: what is the current state of the transition process for inter-country adoption services to the South Australian government?

**The Hon. J.W. WEATHERILL:** I thank the member for her question. The current state of the transition process for inter-country adoption services is a good one. We have ensured a smooth hand over from the previous licensed agency to the department, and I am advised that that transition was completed smoothly and on time. I would like to thank all those involved in the process who handled the transition professionally. At the time of the announcement, there were some who opposed the decision and made much of the possibility that it could jeopardise arrangements with some countries. I believe that many potential adoptive parents were concerned about these statements. Many who had commenced the process in Thailand and India expressed the view to me and my staff that they were worried about this happening because they had heard that these countries or their agencies had expressed concerns.

I am pleased to report that all overseas programs are functioning well and routinely. The department has productive liaison with all overseas country authorities and agents. Two senior departmental officers visited Thailand and India in April to consolidate relationships with the officials in those programs. Both countries continue to routinely accept applications. Additionally, the two officers were able to explore options to expand the program in India and have been progressing those discussions. Further, regular allocations matching to adoptive parents of children continue to be made from all countries with which South Australia has an inter-country program.

However, I need to report to the committee that some further concerning matters have emerged from the service delivery transition from the agency. In particular, these matters came to light in the process of transfer of all the client files from the agency to the department. These matters have meant that the transition has been more problematic and resource intensive than anticipated. The files revealed an apparent consistent poor standard of case record keeping, with no records in most files of fees paid by clients to AACA, thus the department has had to ask clients for their own receipts; limited copies of documents sent to or from overseas countries; virtually no records of client contacts by

telephone or interview with AACAA; and applicants for adoption being told by AACAA that, if the program was provided by government, certain overseas countries would not conduct overseas programs with the South Australian government adoption service, which caused a lot of anxiety.

Further, AACAA provided the department with no policies or procedures for the handling of applications per country and, so, we have had to re-develop those by asking interstate departments for assistance; AACAA assessment workers informed the department that at least six risk assessment addenda to home study reports on applicants, detailing concerns about the family subject to assessment, were not forwarded to the department by AACAA, so that the department is now in a position of being unsure what information has been withheld on what assessments conducted previously by AACAA; and several further cases have come to light in which applicants were offered particular children, where approval for such allocation was not given by the department, and such action is improper and could constitute a breach of the Adoption Act 1988. So, in some ways, while it was worrying to hear that information, it confirmed that the decision to in-source these arrangements was vindicated.

**Ms CICCARELLO:** My third question relates to the Child Death and Serious Injury Review Committee, Portfolio Statement, Budget Paper 4, page 9.30. Parliament raised questions last year regarding a number of child deaths. The government has since established a Child Death and Serious Injury Review Committee. What is the current situation in relation to this committee?

**The Hon. J.W. WEATHERILL:** The previous government announced that it was going to do this but, in fact, it did not. It was with great pleasure that we were able to announce, fund and establish this committee to review the circumstances surrounding the death or serious injury of children and young people, and make recommendations for systems improvement across organisations. This is an important accountability measure and fills a gap in the process. The establishment of the committee is contained in the Child Protection Amendment Bill, which has been introduced to the parliament and will be debated in due course. It is now operating under directions that were endorsed by cabinet, pending the establishment of the committee and legislation. The committee has met three times to date.

The cabinet directions enable the committee to develop protocols or memorandums of understanding with key government agencies regarding the release to the committee of information about child deaths and serious injuries. This information will be used to develop the database on child deaths and serious injuries. This database will record the circumstances and causes of all child deaths in South Australia, and will enable the committee to identify trends or patterns in child deaths in the state. No such database currently exists in the state. The committee is also developing the processes that are required to conduct individual case reviews which will focus on systems improvements across organisations.

**Mr LEWIS:** I refer to the Manual of Practice, which was developed in the department in the early mid-nineties and, like other quality assurance type programs that we have in the world these days, it outlines what the department says it will do. Presumably, it will set out to do what it says, but the Manual of Practice then does not appear ever to have been referred to in the duty statements in job and person specifications. They do not contain a reference to it when they are

advertised. My inquiries arise from the information that is not contained but, perhaps, could be contained on pages 9.29 and 9.30 in the Portfolio Statement, which is Budget Paper 4. My queries are: how much has been spent on training staff who were there at the time the manual was first adopted, and why do those job and person specifications not contain any reference to the manual and the stated objectives?

As I understand it, those resources—and I do not know where they are identified—are allocated, or should have been allocated, to family preservation, as this is the department's stated preferred outcome after intervention before continuing removal of the children from the care of one or other of the parents is undertaken. I therefore put that question to the minister.

**The Hon. J.W. WEATHERILL:** It is an interesting question, because it raises the matter of the state of training or an induction which existed in the 1990s and its relationship to the present policy. First, the policy that guides the conduct of the department is Keeping Them Safe, which is the policy of this government. I have been at pains to ensure that it is the guiding light for all the conduct and policy making that occurs within the department. There is no doubt that there is a massive need to ensure that the training of staff is responsive to that new agenda.

Indeed, one of the key elements of Keeping Them Safe is to ensure that we do invest in the people who are employed within our agencies so that they can make the relevant and appropriate judgments; \$3.6 million in additional resources per annum has been provided to the process of induction and training of our staff. It is routine that Keeping Them Safe and the objectives contained within it are used to formulate policy and to inform planning and other processes.

Can I say that one of the great challenges in running a child protection agency which has been under-funded and neglected and which has become, essentially, the whipping boy in public debate, is that it causes dysfunction about the way in which people approach their professional responsibilities. If a group of people believes that they will be the subject of much humiliation and pillory in the public arena, it will tend to be the case that their practice will become defensive and there will be a tendency to want to shy away from the most dangerous and difficult cases for fear of being associated with a potential disaster within that family. I think that is a natural protective mechanism for anyone who places themselves in these difficult occupations. It is critical that at every opportunity we try to encourage a debate that understands the nuances that challenge people who work in this difficult area of having to make very fine public policy judgments about whether to remove children, whether to keep children in a family or how they intervene and when they intervene.

The honourable member has touched on a very important question, in which we have invested thoroughly. Keeping Them Safe is the policy document. As to the current fate of the manual, I will make some specific inquiries about that and how it is being amended or otherwise to address the new policy agenda.

**Mr LEWIS:** Further to that, I seek some greater clarification of the resources that have been allocated under Keeping Them Safe and its predecessors. I have no quarrel with Keeping Them Safe. I have acknowledged and applauded it. It is well overdue, and I know that the minister agrees with that view. The whole government does. Otherwise, it would not have got into it in the first place. To have a program is

one thing but to make it work is another, hence the question: what resources have been allocated to improve children's contact with their natural parents where the children are not at risk if they have contact with either or both of them following removal of the parents by the department?

The other part of that question is: what resources have been allocated to establish a proper quality assurance unit within the department, because that is what has been missing up until now. It has involved just the subjective attitude of some of the field officers as to what they ought to be doing, how they ought to be doing it and through what framework they ought to be acting in attempting to deliver—and it has just been a ruddy botch. It is their subjective view of the kind of society they believe they should go out and engineer, rather than the kind of outcomes which will be in the interest of the children and which have been spelt out in the manual and the other documents that have been written to guide the department, including not just Keeping Them Safe, which has been based upon the state plan for children that we got from Robyn Layton.

