

**HOUSE OF ASSEMBLY****Tuesday 3 July 2007****ESTIMATES COMMITTEE A****Chair:**

Ms M.G. Thompson

**Members:**

Ms F.E. Bedford  
 Mr M.R. Goldsworthy  
 Mr T.R. Kenyon  
 The Hon. R.G. Kerin  
 Mr A.S. Pederick  
 Mr T. Piccolo

*The committee met at 11 a.m.*


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Administered Items for the Department of Treasury  
 and Finance, \$1 065 167 000

**Witness:**

The Hon. Carmel Zollo, Minister for Emergency Services,  
 Minister for Correctional Services, Minister for Road Safety,  
 Minister Assisting the Minister for Multicultural Affairs

**Departmental Advisers:**

Mr D. Place, Chief Executive, SAFECOM.  
 Mr R. Mathews, Director of Finance, SAFECOM.  
 Mr G. Lupton, Chief Officer, Metropolitan Fire Service.  
 Mr E. Ferguson, Chief Officer, Country Fire Service.  
 Mr S. Macleod, Acting Chief Officer, State Emergency  
 Service.  
 Mr J. Schirmer, Business Manager, Country Fire Service.  
 Mr T. Pearce, Manager, Financial Services, SAFECOM.  
 Mr A. Lawson, Deputy Chief Officer, Country Fire  
 Service.  
 Mrs C. Kow, Business Manager, Community Emergency  
 Services Fund, SAFECOM.  
 Mr T. Norman, Business Manager, Metropolitan Fire  
 Service.  
 Mr M. Blute, Business Manager, State Emergency  
 Service.

**The CHAIR:** 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 changeover of departmental advisers. Are the times I have for today correct?

**The Hon. CARMEL ZOLLO:** Yes. That is my understanding.

**The CHAIR:** Member for Kavel, is that your understanding of the times for today?

**Mr GOLDSWORTHY:** Yes, Madam Chair.

**The CHAIR:** Changes to membership will be notified as they occur. Members should ensure the chair is provided with a completed request to be discharged form. If the minister undertakes to supply information at a later date, it must be submitted to the committee secretary by no later than Friday 7 September. 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. All questions are to be directed to the minister, not the minister's advisers. The minister may refer questions to advisers for a response. I also advise, for the purposes of the committee, there is now some freedom for television filming from the northern gallery, with normal conditions applying for filming in this chamber.

I declare the proposed payments open for examination, and refer members to the Portfolio Statement, Volume 1, pages 3.37 to 3.42. Minister, do you wish to make an opening statement?

**The Hon. CARMEL ZOLLO:** I do. It is with pleasure that I attend the estimates committee in my third year as Minister for Emergency Services. The past year has been a very busy one for SAFECOM, MFS, CES and SES with the early start to the 2006-07 fire danger season, and of course we had floods from 175 millimetres of rain falling within a period over three days in the north of the state.

The World Police and Fire Games were held in Adelaide for the first time in March. The games brought 11 000 international visitors and an estimated economic benefit of \$32.4 million to South Australia, and delivered much excitement, spirit and colour to Adelaide. The staff and volunteers involved in their successful staging are to be commended. The event demonstrated that much camaraderie exists between the many services, internationally, nationally and locally. The 120 member SES volunteer task force that responded to calls for assistance in the New South Wales flood and storm recovery efforts are an excellent example of this relationship.

Last year, I advised the estimates committee of my intention to ensure that the legislative intention of the parliament in the creation of SAFECOM was fulfilled. SAFECOM and the emergency services organisations have taken great steps towards achieving this. Our emergency services sector is more efficient, with a coordinated approach across agencies and synergies that deliver better management of available funds and a better service to the community.

The review of the sector's communications has resulted in a new structure, allowing for cross agency interaction and integration. During major incidents and the fire danger season, communications officers from all agencies will be able to provide support, back-up and assistance to the agency dealing with the emergency incident. The new section will also be responsible for the development of sector-wide training packages for delivery to volunteers to provide the necessary skills to report information to the media about emergency incidents. The new unit will also be charged with providing an appropriate and effective liaison point for

volunteers when dealing with media requests, publications or other communication-related activities and event management. We are delivering real changes to the way in which we support our volunteers.

Reviews of community education and training have been completed as promised, and SAFECOM is currently considering their implementation. It is planned that the delivery of community education across all agencies will be integrated. Commonalities in training between all the services will be consolidated. SAFECOM has also undertaken the ambitious process of mapping our state's risk profile now and into the future. The principles of emergency management and planning will be used to ensure the delivery of a risk management framework that will allow the government to better plan for the provision of services into the future. Shortly the SAFECOM board will consider a package of measures aimed at providing more support to and recognition of our volunteers as well as providing recognition for the support that the employers of our volunteers provide to the agencies and to the community. I particularly thank the volunteers and representatives of the SAFECOM Advisory Board for their work in this area.

These efforts and the dedication of the emergency services personnel on the ground are supported by the provision of infrastructure to ensure that the important task of making our state a safe place in which to live can be achieved. I recently had the pleasure of opening the MFS Angle Park engineering workshop facility, which is a state-of-the-art facility which will ensure that the state's fleet of emergency services vehicles and equipment are maintained to the highest standard. The consolidated logistics function will support emergency personnel in critical emergency response and recovery.

I also take great pride in meeting volunteers right across our state, such as during the opening of the CFS stations at Jamestown and Melrose, and also the commissioning of fire appliances, such as the new 3-4 and pumper at the Happy Valley CFS. It is here that we are all able to see the results of the government's funding as part of the process of ensuring that the preparedness, prevention, response and recovery services provided to the community are of an exceptional standard.

I have also instigated the first formal review into bushfire prevention management since the early 1980s. This year, in October, we will see a review of the operation of the South Australian Fire and Emergency Services Act following the second anniversary of its commencement, as required by legislation. The review of the operation of the Fire and Emergency Services Act will assess the progress that our sector has made in the provision of better and more coordinated strategic and cost-effective services. The goodwill and strength of the relationships that exist between the services are central to the consolidation of functions in administrative and strategic arrangements that govern the state's emergency services sector. This includes the transfer of the emergency management function to SAFECOM, including administration of a number of national grant programs.

The government and I value the contribution of emergency services volunteers and career staff, and we are striving to establish the best, most efficient and most effective management of emergency services. This will ensure that funding, infrastructure and services are delivered at the grassroots.

For 2007-08, the operating budget for the emergency services sector is \$174.3 million, which is an increase of \$7.1 million over 2006-07. Capital expenditure for the

emergency services sector in 2007-08 will be \$27.1 million. Budget highlights include planned capital spending in 2007-08 for the MFS of \$9.8 million. Planned capital spending in 2007-08 for the CFS has increased every year of the Rann government to an all-time high of \$14.2 million. This will see the delivery of 41 appliances to CFS brigades and the continuation of its building and equipment replacement programs. There is also additional funding for the CFS to enable the replacement of GRN radios. New initiatives for the CFS include:

- expansion of training in rural firefighting techniques;
- continuation of bushfire awareness and community education activities to encourage people to be prepared for bushfires; and
- further enhancing aerial firefighting capability through additional funding, which will be matched by increased commonwealth funding.

Planned capital spending in 2007-08 for the SES totals \$3.1 million and includes a new SES rescue vessel at Port Lincoln to improve the capacity of the Port Lincoln SES unit to respond to marine incidents within its operational area. The current Port Lincoln vessel will be redeployed to Kingston in the South-East. There is also additional funding to replace SES GRN radios. In addition, funding has been approved in 2007-08 to address the rising cost of fuel, and this will be allocated across the emergency services organisations and volunteer marine rescue organisations.

I would like to take this opportunity to thank all the emergency services sector volunteers, personnel and staff for their efforts. I know that every time volunteers attend training or respond to a fire or other disasters it is their dedication, hard work and selflessness that makes the emergency services in South Australia the finest. I believe that this budget has delivered great advances for the emergency services sector. Our ability to respond to incidents, mitigate risk, and to support and train our staff and volunteers is at an all-time high. It is a budget of which, as Minister for Emergency Services, I am very proud.