**The Hon. J.W. WEATHERILL:** We have devoted considerable resources to supporting the possibility of trying to restore relationships between parents and children who have been removed from their care, keeping in mind, of course, at all times, the need to keep children safe—in proper cases, obviously, not cases where there is substantiated child sexual abuse, but in cases where, perhaps, there has been neglect and where poor parenting has led to the removal of a child from the care of their natural parents.

The sad truth is that, even in the cases of the most appalling abuse, children almost inevitably want to return to their parents, and it is regularly said to me by children in care that they want to go home. In some cases, when I inquire as to the nature of the abuse and whether that is possible, it is obvious that the child could not be returned to the care of their parent. However, it is a natural desire for a child to want to be with their parent, even when they have been horribly abused by that parent. So, we try to facilitate as much as we possibly can—

**Mr LEWIS:** There is a difference between contact and care, though, isn't there?

**The Hon. J.W. WEATHERILL:** Certainly.

**Mr LEWIS:** My question is about contact.

**The Hon. J.W. WEATHERILL:** In terms of contact, we think it is important to maintain the connection with the birth family because at some stage when the child is independent it may be important for them to have a relationship with their parent, even if it is not the sort of relationship that means the parent is responsible for the wellbeing of that child. So, with some of the additional resources we have employed staff in grades called access workers, and they support and supervise access between a parent and the natural child.

The second part of the question was about quality assurance within the department, and I freely admit that that is an area which needs additional work. We do not have adequate service recovery processes within the department generally, not just in this particular section of the department. For too many years it was buried in the great megalith of the Department of Human Services and, while myriad accountability mechanisms exist that review the work of social workers, we have not had an appropriate policy for recovering from the inevitable mistakes that will occur from time to time.

I have seen examples of where things have gone wrong, and I think we need to guard against things going wrong. However, it is the speed and effectiveness of recovery from those mistakes that perhaps is the more important question. So, we are doing additional work on that. To the extent that we do not get that right, we will be supervised by the Health and Community Services Ombudsman, the Child Death and Serious Injury Review Committee or the Guardianship Board. So, there is a range of external stakeholders—independent external entities—that will now look at our work to see that there is a quality assurance mechanism and that, when there is a difficulty with quality, service recovery occurs in a prompt and effective fashion.

**Mr LEWIS:** I have one other plain and straightforward inquiry: where should I look in the budget papers to find what, if anything, has been set aside to compensate victims of abuse who were abused whilst they were wards of the state?

**The Hon. J.W. WEATHERILL:** I thank the member for Hammond for that important question, which falls within the province of the Treasurer, who supervises the funds which meet the state's liabilities for persons who are seeking to take action or pursue monetary compensation against the state. So, it is a question that is more properly directed to him.

As we are well aware, the Mullighan inquiry, which is focusing on abuse of children in state care, is under way and is not due to report until at least 30 June next year. I am sure there may be implications for the state's liability arising out of that report. I know for a fact that there are presently a number of plaintiffs who have commenced proceedings against the state, alleging that they were abused in care, and that those proceedings are presently the subject of consideration by the government's legal advisers.

We have two approaches which are important and which I hope distinguish us from the way that some of the churches have dealt with this matter. The first is that we have established the Respond SA help line, which provides an immediate and ongoing support to all victims of abuse, not necessarily those abused in state care. It provides a help line for people to access assistance. That service is specifically charged with the responsibility of guiding people to wherever they may seek to go to achieve reparation—and that reparation might be the payment of money, going to police to see that justice is done, or going to the Mullighan inquiry and having a story told which forms part of the material that will inform Mr Mullighan's report.

So, the second major approach that I have asked my agency to consider is in regard to the litigation that has been commenced by those children in state care. I have asked for an especially sensitive approach to be taken to that litigation, and I think it is important that we be aware that we are meeting the claims of people in relation to whom we stood as parents, and we should consider the claim in that context. We should perhaps consider what differences that will make in the way in which we handle the litigation strategy, and we are thinking through what that means.

I have agreed to meet with one of the legal representatives who apparently represents some of these children in state care, not for the purpose of negotiating any settlement but for me to satisfy myself that we are conducting ourselves in a proper way. I do not want us to re-abuse, to the extent that that is possible, the victims of this abuse in state care by the way in which we handle the process of dealing with the claim. I must say that the way in which Commissioner Mullighan is treating the victims of this abuse gives me some

comfort that a number of these adult survivors of child sexual abuse are being cared for. It is important that we learn the lessons from the churches in the way in which, it has now been publicly acknowledged, it could have dealt with things differently.

One of the big lessons from the way in which the churches handled the matter is that time after time we have heard that one of the most distressing elements for the victims of child sexual abuse is the way their story is being treated with a lack of respect. I know that Commissioner Mullighan treats each of the people who come before him with their stories with the utmost respect. It is important that, as the state government, we manage the litigation in a way that is also respectful.

**Mr LEWIS:** Thank you, Mr Chairman, and the member for Heysen and all other members of the committee for allowing me that intervention and for the minister's cooperation in responding.

**Ms CICCARELLO:** I move:

That the sitting of the committee be extended beyond 6 p.m.  
Motion carried.

**Ms BREUER:** I refer to Budget Paper 4, Volume 3, page 9.13, which shows that youth workers have been employed over the past year on the AP lands. What else is the DFC accomplishing on the AP lands?

**The Hon. J.W. WEATHERILL:** The department has responsibility for administering commonwealth and state-funded programs on the lands across the portfolio areas of CYFS housing, disability, aged care, community services and domestic violence services. The DFC continues to work closely with the Department of the Premier and Cabinet's Aboriginal Lands Task Force to deliver these services and to support the Department of Health programs. Substance misuse is a significant issue on the lands, and a range of community-based programs has been developed involving young people and their families in a range of activities to improve self esteem and community cohesion. Petrol sniffing is just a manifestation of no hope. We know that, and we know that these programs will be successful.

A homelands absence program (\$80 000 in 2004-05) is also being developed to provide sniffers with a place where they have to abstain from sniffing and where they will be engaged in traditional activities. A men's health worker is working closely with the substance misuse programs. Family support workers are providing advice and support to young women and children in relation to home hygiene and providing safe meeting places for mothers across the APY lands. Some achievements of the family support workers include supplies and equipment to support the program being provided to all four communities. This will further strengthen the connections between workers, young mothers and babies.

Four Anangu women have just completed their second week of training and have expressed great satisfaction with the course. An NPY women's council nutrition team is supporting the program by assisting in the training of the women and have developed a table of mothers and babies in the community. CYFS has established a multifaceted approach to service delivery on the lands, which includes youth justice, child-care and protection and community capacity building. Staff with a combination of social, youth and community support expertise from Coober Pedy provide services on a fortnightly basis. The teams address specific case work requirements. In addition, a youth worker attends

every court circuit in Coober Pedy, Oodnadatta and the APY lands.

In Amata and Ernabella the Positive Behaviours Unit is conducting a needs analysis on target groups. The unit will develop individual management strategies and intervention plans. Community services training has developed a 14-month training program in consultation with Amata, Ernabella, Anglicare and the Northern Territory Disabilities Services Office. Housing services provided on the APY lands include approval for new construction and house replacements through the Community Housing Program; funding of the construction of six houses during a training and employment delivery strategy; and the provision of additional commonwealth funding to supplement rental and income for repairs and maintenance.