**The CHAIR:** Does the member for Kavel have an opening statement?

**Mr GOLDSWORTHY:** I do not have a formal statement. However, on behalf of the opposition, I would like to thank all sectors within the emergency services area for their ongoing work in providing a safe and secure environment for our community. It is both pleasing and fortunate that we did not suffer a major fire disaster through the summer months, bearing in mind that it was an extremely long and potentially frightening fire season that we experienced. Hopefully the current rains that we are receiving through this part of the season will continue and we will not see an extended fire season like the one we had to deal with over the previous summer. I also join with the minister in thanking and congratulating all those who volunteer their time and effort to the emergency services: the CFS, the SES, the Surf Lifesaving Association and all the other agencies and organisations that provide a volunteer service to the community for a safer South Australia.

**The CHAIR:** Thank you. I now invite you to ask questions.

**Mr GOLDSWORTHY:** I refer to Budget Paper 4, Volume 1, page 4.194, 2007-08, Targets/Highlights, and I refer specifically to the budget line 'Targets 2007-08'. The second target states:

Commence implementation of the recommendations of the Wangary Coronial Inquest and the Ministerial Review into Bushfire Prevention Management

Can the minister advise what recommendations have already been implemented relating to the Wangary bushfires? Can the minister also advise the committee of the source of those recommendations?

**The Hon. CARMEL ZOLLO:** As members would be aware, the Coroner's inquest into the Wangary fire of 10 and 11 January 2005 has now been completed. The Coroner has retired to prepare recommendations and the final report is not yet complete or available to any of us. On release of the recommendations, the CFS will establish a process to ensure detailed consideration of the recommendations, and implementation of the agreed recommendations will be taken as a high priority. The Coroner's findings and recommendations will be considered in the context of other recent reviews and investigations, including the Project Phoenix review, the Dr Smith review and the ACT Coroner's report into the Canberra bushfires of 2003. Late last year I instigated the first formal Ministerial Bushfire Management Review for more than 20 years. The project vision was identified thus: bushfire risks are managed, individuals are ready, and the community is resilient. The purpose of this process was to address the bushfire prevention issues from the Wangary bushfire raised—issues that were raised by Project Phoenix and the independent review of Dr Bob Smith.

The high-level reference group has developed a consultative program to facilitate community engagement and is receiving submissions from bushfire management stakeholders and the wider community through the website that was made available. The initial discussion paper details the reference group and it will observe the principle of continuous improvement. The main project objective is to ensure that individuals, families, organisations and owners of infrastructure understand the risk to them from bushfires and understand that their role is one of having taken appropriate action to be bushfire ready. Being bushfire ready involves the development, practice and maintenance of the plans that reflect what must be done before, during and after bushfires to protect individuals, families and property.

In relation to what has already been undertaken by the agencies in relation to what the reviews have said, we have established the Bushfire Prevention Mitigation Legislative Review, which was one of the main recommendations of Dr Bob Smith. We have developed and implemented the farm fire unit guidelines. We have had the development and delivery of operational updates, focusing on the Australian Interagency Incident Management System (AIIMS); the importance of a safety-first culture and the importance of providing information up and down the chain of command; provision of additional firefighting aircraft for the lower Eyre Peninsula; and bushfire CRC research and development into community behaviours and needs in bushfires. The CFS has released a new siren policy, involving the development and implementation of a nationally consistent bushfire information and bushfire warning system.

The CFS has expanded the community education programs, with the establishment of level 3 incident management teams, the development and implementation of the CFS command and leadership framework, the implementation of new safety features on fire appliances, and the development and implementation of a situation analysis and checking tool called SitCheck. I refer also to the provision of personal protective clothing for personnel. We have undertaken Project

Vulcan, which considers what is fire ready and how to measure it. Bushfire community safety policies have been adopted by the State Emergency Management Committee, and the CFS has also conducted a volunteer summit. The CFS has upgraded the State Coordination Centre in regard to bushfires and has developed an intelligence cell. Of course, to achieve all these recommendations and actions, it has been necessary to incorporate actions into the CFS Annual Plan and this will be an ongoing process. I think it is fair to say that many of the recommendations identified in both those reviews were similar and, of course, they are being coordinated together. So, a great deal has already been undertaken, or is in the process of being undertaken, in terms of both those reviews, but we have to await the outcome of the Wangary inquest.

**Mr GOLDSWORTHY:** Thank you for that answer. You have advised us about the recommendations that have already been put in place. Can you tell us what recommendations are likely to be implemented over the ensuing 12 months, the 2007-08 year? What are the time frames for those specific recommendations that are to be implemented over the next 12 months?

**The Hon. CARMEL ZOLLO:** I will ask the Chief Officer of the CFS to join us. In relation to the ministerial review, Bushfire Management South Australia, it has travelled throughout the state and has had some meetings in the local community. Briefings were organised here in Parliament House for those members of parliament who were not able to attend. I have been briefed along the way and within the next few weeks a final report will be provided to me. The outcome of that review will inform any legislative changes. As I mentioned in my opening statement, the act is to be reviewed at the end of October. Part of any recommendations will be enacted between the end of October and up to six months after that. I will ask the Chief Officer of the CFS to make further comments.

**Mr FERGUSON:** There is a whole range of recommendations from the CFS Project Phoenix and also Dr Bob Smith's report which we are continuing to implement. There is an ongoing focus on making sure that we have a 100 per cent sign off there. A major focus, though, as the minister said, is implementing recommendations from the review of bushfire management in South Australia. I probably should prefix this by saying that that report has been completed and has not yet been authorised by the minister. However, I can give some indication of the sorts of changes which are planned from that review.

Rather than being by itself an emergency management planning function, bushfire planning will be integrated into the state emergency management planning framework. Currently, we have a three-tiered committee system. There are no formal linkages between those three tiers. The proposal is that there will be a two-tiered system with linkages through to the Chief Officer of the CFS, who can then report through to the minister and also the State Emergency Management Committee. We are proposing that local government involvement is maintained, but, currently, local government has a role in both strategic bushfire risk planning and the implementation of risk reduction. After lengthy discussion with local government representatives, our proposal is that their future involvement be focused on implementation of plans and that the CFS planning officers take over the planning function.

We are looking at expanding it from just a pure prevention focus, which it has currently. The contemporary approach in

emergency management is to look at prevention, preparedness, response and recovery. The new framework will expand the responsibilities of the fire management committees to a full fire management focus. We are also allowing for community involvement, and that includes both committees having a requirement for annual reporting and an annual public meeting process. The proposal is that a number of regulations, which we currently have in the Fire and Emergency Services Act, will be bulked up into a code of practice, which will be presented in plain English and which will be easier to administer. We are looking at streamlining processes for prescribed burning, including a proposal that there be an accreditation process, which would preclude accredited personnel from having to apply for a permit.

In addition to those actions, the CFS is proposing a number of projects, and some of these have been reflected in the oncoming budget. We are proposing an expansion in bushfire training within the CFS. The sorts of subjects in which we are looking at having additional training include back burning and prescribed burning, dry firefighting, the use of plant in firefighting, integrating the use of aircraft with firefighters on the ground, and the use of foams and surfactants. We are also proposing to further develop the implementation of AIIMS, which is the incident management system, which is used nationally, and furthering our implementation of the command and leadership framework.

One of the very important recommendations coming from Project Phoenix was to address the falling number of volunteers in emergency services. To this end, CFS has a project called Project Sherpa, which proposes a number of actions to encourage new volunteers to the CFS and to try to retain volunteers into the future. The specific projects includes a new classification of bushfire firefighter, and that would require a lesser training requirement to the current training requirement for a basic firefighter.

Essentially, we are trying to cut down our basic firefighter training from the current 2½ days to one day. That would allow people to attend bushfires only. Secondly (and a flow-on from that), we are contemplating developing new brigade classifications, where brigades would fight just bushfires, rather than being all-risk brigades. That is a snapshot of the key changes that are planned. However, if one references the estimates papers, there is a more complete list of the targets we have for 2007-08.