**Ms BREUER:** I refer to Budget Paper 4, Volume 3, page 9.10 regarding CYFS staff, which shows that there is an increase in the overall DFC work force of 579 FTEs from the 2003-04 figure. How many of those were employed in CYFS and what type of positions are they?

**The Hon. J.W. WEATHERILL:** I might have actually supplied that information in answer to a question from the member for Heysen. It was not directly that question, but I have supplied the information that I have.

**Mr HANNA:** I have raised a couple of examples where young people under the age of 15 have been left in situations where they are neglected, or which are dangerous. My question is about the triage system, whereby there are levels 1, 2 and 3. Can the minister clarify those terms and can he give a rough idea of what warrants a level 1 action on the part of CYFS staff? It might be child abuse actually happening at the time, I imagine. Also, what is level 2 and what is level 3? As a performance management exercise, does the minister have figures to show how many level 1 problems are actually attended to within a reasonable time, how many level 2 notifications and so on?

**The Hon. J.W. WEATHERILL:** This question goes to the heart of child protection. If we are to be honest with ourselves, any child protection system will only be able to effectively grapple with those children who are at serious risk of harm. That is easy to say, but how do you assess a child who is at serious risk of harm? The member used the phrase 'triage system', and that is a very useful way of considering this issue. The rate of notifications is escalating. Last year, there was a 15 per cent increase (17 000 notifications), and there is no doubt that mandatory reporting provisions will continue that trend. If we send out a team of people to investigate every notification thoroughly, what we will have is the equivalent of an emergency waiting room which is so full of people that no-one can work out who needs immediate medical treatment. So, the system will be clogged at the point of intake.

I am persuaded that this way of approaching child protection is likely to lead to the sorts of disasters that we have seen in all of those jurisdictions that have gone down this path. Apart from anything else, it leads to the massive chewing up of resources in terms of investigations. No family ever gets help, they just get investigated, and two-thirds of those investigations will be re-investigations. So, you have this endless merry-go-round of investigations and further investigations with there being no sustained help for the family and no capacity to turn things around. Every now and then, because you are searching for a needle in a haystack, there will be that one case where something horrible happens

and a child either dies or is horribly abused. I say this by way of background.

When we consider each of these notifications, we need to also consider whether we are creating a system whereby we can never get to those children who are at real risk. We have a tiered system which can be built up through the provision of additional information. Each time we receive a piece of information it can assist us to change the characterisation of a situation. It may be that certain information is benign in its own right but that, as further information comes in, the characterisation may change. In the basic tier system, category 1 is immediate risk of danger or harm; category 2 is a serious risk—not an immediate risk, but there is serious concern; and category 3 is meant to describe an ongoing risk but not at a particularly high level. This is a very imprecise set of characteristics—there is no doubt about that—but tier 1 cases are expected to have a very urgent response within 24 hours, and I understand that in almost every case that is achieved.

*Mr Brindal interjecting:*

**The Hon. J.W. WEATHERILL:** The resources that have been applied allow us to have the capacity to respond to tier 1 cases within the relevant time limit. Obviously, we try to intervene as soon as we have the information. We tend to talk about child protection as an amorphous mass, but at the one end there is the risk of death or sexual abuse and at the other end there is the neglect of a child which may affect their ongoing development. You might see a child running around without shoes who has not been to school for a few days, and that child will typically be seen as maybe having a category 3 rating, whereas a child on whom some bruising has been seen might be cause for concern although the child may not appear to be harmed and there is the concern that that child may be a category 1, but it depends on the circumstances.

Professionals are making judgments about how they categorise the information they receive based on their clinical experience in the area of child protection. There are three levels of escalating seriousness and, obviously, the first case involves the immediate removal of a child once the abuse has been substantiated. Sometimes, the information we receive indicates an immediate risk but upon investigation it proves to be unfounded.

In any discussion of this sort, we need to look at the system that we have set up in terms of family support. We now have a universal home visiting program where every parent is visited by a child and youth health nurse. Some families are referred to a sustained home visiting program where there are concerns about the well being of a child. In a small number of cases there is liaison with our high risk infants program, Stronger Families/Safer Babies, which is meant to provide 24 hour access to a family to make sure someone is there to support them.

The best possible place in which to sustain a child is the home, but there are some cases where the home is quite a toxic place. An isolated family can be a very dangerous place, but we know that, with support, even families that look to be in a lot of strife can turn their circumstances around and provide a caring environment for their child. There is no doubt that these are very difficult, fine professional judgments, but we try to make them diligently.

**Mr HANNA:** By way of a supplementary question, I would just like to remind the minister about the performance management aspect of the question. Surely there are figures on how many tier 1, 2 or 3 tasks are actually attended? I am

sure you would want to keep track of that so that you know whether or not things are getting worse.

**The Hon. J.W. WEATHERILL:** We monitor them on a regular basis and the truth is that there has been a 15 per cent increase in child notifications, which means that it is very difficult to respond to category 3 notifications.

**Mr HANNA:** Do you have figures to demonstrate how many from year to year?

**The Hon. J.W. WEATHERILL:** Yes.

**Mr HANNA:** Are you able to provide them now or will you take that on notice?

**The Hon. J.W. WEATHERILL:** I cannot provide them now but I will take it on notice.

**Mrs REDMOND:** I have a couple of questions on alternative care in relation to Budget Paper 4, Volume 3, page 9.31. By way of explanation, I note that slightly more than half the total alternative care placements made—that is, 1 250 of 2 300—will have a client payment made. What is a client payment, who is the client, and when is a client payment made?

**The Hon. J.W. WEATHERILL:** I will ask the Director for Alternative Care to answer that question. Could you please repeat it?

**Mrs REDMOND:** On page 9.31, sub-program 4.2, it states, in the commentary area, that, '1 250 out of 2 300 will have a client payment made'. Who is the client, and when is a client payment made?

**The Hon. J.W. WEATHERILL:** Could you just clarify—

**Mrs REDMOND:** If you look at page 9.31 under the performance indicators where it says, 'Number of placements made for alternative care during the year', there are 2 300 expected for next year. For 'Number of children in alternative care for whom a client payment was made', 1 250 is the anticipated target. Who is the client, who gets a child client payment and when is it made?

**Ms PAULL:** My apologies, I was just trying to find the numbers to which you referred. The foster parents will receive a payment, but there are a number of children who are not placed with foster parents: many children are placed in other parts of the alternative care system where a client payment is not made.

**Mrs REDMOND:** So they are placed in an institution?

**Ms PAULL:** Yes, or another part of the alternative care sector.

**Mrs REDMOND:** Could you explain what other part of the alternative care system? I assume that the half who are getting a client payment are, in fact, foster carers, so the client is actually the foster carer.

**Ms PAULL:** That is right.

**Mrs REDMOND:** So a bit over half of them are getting a foster payment. Does that mean that half of our placements are going into institutions?

**The Hon. J.W. WEATHERILL:** Some of the older children are in independent living arrangements, so there is no foster carer in place there.

*Mr Brindal interjecting:*

**The Hon. J.W. WEATHERILL:** No; obviously there is no foster parent in some of the community residential cottages, which are state-run institutions. There is also a transition program called 'Muggies' run by the Salvation Army, which is about transitioning people into independent living, and there are children in secure care at Magill or Cavan.