**The Hon. CARMEL ZOLLO:** We believe that the progression of recommendations coming out of all reviews has been very open and very transparent. As I said, the outcome of the bushfire management review will inform the legislative review of the operation of the act, which is scheduled for October and which is to be tabled in April 2008.

**Mr GOLDSWORTHY:** Minister, can you advise the committee on what progress has been made on the actual number of agreements signed off with local councils for the use of their plant and equipment, which I understand was one of the recommendations in Dr Bob Smith's report as a result of the Wangary fires?

**The Hon. CARMEL ZOLLO:** We have a proposal for a sector-wide memorandum of understanding with local councils. The CFS has also written to all local councils. I have had some discussion with local councils in a meeting we had earlier this year. I will ask Mr Euan Ferguson to add to that.

**Mr FERGUSON:** It has been slow in negotiating a statewide agreement on the MOU with the LGA, which has

some concerns in respect of its risks and liability. Prior to the fire danger season last year, I wrote to every local government area in rural South Australia with a proposed MOU. I can advise that our regional commanders have followed up with all their local government areas and, even though an up-to-date MOU may not have been signed, I am assured that appropriate arrangements for the use of council resources by the emergency services, and by the CFS in particular, are in place through existing plans. The CFS continues to have a dialogue with the LGA but, as the minister said, from a sector point of view, we see that local government resources could be used for any of the emergency services. We are now endeavouring to have a new MOU negotiated between the LGA and the Fire and Emergency Services Commission, which encompasses all emergency services. Unfortunately, it is one of the legacies of having many local government areas we deal with. However, certainly, we are continuing to have dialogue.

After every fire, we make inquiries as to how we have liaised with various agencies, including local government. Generally, after major fires, I make contact with the respective mayor or presiding member of the council and the CEO. Whilst there are never no problems, I am confident that the liaison is at a level that is satisfactory; however, we are hoping to make it more formal through the use of an MOU in the future.

**The Hon. CARMEL ZOLLO:** Of course, one of the main recommendations of Dr Smith's report was the bushfire management review. One of the committee's main recommendations was to improve the current Bushfire Prevention Committee structure with the establishment of a State Bushfire Coordination Committee, the Bushfire Management Committee and, as has also been mentioned, the code of practice. Those recommendations from the committee will see a changed involvement by local government. As I said before, that will inform the legislative review, which will be tabled in April 2008.

**Mr GOLDSWORTHY:** I have a supplementary question. Minister, will the memorandum of understanding be signed and in place before this year's fire season?

**The Hon. CARMEL ZOLLO:** As the Chief Officer of the Country Fire Service has already mentioned, we have confidence in the relationships between the Country Fire Service and, indeed, the emergency services sector and the individual councils. Those relationships have been very good, and I am sure they will continue to exist along those lines. However, I will ask the Chief Officer to expand on that, although I thought that he already had.

**Mr FERGUSON:** We have ongoing contact with a number of agencies, and the LGA is one of them. As the minister said, we have been meeting on about a fortnightly basis with local government representatives in respect of the prevention legislative review. However, from about now, we meet with all those organisations in preparation for the upcoming fire danger season. This continues to be on the agenda. I stress that an MOU has been drafted and endorsed by crown law which the minister and I are comfortable with. It has been offered up to the LGA and sent to every local government area within the CFS jurisdiction. We continue to discuss this with the LGA, and I am hopeful that there will be some movement. But, like any MOU, it is an arrangement between two parties. We do have limited control over the willingness of the other parties, given that there are many local government bodies. We continue to focus at the Local

Government Association level, and we will continue to keep our minister informed on that progress.

**Mr GOLDSWORTHY:** Obviously, minister, there is a very big question mark over whether or not it will be in place.

**Mr FERGUSON:** If I may, Madam Chair: the development of MOUs is still being progressed. What I want to reinforce is that the arrangements for the use of local government equipment are dealt with not only by MOUs but in council emergency response plans, and also in the local CFS regional and group emergency response plans. By way of example, late last year during the Coroner's inquest into the Wangary fire, there was some quite forensic analysis of the Lower Eyre Peninsula Group Response Plan, and it was well illustrated during that coronial inquest that the group response plan identified local government resources, local government personnel, contact arrangements, and so on.

I use that by way of example perhaps just to reassure the member for Kavel that there are arrangements in place. It is our desire to raise those up to an organisational level MOU so that they are reflected not only in local planning but also at a higher level. But it would be erroneous to come away from this place with a view that there are no arrangements in place: that is quite wrong. We are trying to lift those arrangements up to a more formal level.

**Mr KENYON:** My question relates to Budget Paper 3, page 2.12, table 2.6 referencing the South Australian Metropolitan Fire Service investing initiatives. Will the Minister for Emergency Services please advise the estimates committee of the exciting new initiative announced in this budget regarding emergency service delivery in the southern suburbs?

**The Hon. CARMEL ZOLLO:** I thank the member for Newland for his question. The risk profile of the southern suburbs of Adelaide, including the Seaford area, has changed significantly in the last five to 10 years. Changes include significant commercial, industrial and residential growth, as well as considerable expansion of critical infrastructure such as transport corridors. As the risk profile of the community changes, so do the emergency service needs of the community. The South Australian Fire and Emergency Services Commission (SAFECOM) has a legislative responsibility to continually monitor fire and rescue service delivery strategies to ensure they meet not only current needs but take into consideration future growth and current and future risk.

SAFECOM has acknowledged the growing urbanisation of the southern Adelaide suburbs. It has undertaken significant work on the analysis of response data and projected community growth. This has provided an accurate picture for the future risk profile of our southern area. This government is the first government in a long time to recognise that, as the state expands, we need to look at our future emergency service needs. Recognising future growth in the southern suburbs and a shortage of suitable land, and as part of normal forward planning, SAFECOM approved the MFS purchase of a parcel of land within the Seaford area in 2006. In this budget the government has announced that a Metropolitan Fire Service station—staffed 24 hours, seven days a week—will be constructed at Seaford, and the government has allocated \$9.6 million over four years to achieve this. Planning will begin in 2007-08, with an expected completion date in the 2009-10 financial year.

I would like to take this opportunity to recognise the fantastic job the Country Fire Service brigades—in particular, the Seaford CFS Brigade—and SES units have done. I would like to reassure the committee that the role of volunteers is,

and will continue to be, as essential in the southern suburbs as it is throughout all of South Australia. Over the next three years, consultation with both the local SES units and the CFS brigades will occur to map out their changing role in the south. While there may be some changes, there will be no change in the importance of our emergency services framework.

The CFS is the lead agency for bushfires, which will always pose a threat in the peri-urban areas and beyond, particularly because of the drought, water restrictions and climate change. The role of the SES as the lead agency for storm and flood damage, and its specialist rescue capabilities, will always be required. The chief officers of our three services, the MFS, CFS and SES, have signed and agreed to principles of dispatch and response to emergency incidents. This agreement will ensure that the nearest and fastest appropriate resource will respond to any emergency incident in the area. Often a response will be from more than one service.

Mutual aid and dual response managements to ensure levels of service delivery to the community, particularly during the daytime when CFS volunteers have work and family commitments, have been in place for some time. These mutual aid and dual response plans will remain in place even after the new station is built, because of the risk of bushfire, and the need for storm, flood and rescue response will always be required. There will always be a very important place for the CFS and SES to carry out their specialist roles.

As mentioned in my opening statement, SAFECOM is currently undertaking a risk profiling in emergency management analysis of the entire state. This will enable the government to better match our response capabilities to emergency incidents, and match risks with appropriate resource allocation. I am very pleased that our emergency services agencies are taking these great steps forward, and I am sure the committee will join me in congratulating the work of the South Australian Fire and Emergency Services Commission, which is working to maximise the effectiveness of our valuable community resources.

**Mr KENYON:** I refer to Portfolio Statement, Budget Paper 4, Volume 1, page 4.18. Will the minister advise the committee of some of the exciting new initiatives announced in this budget for Port Lincoln's emergency services?