**Mrs REDMOND:** That means that just under half our alternative care placements are not to foster carers; at least, that is what you are anticipating for the next year?

**The Hon. J.W. WEATHERILL:** We need to clarify the fact that a number of foster parents have multiple placements, so there may be a single client payment. That may account for some of it, although we are less certain about that.

**Mrs REDMOND:** On that track, minister, is there any budgeted increase for payments to foster carers, and how long is it since foster carers actually received any increase in the rate of payment?

**The Hon. J.W. WEATHERILL:** The actual rates have been increased for specific circumstances, for children who have particular needs. Different rates are struck depending on the needs of the children. We are finding that, more and more, there are a range of special needs or difficulties which foster children are experiencing and which are imposing additional burdens and costs on the foster families, so there are loadings, if you like, on the base rates which have been struck and which are being applied to foster parents. That was one of the outcomes of the alternative care tender that commenced operation on 1 July 2004.

**Mrs REDMOND:** On that same table, I note that more than half the children exiting alternative care after more than 12 months have had four or more placements. What specific strategies are you putting in place to improve that performance, and do you think three placements is a reasonable measure? It seems to me that we should be aiming for children to have one placement. I know it has been there for several years but it always strikes me as odd that we measure it against three rather than a single placement which, I would have thought, would be the most stable situation.

**The Hon. J.W. WEATHERILL:** That is one of the great challenges in alternative care—to try to make sure we have stable placements. One of the big contributions we are making to grappling with this is a change of policy, and it is explicit in the legislation that is before the house. It had been considered previously to be the case that the overriding objective should be family reunion. However, as Robyn Layton points out in her review, that can lead to multiple placements as we have multiple breakdowns in the reunion process. Placement stability should be an important principle, having regard to the welfare of the child. So, we believe that this subtle change in policy will assist us to make changes.

The other sad truth is that the children who are coming into alternative care are becoming increasingly challenging and they are becoming more challenging at a younger age; so, the traditional foster parents who may have been able to cope with the eight year-old in 1970 are not able to cope with the eight year-old in 2005. That is leading to a number of pressures. One is about the change in different foster parents and the breakdown in that placement; also, it is now requiring us to consider alternative training, different models and supports for foster parents.

The other thing that we are confronting is that children, as they get to a certain age, may wish to live independently, so a placement breakdown may occur as a consequence of a desire to not want to live in a relationship with somebody who is not your parent, but we say this up to a point. We had to insist upon the fact that they live with somebody in a parental arrangement. Many of them are very keen to get out of that arrangement as soon as they can and those placements break down because of that, so supporting people into independent living arrangements also is part of that process.

A range of other service responses provide additional therapeutic assistance to children in care and better supporting foster parents, and that includes these transition link care houses. In fact, the 10 houses, which were a very large ticket item in the budget for child protection, were directed at this very question—that is, children involved in multiple placements breaking down and, instead of putting them with another foster parent and then having that placement breakdown again, we wanted to take them to a place where we could give some therapeutic assistance to stabilise them so that they could then go into another placement that had some prospect of success. These are relatively new initiatives that are still working their way through the system, so they are unacceptable high rates of placement breakdown that we need to work hard to change.

**Mrs REDMOND:** While we are on this topic and that particular table, the very bottom line of that table indicates an increase in the number of active foster carers over the previous year from 663 to 670, so that is an increase of seven but a target of an increase of 60 over the next 12 months. I wonder what specific strategies you have in mind to get that many extra active foster carers trained and in place in 12 months.

**The Hon. J.W. WEATHERILL:** In the alternative care tender, one of the tenders that was won by the Lutheran organisation was the recruitment of foster carers. They have been successful. They have increased the numbers in relation to foster care, but the rolling out of their program of recruitment is likely to intensify over the coming period. A tactical decision was taken around advertising, etc. in the context of some very high profile cases around abuse in foster care. We have twin objectives here. We want to recruit more foster parents, but we are dragging foster parents before the courts to face criminal charges. If you were in public relations, you would not design this as a great recruiting tool. That has certainly given them pause for thought regarding their recruitment program, but they are still working away at their program. We expect to see the real efforts in the recruitment program to really take hold during the next financial year.

**The CHAIRMAN:** That concludes the questioning of the Minister for Families and Communities.

#### **Membership:**

Ms Geraghty substituted for Mr Snelling.

#### **Additional Departmental Advisers:**

Mr P. Smith, Deputy Chief Executive, Department for Families and Communities.

Mr M. Downie, General Manager, South Australian Housing Trust.

Mr G. Storkey, Chief Executive Officer, HomeStart Finance.

Ms N. Saunders, General Manager, Aboriginal Housing Authority.

Mr B. Moran, General Manager, South Australian Community Housing Authority.

Mr P. Fagan-Schmidt, Director, Affordable Housing Innovation Unit.

Ms Z. Nowack, Director, Accommodation and Support Services.

**Ms CICCARELLO:** I move:

That the member for West Torrens be appointed Acting Chairman.

Motion carried.

**The Hon. J.W. WEATHERILL:** I want to make a few opening remarks concerning the housing portfolio. Over the last 12 months, we have made a very significant policy statement concerning affordable housing, which was outlined in the housing plan and which is the first of its kind in South Australia. The state government will continue to provide high quality social housing options for people who are unable to afford it, or for those who, through special needs, need to rely upon the provision of that social housing. The new housing plan will expand our role in the provision of affordable housing, in partnership with a range of other stakeholders.

Recently, we have seen the fuelling of housing prices, driven by commonwealth government policies around the freeing up of capital in the financial markets. We have seen a commonwealth first home owners grant; we have seen a taxation regime which encourages the investment in higher-priced rental properties; and we have seen a commonwealth rent allowance to low income people in private rental. All those things are wonderful for stimulating demand. However, over the last decade, we have seen a 31 per cent reduction in—

**Mr BRINDAL:** I rise on a point of order, Mr Acting Chairman. We have just elected the member for Torrens as chair of the committee.

**Ms CICCARELLO:** No, it was the member for West Torrens. The member was not listening.

**Mr BRINDAL:** No, I could not have been listening.

**The ACTING CHAIRMAN:** The member's apology is accepted.

**Mr BRINDAL:** No, I am not apologising. I am sorry for interrupting the minister.

**The Hon. J.W. WEATHERILL:** Thank you. We have seen over that period a 31 per cent reduction in real income through the Commonwealth-State Housing Agreement. However, at the same time, we have seen, due to commonwealth targeting policies, a reduction in our rental income in the order of a similar sum. Since mid-1996, rental vacancy rates have been low and real rents have been increasing, with massive pressure on the bottom end. I advise that 10 051 (or 45 per cent) of low income earners are paying more than 30 per cent of their income in rent and are in housing stress. In 2001, 27 966 (or 83 per cent) of low income private renters were in housing stress, paying more than 25 per cent of their income in rent. More alarming is the statistic that 7 910 are paying more than 50 per cent of their income in rent. The community is crying out for an affordable housing strategy and for a commonwealth partner. We are one of the few countries that does not have a national government that runs an affordable housing policy, nor do we have a national housing minister.

However, despite all that, there is much that we can do, leaning on the strengths we have in our state system, including our well-organised and well-run institutions, namely, the Aboriginal Housing Authority Committee, the Housing Trust and HomeStart. We have tried to use imaginatively those programs to try to expand the stock of affordable housing and also the stock of high needs housing. To the question of expanding the stock of housing goes the expansion of services which sustain people in tenancies, which are at the essence of ensuring that those tenancies are successful

and which will contribute to a reduction in homelessness. A number of those key achievements have been supported through the social inclusion initiative, with the support of the AHA tenancy program, the private rental support demonstration project, parenting support for homeless families, and housing information referral for prisoners and remandees.

We believe that the important steps we are taking to address the shape and services we provide in our suburbs, based around our social housing stock, will lead to the trust becoming an affordable housing agency, an affordable and urban renewable agency and, ultimately, a provider of high needs housing, in partnership with the Community Housing Authority.

We have invested an extra \$15 million to accelerate urban regeneration programs in areas of high stock concentration in The Parks, Hawkesbury Park at Salisbury North, Playford North, Kilburn South, Gilles Plains, Ridleyton, Port Pirie and Myall Place in Whyalla, and a new project in Royal Park in the west. It is our intention to also drive a 15 per cent component of affordable housing, with a 5 per cent component of high needs housing, in all new significant developments.

**Mrs REDMOND:** Minister, referring to Budget Paper 4, Volume 3, page 9.13, the targets for next year, 2005-06, include 'further reduce the number of rough sleepers'. I would like to know how many rough sleepers there were when this government came into office, and how many are there now? What has the actual reduction been?

**The Hon. J.W. WEATHERILL:** The difficulty is that, reliably, this is only counted at every census, so this happens in 2001, 2006—when the census material comes through. In relation to rough sleepers, or primary homelessness, the ABS statistics describe this as people who are in improvised dwellings. That figure, for the Adelaide city area, is 105, and for the broader metropolitan area, it is something in the order of 800. It is in that order of magnitude—about 100 in the inner-city and about 800 to 900 across the state—although some caution needs to be taken with the statewide figures because there are some interesting statistics. There are little pockets that are explained through semi-unusual situations.

In the Riverland there are a lot of seasonal workers who are attracted to the fruit-picking industries and who maintain semi-itinerant lifestyles. There are a number of members of the indigenous community in the far northern areas of the state which swell the numbers of rough sleepers in that area, and an interesting curiosity, a population of people living in improvised dwellings on Kangaroo Island for some particular reason, which has been described to me as a hippy lifestyle.

In any event, there is certainly a quantifiable sum of people who are sleeping rough on any given night. Those figures are also affected by the night on which the ABS chooses to count. I think it was 15 August in 2001, or some date in August. So, I would have thought that weather patterns would have had some important influence on the number of rough sleepers who were identified and found on that particular night and, also, probably, the intensity of the search that was undertaken. They are the best figures that we have and they tend only to come out every five years. But, we certainly know that we have assisted a very large number of people, well in excess of that sum, to avoid homelessness, and we believe that we have lifted a considerable number of people out of homelessness.

In the past six months, 208 households have been provided with tenancy support that has prevented eviction; 72 families have been referred to the Metropolitan Aboriginal Youth

Team program to assist families where the neglect of children was a concern, preventing a transition of children into homelessness; 46 families in insecure housing situations have been referred to another program called HAPPI, which provides intensive support to improve outcomes for families with children; the boarding house outreach program has provided ongoing support to 76 boarding house residents since the inception of the program; the through care program operated by correctional services has established case plans for 187 offenders for their accommodation on release; and housing information advocacy referral services have provided 411 prisoners and offenders and 298 remandees services.

Importantly, we also have a city watch-house demonstration project which has successfully maintained eight of the most difficult to house chronically homeless people in the state, who are often in and out of prison or hospital services. Transfer liaison officers, located in the RAH and Lyell McEwen hospitals, have assisted 158 homeless people with improved housing and wellbeing outcomes once they are discharged from hospital; Westcare case management demonstration project has worked with over 120 people providing intensive case management that helps access housing, as well as improving their health and wellbeing; and Karinga Aboriginal Hostel has accommodated 15 women, preventing them from being released into the community without suitable accommodation.

I can say, anecdotally, in moving around a number of the inner city services and agencies, that there is a very strong belief that the social inclusion initiatives are making a real impact on the numbers of people sleeping rough in and around that particular area of the state. I cannot give an answer because a count has not been carried out, but a lot of the material we are seeing and the things we can evaluate and count are showing good progress.

**Mrs REDMOND:** So in three and a half years you cannot say there is a reduction in the number of those sleeping rough?

**The Hon. J.W. WEATHERILL:** The Premier has said that on the best material he has available through the Social Inclusion Unit there has been a halving of the number of people sleeping rough.

**Mrs REDMOND:** There has been a halving?

**The Hon. J.W. WEATHERILL:** That is right. The remark was made in the context of the city locations.

**The ACTING CHAIRMAN:** Can we do this in question form rather than as a conversation? This is a parliamentary committee.

**Mrs REDMOND:** I will ask it in question form, Mr Acting Chairman. Is it not the case, minister, that most of what you just read out, which I am familiar with from the press release, related to stopping people from moving from inadequate accommodation to sleeping rough, and is it not also the case that you cannot assert that any particular number of people are no longer rough sleepers in this state?

**The Hon. J.W. WEATHERILL:** I do not think you can. That is to ignore all the evidence of those sources I just mentioned. We understand the systems by which homelessness comes about—it is a system. People move into homelessness from a range of places. They so move not because they do not have a home—they almost invariably have a place where they can be, but for one reason or another they are not there. If an indigenous person is travelling to Adelaide to receive medical treatment, they may not have accommodation in Adelaide upon their discharge and may have no means of being readily transported back to where they came from.

That is where the transfer liaison position comes in: to ensure that upon discharge accommodation is arranged for that person. We know what systems cause homelessness. We know of all the interventions we have made that prevent homelessness, but discussions we have with agencies that deal with homeless people indicate a reduction in the number of people they are seeing sleeping rough.

**Mrs REDMOND:** What specific programs are aimed at regional or non-city rough sleepers to get them out of it? I understand from what you are saying that your projects are aimed, quite understandably, at stopping people falling into homelessness, but I do not see how you justify saying that fewer people are sleeping rough. Assuming that they are attacking the number of those already sleeping rough and not just stopping people falling into that category, what is specifically being done in not just the regional areas but also the outer metropolitan areas in terms of people sleeping rough?

**The Hon. J.W. WEATHERILL:** There are a range of specific strategies for regional areas. There is the APY lands responses, which are about expanding the stock of housing in the APY lands. There is massive overcrowding in those lands that would cause those people to be described as homeless. There are different categories of homelessness, but a number would be either secondary homeless or in primary homelessness in those areas. We have the APY lands task force and the additional resources put in there. Some are in the investigation stages, but there are very different stages of the process. We are looking at transitional accommodation for Ceduna, Port Augusta and Coober Pedy. Each of those facilities are tailored to meet the needs of their particular communities. Ceduna is up and running. It was launched by this government, I think, a few years ago now. It has been regarded as a successful model in reducing people sleeping rough in camps on the outskirts of Ceduna, as well as reducing the number of people who go into the town proper and often cause pressure on Aboriginal housing tenancies. In Port Augusta, where the issue arose quite prominently last summer, there is a need to accelerate our response to the issues of accommodation.