**The Hon. CARMEL ZOLLO:** It has been recognised in recent years that the three emergency service organisations (ESOs)—the MFS, SES and the Country Fire Service—are operating out of inadequate facilities in Port Lincoln. This has led to the ESOs carrying unacceptable operational risks. At the same time the risk profile of Port Lincoln has been steadily increasing as a result of significant high-rise, commercial, residential and industrial development. Over the next two years the state government has allocated over \$9 million for emergency services capital projects in Port Lincoln, supporting the emergency services sector's collaborative approach to service delivery and clearly demonstrating the government's commitment to community safety in the Lower Eyre Peninsula region.

The state government is planning the development of a Port Lincoln emergency services precinct, consisting of a dedicated MFS facility at a cost of \$5 million over two years to be constructed on a site adjacent to a joint facility for the CFS/SES regional office and the local CFS brigade's SES unit at a cost of \$2.6 million over two years. The strategically located precinct will improve coordination of sector-wide

training activities and joint operational exercises. The emergency services precinct will also provide access to a level 3 incident coordination centre that can be used by any of the three services when major emergency incidents occur on the West Coast.

Some further good news for our emergency services capability in the Port Lincoln community is the government's commitment to purchasing two very significant and specialist emergency services resources. The MFS has been provided with \$1.26 million over two years to purchase and deploy a telesquirt aerial appliance for the MFS Port Lincoln station. A telesquirt is a firefighting appliance that has a telescopic boom capable of directing a large firefighting stream into the upper storeys of high-rise buildings or into large commercial or industrial complexes. The purchase of this resource will assist to mitigate the risks imposed by increasing commercial and industrial development in the Port Lincoln area.

In addition, the State Emergency Service has been provided with \$350 000 in this year's budget to purchase a new offshore rescue vessel. Port Lincoln is home to one of the busiest commercial fishing ports in Australia, and the surrounding scenic coastline attracts a large number of visitors to the area who undertake marine-related activities. The risk of accidents or incidents at sea requiring an emergency response is ever present, and this new vessel will ensure that the SES is capable of making an effective response to any marine emergency incident that occurs in the southern Eyre Peninsula area. As I have mentioned in my opening statement, the Kingston South-East SES unit will be a beneficiary because the existing Port Lincoln vessel will be relocated to Kingston in the South-East in order to establish a new marine rescue capability in that part of the state.

I will mention briefly another initiative of the two fire services in Port Lincoln that demonstrates the collaborative and cooperative approach that SAFECOM sector agencies use in addressing community risk. Following the devastating Wangary bushfire that occurred in January 2005, it was recognised that bushfire management plans and bushfire prevention work in and around Port Lincoln needed review. The CFS and MFS are currently working with a range of stakeholders, including the Port Lincoln City Bushfire Prevention Committee, the natural resource management boards, SA Water, the Department for Environment and Heritage, local councils and community members to develop a risk-based, landscape-managed bushfire prevention plan for the greater city of Port Lincoln.

As part of this process it is expected that the Port Lincoln area will be declared a special fire area, and new strategies to deal with the city of Port Lincoln and the surrounding interface areas and rural regions will be explored. This is an exciting time for our emergency services in Port Lincoln, and this government's commitment to the provision of state-of-the-art facilities and the best available physical resources will ensure that we have the right mix to deal with the changing risk profile of that area.

**Mr PICCOLO:** I refer to Budget Paper 4, Volume 1, page 4.179, Highlights. How is the government reducing the number of fire-related deaths and injuries, and what has the emergency services sector done towards meeting this target?

**The Hon. CARMEL ZOLLO:** The combined MFS/SAPOL fire investigation team attends all fatal fires in the state and reports the statistics monthly. The statistics as at 22 June 2007 show a 3.9 per cent reduction in fire-related deaths and injuries. The MFS community safety department has a number of programs which are aimed directly at

reducing fire deaths. The built environment section ensures that South Australian buildings are safe places to live and work by providing expert advice to industry and local government on fire safety systems, as well as regular inspection of systems for continued compliance. As a result of our highly effective building fire safety systems, the South Australian Metropolitan Fire Service has the enviable record of zero fire deaths in a commercial or industrial property in over 30 years.

The community education section fosters behaviours that increase community safety. Community safety needs are accurately identified, prioritised and addressed by developing and reviewing the delivery and effectiveness of community safety strategies. The juvenile firefighters intervention program is one of these strategies. It is designed to assist families to overcome the problem of children's unsafe fire play and experimentation. The program has been running for approximately 10 years and in that time around 900 families have been assisted, with an average success rate of 97 per cent. Children are referred to the program by parents or caregivers or through the youth justice system as part of a family conference.

South Australia leads the nation in smoke alarm legislation, and national research suggests that, due to this legislation, South Australia leads the nation in smoke alarm installations. The success of this policy is complemented by the 'Change your clock, change your smoke alarm battery' campaign, which is now well entrenched in our community in South Australia as a joint initiative of South Australia's fire services.

The public building inspection program is another strategy used by the MFS to ensure the safety of patrons in places of public entertainment. Operational fire crews conduct fire safety inspections during hours of peak occupancy to audit emergency exits and emergency lighting and to check for overcrowding. The expansion of this program, which has resulted from the current enterprise agreement, has seen a doubling of these inspections from 300 to 600 and a further increase has been predicted in 2007-08.

The MFS has an aim of reducing the number of avoidable fire deaths and injuries in domestic situations within South Australia. In 2005-06 there were six avoidable fire deaths within the MFS's gazetted areas of responsibility and, to date, three in 2006-07. The MFS is targeting fire safety in the home to further reduce fire-related death and injury by: working with other community services agencies to target the elderly, who are now the highest risk group in fire-related deaths; working with other states on an Australian standard for sprinkler suppression systems for domestic premises; printing fire safety advice and information in 12 languages and maintaining relationships with culturally and linguistically diverse populations (another high-risk group); creating a new revised home fire escape plan brochure with more graphics and fewer words which due for release this month; providing fire safety education in kindergartens and schools to develop basic fire awareness in children; and having a major community fire safety focus for the week of the Royal Show to educate the public in fire safety and prevention matters.

In my opening statement I mentioned the review of the provision of community education in all emergency services agencies. The implementation of this review, which will happen later in this financial year, will see the SES, the CFS and the MFS having a coordinated and cross-agency approach to the delivery of community education programs. It is hoped

that from within the existing resources our agencies, by working together and creating efficiencies, can deliver more community education to a wider audience and thus prevent more avoidable tragedies.

**Mr PEDERICK:** I refer to Budget Paper 4, Volume 1, page 4.180, investing payments summary for the Port Lincoln Fire Station. Does the amount of \$2.6 million allocated in the budget for the Port Lincoln Fire Station include the purchase of the land and will the minister advise how much was paid for the land on which the MFS station will be built; and which body received the payment for the land, who owned the land and what is the status of the negotiations for an adjoining block of land where a collocated CFS and SES facility will be built?

**The Hon. CARMEL ZOLLO:** In response to an earlier question I placed some information on the record, but I will reiterate it here. The South Australian Metropolitan Fire Service has listed the Port Lincoln Fire Station for priority replacement and aims to commence construction in 2007-08 of a new fire station which is due for completion in June 2009. In November 2005 the SAFECOM board agreed to pursue the principle of a collocated SES/CFS facility in Port Lincoln to be situated on an allotment adjacent to the proposed Port Lincoln MFS station.

In February 2006 Brown Falconer was engaged to develop a number of options to accommodate the SES/CFS facility and recommended a site located between Matthew Place and St Andrews Terrace (the Matthew Place land allotment). As part of this recommendation it was noted that an existing Porter Street site held by the CFS could be sold with part of the proceeds to be directed towards the cost of a new site. In October 2006 a formal approach was made to the City of Port Lincoln on behalf of the CFS and the SES to request that the Matthew Place land allotment be rededicated to me as Minister for Emergency Services. A response from the council advised of its in principle support.