In that case it is often an influx of people from nearby Aboriginal lands who come into the Port Augusta region. We have had negotiations with the Davenport Community Council, and a parcel of land has been identified as suitable for use as a transitional accommodation facility, and appropriate leasing arrangements are now being developed in collaboration with the Aboriginal Lands Trust to grapple with that issue. We believe that we will have a solution up and running for the Port Augusta summer months. We have had some very good discussions with the Mayor of Port Augusta, despite some initial hiccups.

Now we are working very closely with the AHA and the Mayor of Port Augusta to deal with those issues. The rent relief scheme, which was created under the previous government, has been maintained by us. It provides additional support for students requiring to relocate from the country to undertake tertiary studies. We sustain that program. The Port Pirie men's shelter is being rebuilt with new facilities for homeless people in the Port Pirie region. Funding has been identified through the capital program that provides for crisis accommodation. They are some of the measures. Of course, we also provide funding (through our Supported Accommodation Assistance Program) to a range of regional initiatives which provide emergency accommodation for people who are experiencing homelessness, in particular sleeping rough.

**Ms CICCARELLO:** I refer to Portfolio Statement, Budget Paper 4, Volume 3, page 9.24. How is the government assisting people with mental disabilities into supported accommodation?

**The Hon. J.W. WEATHERILL:** We are committed to providing additional services to support people into the community. In a joint program with the Department for Health, we will be providing attendant care for people with a range of disabilities, both through our disability program proper and the new expanded program concerning mental disabilities. This program should provide approximately 135 extra supported accommodation places in metropolitan and regional South Australia. The notion of supported accommodation speaks to our commitment to deinstitutionalise our mental health care and disability sectors.

Already it is a process that is occurring; but, sadly, a number of people in the community do not have the support necessary to allow them to live successfully in the community. When we have seen these programs work in practice, we can see that even people with quite significant disabilities—either of a mental, physical or neurological basis—can live quite successfully in accommodation. The expanded program will assist rough sleepers and people with exceptional needs to maintain accommodation. We have been counselled and we accept the advice from our Thinker in Residence, Roseanne Haggerty, that we should focus open the chronic end of the homelessness question. We know that a large number of people who fall into homelessness do, in fact, have mental disabilities. It is crucial that this support service goes hand in hand with the provision of the bricks and mortar to sustain and make a successful result for someone coming out of homelessness.

**Mr MEIER:** I have a supplementary question. The minister said that 135 would be in metropolitan and regional areas. Can the minister indicate how many of those 135 are in regional areas?

**The Hon. J.W. WEATHERILL:** I am afraid I do not know that off the top of my head, but we can supply an answer.

**Mr MEIER:** As a further supplementary, how many would be on Yorke Peninsula?

**The Hon. J.W. WEATHERILL:** I will take that on notice.

**Ms CICCARELLO:** I refer to Budget Paper 4 Volume 3, page 9.22. What is the status of the latest supported accommodation assistance program agreement negotiations?

**The Hon. J.W. WEATHERILL:** The negotiations are at a tense stage. We have now received a final offer from the commonwealth for the new supported accommodation assistance program. I am pleased to say that the reconfigured offer has taken into account some of our concerns, although we are still concerned about a number of elements. It does establish some key changes for the sector, including things that we support, such as progressing reform of the sector to focus on moving people out of homelessness. However, the commonwealth is insisting on a minimum of 50 per cent funding by the state, which is a lift in the state's share of the contribution and which will require the establishment of an innovation investment fund, although we feel confident that our homelessness initiatives through the Social Inclusion Unit will meet the test of innovation. We are also expecting that the commonwealth will recognise some of our state-only funded SAAP life services and count them as a component of South Australia's increased funding contribution.

We have negotiated the option for that and we are hoping that this will mean that the \$23 million that we have put into our homelessness initiatives through the social inclusion initiative will be taken into account by the commonwealth and we will not be punished for the fact that we are putting in that additional effort. We are also concerned that we do not cause a cut to services in this sector, a sector which is already seeking additional resources. We will also be writing to all SAAP providers informing them of the latest development, and we will continue to negotiate with the commonwealth to try to achieve a successful outcome of the SAAP 5 agreement.

As part of this, though, we have negotiated an extension of the existing agreement until 30 September to allow us time to conclude those negotiations. SAAP funded agencies should rest assured that their funding is secure until 30 September. Indeed, what we know from the offer is that there is no suggestion of a cut to their funding in the first 12 months of operation of the new agreement.

**Ms CICCARELLO:** I refer to page 9.23. What additional support has the state government provided to the supported residential facility sector since the last budget?

**The Hon. J.W. WEATHERILL:** This is an important question because the government has been committed to assisting the operators of this sector in maintaining their viability. We recognise that the SRF sector is a valuable contributor to providing for some of the most vulnerable people in our community. At present, there are 39 SRFs providing accommodation for around 1 050 residents. We did introduce the \$5.65 per day per client allowance that assists with care and accommodation costs. That requires proprietors to enter a service agreement with my department. We also introduced an assessment team, which has carried out reviews of approximately 700 residents and identified 210 with high and complex unmet needs that we are now addressing with support packages. The closure fund has also provided support and alternative accommodation for 165 people affected by SRF closures.

In our sweeping land tax reforms, the Treasurer announced that SRFs received an additional benefit by being excluded from paying this tax. The budget exempts supported SRFs from land tax for the 2005-06 billing year, and SRFs must be licensed under the SRF act to be eligible for this exemption. Where the facility is located on land owned by another party—that is, the landlord—the land will not be subject to land tax. The determining factor is the use of the land, not who is the owner of the land. This is very important because it means that it will now no longer be necessary for people facing large land tax bills to pass that increase on to their tenants. We have had very good feedback about this change and we believe this is another important contribution to maintaining the viability of the SRF sector.

**Mr BRINDAL:** My question results from Budget Paper 4 Volume 3 at page 9.95. Can the minister confirm that his department has benefited rather extraordinarily from the escalating land valuations imposed by the Valuer-General? I notice, for instance, about four paragraphs up, that sales of goods and services increased by \$12 million due mainly to increases in market rents, and the report acknowledges that even after the 25 per cent income cap an additional \$10.6 million was realised by the government, purely because of higher valuations. I notice further down that there has been an increase of \$33.6 million to his department, purely because when rental properties were sold at Valuer-General's prices

there was a windfall gain of \$33.6 million. I note further down that the book assets have increased by an extraordinary half a billion dollars—\$557 billion to be precise—in moving from non-current asset valuations to Valuer-General's valuations. In fact, that has been used to offset the expenditure of \$32.9 million resulting from increased capital expenditure on capital works.

I therefore ask the minister whether this is part of the reason why his government seems so wedded to valuations by the Valuer-General, because this seems to be an extraordinarily good result for the Housing Trust. It seems to have done exceptionally well.

**The ACTING CHAIRMAN:** I would have thought that this question should be directed to the Treasurer rather than the Minister for Housing.