The CFS and the SES have finalised plans and are ready to proceed. The MFS is also aiming to finalise plans in liaison with DTEI over the next six months. SAFECOM has agreed to work closely with the Land Management Corporation and the City of Port Lincoln to acquire the land so that the works can commence as soon as possible in the 2007-08 financial year. The proposed site for the emergency services precinct is the old netball tennis court area located between Matthew Place and St Andrews Terrace. The area is crown land and is currently under the care, control and management of the Corporation of the City of Port Lincoln.

The Land Management Corporation has previously negotiated with council for the MFS portion of the site. Council is now seeking compensation for what it perceives to be a loss of amenity for the land proposed for the CFS/SES project. SAFECOM is seeking to engage the services of the Land Management Corporation to advise and support SAFECOM and the Crown Solicitor's Office in the process of achieving the rededication of the Crown land to me as Minister for Emergency Services.

**Mr PEDERICK:** I refer again to Budget Paper 4, Volume 1, page 4.180 regarding the new works at Port Lincoln. Will the minister then say why the government has chosen not to use the railway triangle land in Port Lincoln and the available railway land opposite as the site for the combined emergency services operations, especially given that the new site will be further from the new multi-storey hotel development, and does the government have plans to sell the railway triangle land?

**The Hon. CARMEL ZOLLO:** I am advised that the land is too small for the combined services. The intention is to sell that land.

**Mr PEDERICK:** On the same budget line, can the minister explain why the government has paid \$250 000 for land designated as recreational land in a residential area at Kirton Point, within the vicinity of the Kirton Point Primary School and Kirton Point Kindergarten, as the location chosen by the government for the MFS? Can the minister also confirm that the government will pay \$300 000 for land designated recreational land alongside the proposed MFS site as the site for the collocated SES and CFS Region 6 headquarters? Also, can the minister advise the total cost of the emergency services investigations, plans and property purchases for Port Lincoln undertaken by the Labor government since it came to power for all proposed sites?

**The Hon. CARMEL ZOLLO:** I will ask Mr David Place, Chief Executive of SAFECOM, to respond to that.

**Mr PLACE:** As the minister has said, the area has been dedicated under the care and control of the Port Lincoln council. It is crown land, but the council is seeking loss of amenity for its recreational facilities. As we mentioned earlier, there are tennis and basketball courts and some other infrastructure on that site. MFS engaged the Land Management Corporation to arrange for the transfer of the land into the name of the minister. I believe that happened, and that the agreed amount was in the order of \$250 000.

As far as the CFS and SES acquisition is concerned, exactly the same process applies. We are talking to the Land Management Corporation, which is talking with the Port Lincoln council on our behalf. No financial figure has been agreed at this point because we are still in negotiations with the council, through LMC and in conjunction with crown law.

**Ms BEDFORD:** Budget Paper 4, Volume 1, page 4.161 refers to the recognition of volunteers. Could the minister advise the committee what the government is doing to recognise the important contribution of volunteers within the emergency services sector?

**The Hon. CARMEL ZOLLO:** I thank the member for Florey for her question. The government values the commitment and contribution, as I said in my opening statement, made by the many thousands of South Australians who make up the emergency services volunteer community. In recognition of that contribution, support provided to volunteers comes in many forms. In the last five years, both the CFS and SES have undertaken ambitious programs of equipment replacement and station upgrades. We are committed to providing the best available equipment and training to volunteers. Administration in the emergency services volunteer sector has evolved from a system designed for management by volunteers in a local government administered environment and, since the late 1990s and the introduction of the emergency services levy, there has been a transfer of assets from local government to state government control, and the requirement to conform with a host of administrative, financial and occupational health, safety and welfare standards has placed an increased burden on volunteers. The long-term solution to this increased administrative burden is to transfer this workload to paid staff.

Business support officers have been placed in regions to assist with administrative functions. As I outlined in my opening statement, SAFECOM is currently preparing for presentation to me a package of measures aimed at volunteer recognition and employer recognition. As a government, we have a role to play in not only supporting volunteers but also

promoting and recognising the many thousands of employers who allow volunteers to undertake their duties. SAFECOM will be tasked in the next 12 months to further focus on supporting volunteers, to recognise their efforts and promote their contribution in the community.

In relation to expenses, following the phasing out of honorarium payments, which ended on 1 July 2006, the CFS has developed out-of-pocket expense guidelines. These were endorsed by the SAFECOM board in June 2006. The guidelines allow for payment of, subject to normal accounting and taxation requirements, motor vehicle allowances and telephone and other reimbursement of expenses incurred in carrying out the volunteer activity. I am advised that the new out-of-pocket guidelines are working well within the CFS, with a strong take-up by volunteers of the new system, particularly for motor vehicle allowances.

I have already spoken about the capital program within the CFS and SES, and I have been very pleased to open modern facilities right throughout our state. The budget has seen the expansion of CFS training to the tune of \$2.5 million over four years. Five new training programs will be introduced, training over 10 000 volunteers. The training programs will better equip volunteers with accredited rural firefighting skills, as has already been mentioned by the Chief Officer, Mr Euan Ferguson, covering bushfire suppression, forestry firefighting, firefighting in remote areas, navigation and global positioning techniques, and urban interface firefighting techniques. The State Emergency Service has recently been accredited as a registered training organisation. The SES will now be able to issue nationally recognised statements of attainment and qualifications against national competencies currently provided. Volunteers involved in the SES will now have qualifications that are nationally transferable and assist them with employment opportunities and future development.

We have already mentioned the volunteer summit, which was the volunteer voice, held in July 2006. Many of the recommendations from the CFS volunteer summit have been implemented by the Chief Officer, and a new chief officers advisory council made up of CFS staff and volunteer representatives provides support and advice to CFS management. It allows volunteers a voice in the running of the agency. We also have volunteer protection. Every effort is made to ensure the safety of our volunteers on duty should any injury occur. However, our first priority is to assist the volunteer achieve timely compensation, rehabilitation and a safe return to work. While SES volunteers are not a prescribed class of volunteer under the Workers Rehabilitation and Compensation Act, arrangements have been made with the government since 1988 for benefits to be paid equivalent to those provided by that act. This includes payment of a salary for time lost from paid work and reasonable medical expenses. The arrangement also provides for compensation to self-employed or unemployed members in receipt of unemployment benefits.

SES volunteers are covered for any injury incurred travelling to or from their work to an operational call-out. The Workers Rehabilitation and Compensation Act 1986 as amended states that an injured CFS volunteer has the same entitlements as any other worker in South Australia. This includes entitlements for self-employed volunteers. CFS volunteers are also covered for any injury incurred travelling to and from their home to an operational call-out. Enormous support was provided to our volunteers during the inquest that has just concluded. The government made a commitment to provide legal support to volunteers throughout the coronial

inquest. Every volunteer was offered the opportunity to apply to the Crown for representation in preparation for and whilst appearing before the Coroner.

In relation to stress prevention and management, volunteers who are involved in any emergency incident who may experience trauma as a result of carrying out their duty are able to access the SPAM team. This has been particularly helpful throughout the period of the Wangary inquest, where access was available on a 24-hour basis. The team consists of professional and peer support officers. This government has demonstrated its commitment to reducing additional workloads on emergency service volunteers so that they can focus on what they joined emergency services for in the first instance: to deliver emergency services to their local community and to the wider South Australian community.

In more recent years, the CFS and the SES have appointed volunteer support officers to help brigades, groups and units with a range of tasks, including running recruitment campaigns, and business support officers to assist volunteers with a range of administrative activities, including purchases. The government also supports these volunteers through funding support for the South Australian Volunteer Fire Brigades Association and the South Australian State Emergency Service Volunteers Association. These groups, which are funded by the government and named in the Fire and Emergency Services Act, represent volunteers' interests through direct representation to the emergency services organisations, SAFECOM or my office. These organisations also provide a voice for volunteers through their membership on both the SAFECOM Board and the SAFECOM Advisory Board.

**Mr GOLDSWORTHY:** I wish to continue to focus on emergency services issues in and around Port Lincoln. The opposition understands that there is a plan to dispose of the current SES site at Les Watts Drive. How does the government intend to secure the communication towers, given that the SES site is now recognised as the best available communications site, and the towers are not to be relocated to the newer site at Kirton Point?

**The CHAIR:** That question may be a little beyond the expenditure details, but the minister may be able to assist.

**The Hon. CARMEL ZOLLO:** I will ask Mr Stuart Macleod, the Acting Chief Executive of the SES, to join the committee.

**Mr GOLDSWORTHY:** Madam Chair, just to clarify the situation, it is really all part of the budget line, as stated by the member for Hammond, with respect to 'New works: Port Lincoln Fire Station'.

**The CHAIR:** I understand that. The question was beyond the expenditure details and function relating to that. It was a question more suitable for other venues. However, if the minister is able to assist, that is good.

**Mr MACLEOD:** The current facility at Les Watts Drive is the State Emergency Service headquarters. The tower facilities there at the moment are exclusively second string State Emergency Service communication facilities. Les Watts Drive, to my understanding, is not an integral part of the South Australian government radio network tower facilities and, therefore, any location of the emergency services within Port Lincoln is not dependent on Les Watts Drive. The radio facilities at the Country Fire Service, the MFS and the SES at any facility in Port Lincoln will access the repeater towers, which are placed through the hills above the city.

**Mr PEDERICK:** I refer to Budget Paper 3, pages 2.11 and 2.12, 'Justice—expenditure initiatives. South Australian



Metropolitan Fire Service Fire Station (Southern suburbs)'. What options did the government consider in terms of providing a fire service to Seaford and, in particular, did it consider the introduction of MFS firefighters to the existing CFS station to cover weekday shifts? Is the establishment of the proposed station at Seaford consistent with the sector-wide service delivery standards, which are referred to as SAFERS?

**The Hon. CARMEL ZOLLO:** Mr David Place, the Chief Executive of SAFECOM, will respond to that question.

**Mr PLACE:** SAFERS was a risk and resourcing methodology model that was commenced by SAFECOM. We have changed the approach to that. It was a little too detailed. It probably would have been world-breaking research, which we would like to continue, but it would not give us the information that we are seeking to answer this question in the right time frame. SAFERS is a background project that SAFECOM is working on. We have replaced it with a more pragmatic risk and resourcing review model, to which I think the minister referred in her opening statement.

In particular, in the southern suburbs, there were several issues that combined to require some reasonably urgent attention. For the last two years, we have seen significantly increasing response times from the Seaford brigade, and there have been several incidents where it was unable to put a crew on in a reasonable time. As the minister also has outlined, the southern suburbs has undergone a major urbanisation change and is now classed mainly as a typical metropolitan type suburban area, as opposed to a rural area.

There is also future expansion of, I believe, 10 000 to 20 000 homes which is planned for that area in the next five to 10 years. It is undergoing a major transformation. We were already having problems in that area. We had introduced some specialist response procedures whereby MFS responded into that area probably more than it would normally do to cover off the short-term goal. What we are saying here is that we had several trends that were all heading in the wrong direction. We had increasing response times, difficulty during the day for the CFS in that brigade to supply crew guaranteed and also the trend of an increasing urban area requiring an expectation of immediate response.

**Mr GOLDSWORTHY:** I refer to Budget Paper 4, Volume 1, page 4.182, subprogram 1.1: Prevention and Community Preparedness Services. I refer specifically to the performance commentary which states that, during 2006-07, the MFS has inspected an estimated 600 places of entertainment, an increase of 300 inspections or 50 per cent on the stated target. This increase was achieved through an initiative that used operational crews to assist in the inspection process. Minister, given that the use of operational crews would reduce the cost in delivering on-site inspections, and given that the government has announced a 37.7 per cent increase in the fees for on-site inspections, can you advise the committee of the increase in net profit per on-site inspection and the annual impact on the budget?

**The Hon. CARMEL ZOLLO:** All MFS fees and charges have been increased by the approved indexation factor of 4.2 per cent with the exception of the fire safety services hourly rate. The fire safety services hourly rate was increased in order to better reflect the comparative market costs of professional services and achieve revenue measures approved by cabinet in this budget. In addition to increasing the hourly rate for fire safety services, two other measures were required to be adopted to better align revenue with our target. I will

ask the Chief Fire Officer of the South Australian Metropolitan Fire Service to add to this response.

**Mr LUPTON:** In response to the question I think there are two aspects here that are possibly separate issues. The reference in the performance standards for inspections by operational crews relates to fire safety inspections of areas of public assembly that are on shift inspections, which is a new service that we have been able to achieve to look at the fundamental fire safety provisions in those buildings such as overcrowding, access to exits, fire extinguishers, functional fire alarms and servicing of such equipment. Those are standard fire safety inspections that contribute significantly to the safe operation and occupancy of the building, but which can be done by generalist fire fighting crews when they are on shift. The intent of this is to maximise the value to the community of our on-shift firefighters.

How this has been achieved through negotiations and the enterprise agreement is that it actually puts the fire safety crews out into the community when they are on shift and, as well as increasing the safety of the places of public assembly, is also helps familiarise our crews with the layouts of these buildings. So, if they get a call to a hospital, nursing home, apartment block, nightclub, or whatever it might be, at 3 a.m., if they have had the opportunity of inspecting those premises in routine inspections under non-emergency circumstances, then they are familiar with where the fire hydrants are, where the sprinkler connections are and where any hazardous materials might be stored. It is a proactive improvement in fire safety in premises, and it has the added benefit of familiarising fire crews with the buildings they protect, and it also increases the fire service profile in those communities—it connects them with the local community as such and we see it as a great step forward.

However, those types of inspections are quite different to the types of inspections where fees are charged, as indicated in the increase in fees and charges. The types of inspections are more of an in-depth assessment that may be requested by industry where specialist fire safety staff from our community safety branch are employed to do these, and these go beyond the level of generalist fire safety inspections. On our staff we have an engineer, hazardous materials officers, specialist code officers who are familiar with working with the Australian Building Code and the fire services act, and their expertise goes beyond that level. They are requested, at times, on a commercial basis to provide that expertise over and above what would normally be expected by the taxpayer, and there is a charge for that.

They are two quite separate functions: one is for community service fire safety inspections and the other is retaining the services of the MFS technical services that exist within the community safety department to conduct in-depth fire safety assessments on a commercial fee-for-service basis. The adjustment of the second type of service is in line with other states; in fact, we are still one of the most affordable of these services compared to other states in Australia. We are still less than the ACT, for example, but it was necessary for us to increase our fees in these areas to have some form of cost recovery to pay for the cost of the service that the fire service is delivering.

In summary, I am very pleased with the outcome that we have achieved by getting greater utilisation of on-duty firefighting crews. I think that the community is happy that they are out there conducting inspections and getting to know the areas. There has been no increase in fees for that; that is just greater utilisation. There has been an increase in fees for

specialist inspection services that go beyond what a fire crew would normally deliver. How you quantify that from a budget point of view, I think, is very difficult, but you would expect that, if fire crews are more familiar with the buildings, if they are conducting more fire safety inspections, we then end up with safer buildings, and we end up with a more efficient response, and that would ultimately transpire to lower loss of life and property.

**The CHAIR:** Thank you, Mr Lupton. Anything to add, minister?

**The Hon. CARMEL ZOLLO:** No.

**Mr PEDERICK:** I refer to, Budget Paper 3, page 2.12, regarding aerial firefighting. It is a series of questions, but they will be in one, and I can repeat them if necessary. Can the minister explain how the additional \$4 million of state and federal money is to be spent on aerial firefighting, and indicate whether that will give us additional days to have aircraft based in South Australia? Will the minister consider having one of the four air cranes in Australia based in South Australia for a large portion of the fire danger season? As a personal observation on aircraft and firefighting, I know that they do a fantastic job but I believe that, in connection with a couple of local fires, they should have been up in the air at daylight the day after a big blaze to stifle scrub fires before they flared up again. I think they would be better up in the air than left on the ground, and perhaps this would have saved a hell of a lot of effort later on.