**Mr BRINDAL:** I am asking the Minister for Housing because it is his portfolio.

**The ACTING CHAIRMAN:** Order! You are asking in general terms about the government's policy on valuations.

**Mr BRINDAL:** I am not. I am asking whether his portfolio—

**The ACTING CHAIRMAN:** Order!

**Mr BRINDAL:** Look, don't tell me what I am asking.

**The ACTING CHAIRMAN:** Order!

**Mr BRINDAL:** I am quite capable of asking a question.

**The ACTING CHAIRMAN:** Order! Don't speak over me.

**Mr BRINDAL:** I will, if you are going to correct my questions.

**The ACTING CHAIRMAN:** Member for Unley, I am not trying to stop you asking questions. I am just trying to assist—

**Mr BRINDAL:** You are.

**The ACTING CHAIRMAN:** The member for Unley will not talk over the chair. He will show a bit of respect for the institution of parliament—just a little bit. My point was going to be that, if the minister can add anything to that, that is fine. However, I think it is a question better directed to the Treasurer. I will put it to the minister, and I would appreciate it if in future the member for Unley will be quiet after he asks his question. The minister.

**The Hon. J.W. WEATHERILL:** Thank you for that protection, Mr Acting Chairman. The member for Unley is half right. This is one of those accounting tricks. What happens is that the money goes in, and is theoretically an income tax and a land tax component on the assets of the housing authorities, but it immediately is reversed through an equivalent entry, which means that the real effect of these tax equivalent regime benefits is actually nil. What happens is that we are essentially taxed by land tax and income tax and then that money is given back to us by Treasury, so it becomes a transaction within a transaction. It rather confuses the books, but it is designed to ensure that all government business enterprises operate on the same footing as any commercial practice so that they are competitively neutral. So, it is an accounting exercise to allow people to compare apples with apples, but it is unhelpful for people reading accounts such as this. It looks like a big windfall for the housing agencies but, in fact, it is not. It is money taxed and then money that goes out.

As for the second part of the equation, there has been a revaluation of the assets of the housing agencies—they have all gone up. I do not know what point is being sought to be made about that except that the housing agencies do sit on a

larger asset base now, and when we dispose of some of those assets it means we can realise more for them that can be reinvested in the housing system. In a sense, the equity start scheme is, in part, a realisation of that opportunity and is based on that.

**Mr BRINDAL:** As a supplementary question to my first question, I specifically refer the minister to the two paragraphs to which I referred. I accept what the minister is saying, except it is stated in that paragraph that sales of goods and services increased by \$12 million. I would have thought that that is not a book entry: it is additional money that was received for rents. In the next paragraph it states an increase of \$33.6 million in net gain disposal of assets, which is properties you sell. I would not have thought that was an accountant's trick: you either sell a property and collect the extra money, which is what that paragraph states, and the other paragraph states 'increased extra rents'. I would have thought that was real money coming into you—or is the Treasurer pinching it from you? Is that what the minister is saying?

**The Hon. J.W. WEATHERILL:** The part that does not have a real effect is the TER (tax equivalent regime). That is money in and money out just so that we can compare, on a competitively neutral basis, a government enterprise with a private enterprise. The part that is real is any additional income we receive through rent, and rent is itself based on valuation. So, any increase in rental is real, and any increase in the amount of money we realise from the sale of assets is real. However, having said all that, it is all a drop in the ocean compared with the increase in costs. We have these other two factors that are bearing on us. One is the increase in costs associated with running high needs housing (as is increasingly the case) and, in real terms, the falling commonwealth-state housing agreement moneys that are coming into our state housing agencies. All it does is to offset an operating deficit that already exists. What we have managed to do, obviously, is sell fewer houses than the previous government did, to maintain operations.

**Mr BRINDAL:** I will move to my next question (and, in doing so, I point out to the minister that they are questions we can probably ask in the house). At page 9.91, we have accumulated surpluses of \$999 904 000, that is, nearly \$1 billion, and with the asset revaluation reserves of \$4.192 billion I would have to say that I would have loved to have run a department in that sort of position. My question relates to the blow-out in employee payments. I note that last year, according to the minister's own budget papers, there is an admission that employee expenses blew out. It is stated on page 9.94 that employee expenses increased by \$5.6 million during one year, and that was off a base of something like \$40 million. So, we are looking at something like a 17 per cent increase.

Not only was there a 17 per cent increase in employees last year but they are also budgeting for another 2.5 per cent, I think, this year; another million dollars. 'Revised staffing arrangements, 3.1': I reckon that is bureaucratic speak, minister, for you employed more people. Then it states 'the reinstatement of a budget savings measure relating to vacancy rates'. Does that mean that the minister cut staff last year only to re-employ them this year? The final \$1.1 million resulted from the interim enterprise agreement with increased leave provisions. Can the minister explain the budgetary blow-out and also tell the house what the increased leave provisions might entail?

**The ACTING CHAIRMAN:** First of all, it is not the house: it is the committee. Secondly, I ask the member not to use invective in his questions.

**Mr BRINDAL:** I do not know what 'invective' is. I will not use it if you tell me what it is.

**The ACTING CHAIRMAN:** Just purse your lips; just keep on pursing them.

**Mr BRINDAL:** Keep on what?

**The ACTING CHAIRMAN:** Do not question me.

**The Hon. J.W. WEATHERILL:** I will take that question on notice, but there has been no mass increase in the number of staff. It is likely to have something to do with the way in which staff has been accounted for within the DHS conglomerate. Some staff may have been attributed in the broader DHS budget and now are coming back onto the South Australian Housing Trust books. But we will provide a fuller answer for the honourable member in due course.

**Mrs REDMOND:** In relation to the Supported Accommodation Assistance Program, I note the minister's comment about comparing apples with apples, and that is precisely the point of my question. Last year's budget shows the Supported Accommodation Assistance Program as subprogram K12.4, appearing at Budget Paper 4, Volume 2, page 7.130. It showed an estimated result for 2003-04 of \$27.857 million and a budget for 2004-05 as \$26.517 million. When I turn to this year's budget, the exact same program description shows zip for the actual for 2003-04; estimated \$10.078 million for 2004-05; and a budget for 2005-06 of \$10.419 million. The program description being exactly the same, why is there such a vast difference in the numbers of those two programs in the two years' budgets?

**The Hon. J.W. WEATHERILL:** It has been shifted in terms of where it is located within the portfolio arrangements. It was formerly with the South Australian Housing Trust and now has been shifted into what we describe as the independence and community connection theme within the department and is being managed within subprogram 2.1 on page 9.22, so the honourable member should see a corresponding increase in the Supported Accommodation Assistance Program within the High Need Housing section of the department.

**Ms CICCARELLO:** Referring to Budget Paper 4, Volume 3, page 9.23, why are frail and aged residents of Supported Residential Facilities not receiving aged care packages?

**The Hon. J.W. WEATHERILL:** That is a very good question and an area of real concern for the government, and we are doing everything we can to ensure that this situation—imposed on us by the commonwealth government—is turned around. Eligibility for aged care packages is determined on the need for personal care assistance—for example, showering, meal preparation, personal grooming—through an ACAT assessment. SRF residents have not been able to access these packages. There is a commonly held view that SRFs are a supportive environment within the provision of personal care services and, whilst the requirement in the SRF act specifies that the SRF must prescribe care, it does not prescribe or dictate the level or type of care that will be provided.

As a consequence, SRFs are not consistent with the level of care they provide. Most prepare meals and may support individuals with medication but, whilst some proprietors assist with some things like showering, others may choose not to do so. The SRF Sustainment Response is provided as an additional top-up service and has resulted in disability

service providers, most often contracted NGOs, absorbing some of the roles that traditionally belonged to SRF proprietors. For example, the Sustainment Response has meant that some proprietors will request that a disability support provider shower residents.

Many SRF proprietors do not have the expertise to deal with age-related issues where the needs are of a very high nature, largely related to the interplay between multiple diagnoses including poor physical health, mental health, substance misuse and other age-related disabilities. Through the 1 056 completed assessments of residents undertaken, the SRF assessment teams found that 30 per cent are over 65. Ninety per cent of these have been assessed as eligible for ACAT.

The commonwealth residential care standards are linked to understandings of physical frailty rather than social and behavioural issues. Many aged care facilities are not equipped, staffed or funded to accommodate and support older people from SRFs with high level social or behavioural issues. As a result, many older residents are not able to access all move into appropriate accommodation. So we are working very closely with the commonwealth to develop strategies to address this important problem.

**Ms CICCARELLO:** With reference to page 9.1.8, how has the government progressed affordable housing initiatives since the release of the Housing Plan for South Australia?

**The Hon. J.W. WEATHERILL:** I thank the honourable member. As this budget demonstrates, there is an increasing emphasis on the supply of affordable housing through the work of the agency. We have now established an Affordable Housing Innovations Unit, with a director and staff, and with \$15 million to kickstart that through the Housing Plan. That was transferred on 30 May 2005. The funding for the unit will grow through the proceeds of the Equity Start Program. We are also continuing to work with the Minister for Urban Development and Planning to achieve the targets set out in the Housing Plan in all new significant developments. But we are not waiting for that; we are already seeing those targets incorporated in land releases through the LMC in Seaford, Meadows and Northgate. The unit will be the contact and point for developers, community and benevolent organisations, and local governments to work together on affordable housing projects.

The idea is that these projects can create new products either for sale or rental that are innovative in design and financing arrangements. A recent example of how this kind of innovation can work is the Hocking Place project, a \$2.6 million city housing project in partnership with the Adelaide City Council, the Multi Agency Community Housing Association (MACHA), and the state government through SACHA. We are having many expressions of interest from a range of people who want to be part of the affordable housing push, and we are entertaining all of those expressions of interest at the moment, and we hope to have further announcements in the near future.

**Ms CICCARELLO:** With reference to page 9.88, how is the government continuing to address the issue of disruptive Housing Trust tenancies?

**The Hon. J.W. WEATHERILL:** Once again, I thank the member for Norwood for this important question. One of the ways in which we sought to address the question of difficult and disruptive tenancies was to recognise that it is a symptom of a much bigger issue, that is, the support services that are

provided to people to sustain their tenancies. We know that a measure of these disruptive tenancies are caused through people not being adequately supported, so our funding for attendant services for people with mental disabilities will play an important role in minimising disruptive tenancies. We have seen in a number of demonstration projects already that disruptive tenancies complaints reduce in areas where clients are enrolled in these programs.

We now have a formal process of referring a person who does, in fact, have a particular range of issues to a supported tenancy project, which will mean that they are assisted to grapple with the difficulties. If for reasons which they ought to be able to control they continue to be disruptive we do not hesitate to evict them. As of March 2005, we evicted 13 tenants for disruption, and an additional three evictions have been secured through the section 90 tenant versus tenant process. We are conscious of the need to meet people halfway but we also need to protect our neighbours from bad behaviour. Having said all this, while it does create a lot of colour and light in the media and on talkback radio, the number of serious complaints represent only 0.4 per cent of total trust tenants. I am keen to raise the profile of good tenants, and recently we announced a rewards program, in which we are seeking to recognise those tenants who go that extra yard and are good neighbours and make a contribution to their community.

**The ACTING CHAIRMAN:** The member for Heysen will now read into the record her omnibus questions, and then have one final question after that, I understand.

**Mrs REDMOND:** The omnibus questions are as follows:

1. Did all departments and agencies reporting to the minister meet all required budget savings targets for 2003-04 and 2004-05 set for them in the 2002-03, 2003-04 and 2004-05 budgets and, if not, what specific proposed project and program cuts were not implemented?

2. Will the minister provide a detailed breakdown of expenditure on consultants in 2004-05 for all departments and agencies reporting to the minister, listing the name of the consultant, cost, work undertaken and method of appointment?

3. For each department or agency reporting to the minister, how many surplus employees are there as at 30 June 2005 and for each surplus employee what is the title and classification of the employee and the total employment cost (TEC) of the employee?

4. In the financial year 2003-04 for all departments and agencies reporting to the minister what underspending on projects and programs was not approved by cabinet for carryover expenditure in 2004-05?

5. For all departments and agencies reporting to the minister what is the estimated level of under-expenditure for 2004-05 and has cabinet already approved any carryover expenditure into 2005-06 and, if so, how much?

6. (i) What was the total number of employees with a total employment cost of \$100 000 or more per employee and also as a sub-category of the total number of employees with a total employee cost of \$200 000 or more per employee for all departments and agencies reporting to the minister as at 30 June 2004?

(ii) What is the estimate for 30 June 2005?

(iii) Between 30 June 2004 and 30 June 2005 will the minister list the job title and total employment cost of each position with a total estimated cost of \$100 000 or more—

- (a) which has been abolished, and
- (b) which has been created?

7. Will the minister provide a detailed background for each of the forward estimate years of the specific administration measures which will lead to a reduction in operating costs in the portfolio?

**The Hon. J.W. WEATHERILL:** I will take those questions on notice.

**Mrs REDMOND:** Will the minister explain why the 2005-06 budget has a cost per full-time equivalent for his ministerial office of \$152 027 whereas in the 2002-03 budget the cost per full-time equivalent for his office was \$93 125, an increase of \$58 902 (63 per cent)? That figure includes administration costs, overheads and staff travel. So, will the minister explain that?

**The Hon. J.W. WEATHERILL:** It might have something to do with fewer full-time equivalents, but I will take that question on notice and provide an answer.

I wish to supplement an answer that I gave to the member for Unley. I think we have found the solution to the additional \$3.1 million. As part of the arrangements for the break-up of DHS, certain agencies retained corporate services for both health and the Department of Families and Communities. One of those services was provided for the Housing Trust by the Department of Health. So, 50 IT staff from DHS were transferred back to the South Australian Housing Trust, which accounts for the increase of \$3.1 million.

**Mrs REDMOND:** Yesterday, in answer to the member for Norwood I believe the minister mentioned Land Management Corporation land at Meadows for development.

**The Hon. J.W. WEATHERILL:** It was Seaford Meadows.

**Mrs REDMOND:** I was worried about that because Meadows as a township does not have reticulated water, and I was interested in how you were going to develop any properties there.

I refer to Budget Paper 4 Volume 3 (page 9.19)—dwellings under consideration. The performance commentary refers to increases in construction costs and purchase prices and the performance indicators show that the cost per dwelling average acquisition cost was budgeted for this current year at \$170 000 but it turned out to be \$189 000, an increase of over 10 per cent. I gather there are also increased construction costs. I am puzzled as to why it is budgeted that those average costs will go down from \$189 000 to \$180 000.

**The Hon. J.W. WEATHERILL:** It is the heat in the market. The tradespeople and contractors tendering for these projects are putting in extraordinarily high bids. We believe that they will come back as the construction activity comes off a little. That is why we are projecting a fall in those construction costs.

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

#### ADJOURNMENT

At 7.16 p.m. the committee adjourned until Tuesday 21 June at 11 a.m.