**The Hon. CARMEL ZOLLO:** I thank the member for his questions. We were incredibly fortunate (I think that is the word that I would use) in the past bushfire season, after the driest winter on record, that we did not experience some of the losses that the eastern states suffered. South Australia has numerous geographically dispersed firefighting aircraft to support the CFS's aggressive initial attack strategy for aerial firefighting in the high bushfire risk areas of the state. The South Australian fleet of leased aircraft is located in the Mount Lofty Ranges, the Lower South-East, and the Lower Eyre Peninsula regions. Aircraft also responded to other areas of the state to assist in the control of bushfires in accordance with the risk posed to the community, significant assets, or the environment.

Because of the extraordinary season that we had this past bushfire season, the Rann Labor government increased aerial support to the CFS. For the information of honourable members, I have an amount here: it was a total of \$2 million for 2007-08 in relation to the NAFC arrangements. The total amount for this past season is thus far \$5.725 million, even though, as I said before, we were fortunate to not suffer some of the bushfires and resultant losses that we saw in the eastern states. To best explain the arrangements, it is important to note that South Australia is a member of the National Aerial Firefighting Centre. The Chief Officer of the CFS, Mr Euan Ferguson, has just finished his term as the chair, but he is able to further explain our arrangements with NAFC, Madam Chair.

**Mr FERGUSON:** If I could just clarify, the question referred to \$4 million of additional funding; that is actually not correct. For South Australia there has historically been about \$1 million spent on the national aerial firefighting agreement. For 2007-08, it will be a total of \$2 million, so it has doubled. That relates to a doubling of the federal contribution. Prior to 2007-08 the federal contribution was \$5.5 million; this coming year it will be \$10 million, so it has virtually doubled. This allows us to increase the general number of resources across Australia. Can I clarify a further

point with you: last fire season there were four air cranes in Australia, whereas the normal arrangement has been for only two air cranes. Last year, both Victoria and NAFC engaged an additional air crane each, which brought it up to four, but that was in recognition of the exceptional fire season last year. However, having said that, I point out that the extra commonwealth funding allows NAFC to look at expanding the number and type of aircraft across the board.

Whilst nothing has been set in concrete, it is likely that there will be a third air crane, which will be shared, in south-eastern Australia along the lines of the shared air crane resource which was in south-eastern Australia last year. I reiterate that the NAFC board still has to make a final determination on that. Could I also reinforce that 34 aircraft were contracted by NAFC last year. All of those aircraft are technically available to any member of NAFC. Obviously, it will depend on the operational requirements and arrangements at the time. It also depends on the ability of the requesting jurisdiction to pay.

Last year, there were four occasions when the air crane was brought to South Australia. Probably the most notable was in late 2006, when an air crane was used successfully on both the Clare and the Onkaparinga Gorge fires. We see that the air crane is most successful operationally in areas such as the Mount Lofty Ranges, the Lower South-East and Kangaroo Island. In other areas of the state, such as the Flinders Ranges, the Mallee, the Upper South-East and northern Eyre Peninsula, the lack of readily available groundwater severely limits the operational usefulness of the air crane, particularly when it is compared with the operational effectiveness of fixed-wing aircraft, which are also easier to support logistically.

I note the honourable member's comment about blacking out the day after the fire. Using high volume aircraft for blacking out is not a traditional use of aircraft, for two reasons: first, when you are blacking out, there will be people on the ground who necessarily have to be involved, and the use of aircraft for blacking out (particularly rotary wing aircraft) would probably be done from a relatively static position. So, there is minimal or less opportunity for the dispersal of the load of water; it will come down in a stream as the doors open. That presents a greater risk than the use of the aircraft on a running fire when, generally, it drops its load with a forward direction. So, there is a safety issue.

Probably more importantly, without ruling out the use of these aircraft for blacking out, it is not a really effective tool for blacking out because, invariably, if there are logs and stumps, it will not get into all the nooks and crannies, but it will certainly help. We have been trialling the use of helicopters for mopping up (it is a technique called heli-mopping), but it needs to be recognised that it is very expensive. Our experience has been that it will cover only the surface burning materials and that it is not as efficient as having crews on the ground. It is certainly not a proven technique; it is something that we are continuing to trial and something that is much more expensive than the traditional use of firefighters on the ground for blacking out.

**Mr GOLDSWORTHY:** Minister, following on from the advice the Chief Officer has provided the committee, there was mention of a proposal for a fifth air crane to be located in the country for this coming fire season, and it was proposed that it would be a shared resource. Given the fact that last summer a fourth air crane was a shared resource, does it mean that, if we get a fifth helicopter, there will be

two shared resources and that the fourth one will be taken up by a particular state?

**The Hon. CARMEL ZOLLO:** The Chief Officer of the Country Fire Service will clarify that for the member.

**Mr FERGUSON:** I apologise; I probably did not explain myself clearly enough. The normal arrangements, through NAFC, have been for two air cranes to be in Australia. Last year, because of the abnormal season, NAFC moved to introduce a supplementary aircraft. The Victorian government also paid for an additional aircraft, so that meant that there were four aircraft last fire season. If we pursue a normal fire season arrangement again, we will go back to two air cranes. So, the normal arrangement is for two air cranes nationally. What I have alluded to is that the additional funding from the commonwealth government now allows the NAFC board to entertain a supplementary air crane under an arrangement similar to that involving the supplementary air crane last year, but to do so for the 2007 fire season and fire seasons thereafter.

On the proviso that the NAFC board and the commonwealth endorsed that course of action, we would foresee three air cranes in south-eastern Australia in the 2007-08 fire season. The location of the supplementary resource is still being discussed. However, there has been recent discussion between Victoria and South Australia about that supplementary air crane being located in western Victoria. Again, a number of these arrangements are still in the middle days of planning, and they have to be endorsed by the NAFC board and then endorsed by the commonwealth government. I reiterate that, at the moment, we know that there is sufficient funding and arrangements and contracts in place for two air cranes. There is a possibility of a third shared air crane yet to be confirmed.

**Mr PEDERICK:** I refer to Budget Paper 4, Volume 1, page 4.180, minor works. Which agency is responsible for the maintenance of fire plugs, and are the CFS and MFS of the view that the plugs are maintained to an adequate standard in both metropolitan and regional South Australia? If they are of a reasonable standard, why did brigade captains in the CFS need to ring landholders to find out which fire plugs were accessible and useable?

**The Hon. CARMEL ZOLLO:** I thank the member for his question. I can advise the member in relation to this issue that a meeting was held on 5 July 2006 regarding street hydrant maintenance in Murray Bridge. I am assuming that the honourable member—being the member for Hammond—may well be asking this question in relation to his area. The meeting was attended by representatives of the Country Fire Service, Metropolitan Fire Service, SA Water and local government. SA Water is the responsible agency that is currently investigating and considering their position with regard to a memorandum of understanding which was signed in October 2005 between the South Australia Country Fire Service and SA Water. The discussion between the fire services and SA Water is ongoing. I do not think there is anything else we need to add, except to say we are very much aware of this issue.

**Mr PEDERICK:** Do either of the agencies think there needs to be more work done with regard to the readiness of fire plugs and making sure they are accessible?

**The Hon. CARMEL ZOLLO:** Mr Euan Ferguson would like to respond to that.

**Mr FERGUSON:** We get regular reports from brigades of locations where fire plugs are in need of maintenance. We have an MOU with SA Water. Those requests for maintenance

are all passed on to SA Water. I would not be in any position to make any comment as to whether additional resources are required. I might further add that the fire services acknowledge that it is partly a fire service responsibility to practise setting up hydrants from fire plugs, so there is an element of sharing in making sure that the fire plugs are operational. But probably the best answer to that question would be from SA Water, Madam Chair.

**Mr GOLDSWORTHY:** I refer to Budget Paper 4, Volume 1, page 4.197, and to the program 'Net costs of providing services—total', and to the subprogram results over the pages, to page 4.200. Can the minister advise how much the CFS budget was supplemented in the 2006-07 year for the earlier start to the fire season? Can the minister advise why there has again been an overspend in the 2006-07 year on all CFS subprograms?

**The Hon. CARMEL ZOLLO:** The member is obviously referring to an explanation of variances as detailed within the performance commentary for subprogram 1.3, Response Services, that the CFS managed fewer emergency incidents in 2006-07 than expected. It should be noted, however, that the severity of several major incidents during the period December 2006 to January 2007 resulted in significant workloads for the CFS, including major fires at Bookmark (near Waikerie), Mount Bold, Clare and Onkaparinga. As explained in that footnote, the government funded an additional five aerial firefighting aircraft for the 2006-07 bushfire season due to the increased bushfire risk associated with the dry conditions. As we all know, these aircraft were put to good use, with 138 incidents requiring aerial firefighting support. The increased use of aircraft to assist volunteer firefighters on the ground has contributed to 94 per cent of wildfires being contained to five hectares.

In relation to other variances: as detailed within the performance commentary for subprogram 4—Recovery Services—the CFS continues to provide critical incident stress debriefings to a large number of volunteers. A greater number of incident stress debriefings occurred in 2005-06 due to the coronial inquest of the Wangarry bushfires. As per that footnote, the critical incident stress debriefing follow-up performance indicator has been reworded to clarify and reinforce that all such incidents are followed up.

In relation to normal fire investigations in which only 50 per cent are anticipated to be the final cause of fire, it should be noted that formal investigations are only undertaken when the cause of fire is not immediately apparent. In most cases, the cause of fire is determined on site and no further formal investigation is required. I will also ask Mr Euan Ferguson, the chief officer of the CFS, to add to my explanation.

**Mr FERGUSON:** Just to supplement the minister's response: prior to the onset of the fire season in 2006-07, CFS briefed the minister and government on the potential for additional activity. As a result of those briefings, the government did actually provide additional funding—and we might have to take that on notice in order to provide details of the exact amount of that additional funding.

The outcome of the additional funding provided by government prior to the 2006-07 fire season allowed the CFS to engage two extra fixed-wing firebombers for the Mount Lofty Ranges, two extra fixed-wing firebombers in the Upper and Lower South-East and one medium helicopter, which was based in the Mount Lofty Ranges. Arrangements were made through the Community Emergency Services Fund, the Under Treasurer and the minister for an ability to engage other

aircraft from the national aerial firefighting fleet. The cost of those aircraft would be made up at the end of the financial year. In fact, the CFS aircraft budget was overspent to a value of approximately \$3.2 million at the end of the financial year. In the final days of the last financial year, there was a budget transfer from the Community Emergency Services Fund to CFS of \$3.2 million. CFS also flagged with government that there would be higher than normal costs for suppression activities, in particular for the cost of firefighting plant—bulldozers, graders, and so on—and for overtime costs for paid personnel. They also contribute to the end of year financial position of the CFS.

**The Hon. CARMEL ZOLLO:** Mr David Place, Chief Executive of SAFECOM, also wants to say something.

**Mr PLACE:** I want to add to Euan's comments about what was funded. The actual figure was \$1.3 million—\$900 000 for increased aerial activity and \$400 000 for other general firefighting increases.

**Mr GOLDSWORTHY:** Do the forward estimates include any assumptions in relation to the impact of drought or climate change?

**The Hon. CARMEL ZOLLO:** Clearly, it is something on which we keep a watching brief in relation to the Country Fire Service and the service it delivers to our community. I should put some key points on the record. As has already been said by Mr Ferguson, preparation has commenced in planning for the 2007-08 fire danger season. Lessons learned from challenges faced during the 2006-07 fire danger season and a gap analysis of outcomes has determined that climate change and ongoing drought are likely to become major factors in determining the success of CFS programs and activities. Climatology reports are predicting significant ramifications, including but not limited to earlier onset of fire seasons, more intense fire behaviour, a decreased availability of water supplies for firefighting, a reduced quality of potable water, a loss of volunteers in country areas and a greater potential for community relationship difficulties.

These impacts will have a compounding effect on CFS operations and, of course, could lead to greater difficulty in responding effectively. Hence, the increase in the probability of greater property losses and life threat. The CFS has developed a discussion paper on the potential impacts of climate change and ongoing drought for dissemination to the CFS strategic leadership group and agencies working closely with the CFS in fire prevention and management. This will help to inform and stimulate planning to meet and manage the impacts in 2007-08 and beyond. The Country Fire Service Chief, Mr Ferguson, is a member of the Premier's drought task force, which was recently briefed on the issue. I will ask Mr Ferguson to provide more information to the committee, but, as I said, we keep a very close watching brief on this issue.

**Mr FERGUSON:** I suppose the question is whether the effects we are seeing are drought or long-term climate change. I do not think anyone really knows that, but there seems to be a certain trend globally of Mediterranean climates becoming drier and the result is more intense and longer fire danger seasons. The drought task force meets fortnightly and a report is provided by me at each meeting. In respect of the impacts on South Australia, we are looking very strategically at what could happen in the future. Certainly, if we take the lessons of what is occurring in a number of European states and countries, potentially we will see some significant changes in land use and demographics. That will result in changes in risk. From a CFS point of view

it will see changes in our volunteer profile and the availability of volunteers. We are very concerned about the impact on volunteers. I should say that during the 2006-07 fire danger season, when we also flagged the impact on volunteer availability, the government moved to provide additional funding to the Department for Environment and Heritage. As a result, they employed an additional 25 firefighters. We see that as typical of the sort of response that could be considered to the potential increase in the workload of volunteers. The arrangements were put in place last year in a very short period of time, so the government has a track record of being quite responsive in this regard.

The situation is being monitored closely. As at about one week ago, a number of areas of the state have been seen to be moving towards a more normal rainfall pattern over the last six to eight months; however, significant areas of the state (particularly some of the pastoral and cropping areas) are showing early signs of severe moisture stress. This could signal an early start to the fire season. I think it is too early to make that call, but at the meeting last Thursday of the Drought Task Force the bureau said that the weather patterns over the next 10 days could be quite significant in terms of rainfall, particularly over those agricultural areas. I reinforce that this is something that the CFS monitors fortnightly as do many agencies within government. We will advise the minister and the government when we believe there is some certainty about the commencement of the 2007-08 fire danger season.

**Mr GOLDSWORTHY:** I will now read the omnibus questions onto the record:

1. Will the minister provide a detailed breakdown of the baseline data that was provided to the Shared Services Reform Office by each department or agency reporting to the minister, including the current total cost of the provision of payroll, finance, human resource, procurement, records management and information technology services in each department or agency reporting to the minister, as well as the full-time equivalent staffing numbers involved?

2. Will the minister provide a detailed breakdown of the expenditure on consultants and contractors in 2006-07 for all departments and agencies reporting to the minister listing the name of the consultant and contractor, 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 2007 and, for each surplus employee, what is the title or classification of the employee and the total employment cost (TEC) of the employee?

4. In the financial year 2005-06 for all departments and agencies reporting to the minister, what underspending on projects and programs was not approved by cabinet for carryover expenditure in 2006-07?

5. For all departments and agencies reporting to the minister, what is the estimated or actual level of under-expenditure for 2006-07; and has cabinet already approved any carryover expenditure into 2007-08, 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, as a subcategory, what was 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 2007?

(ii) Between 30 June 2006 and 30 June 2007, 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. For the years 2005-06 and 2006-07 will the minister provide a breakdown of expenditure on all grants administered by all departments and agencies reporting to the minister listing the name of the grant recipient, the amount of the grant, the purpose of the grant and whether the grant was subject to a grant agreement as required by Treasurer's Instruction No. 15?

8. For all capital works projects listed in Budget Paper 5 that are the responsibility of the minister, will the minister list the total amount spent to date on each project?

**The Hon. CARMEL ZOLLO:** We could respond to some of those questions, but we will be gracious and not take up the time of the committee. We will take those questions on notice.

**Mr PEDERICK:** I refer to Budget Paper 4, Volume 1, page 4.209, program net costs and services summary total. Will the minister provide an explanation for the \$1.1 million overspend by the SES for 2006-07, and can she explain why the budget for 2007-08 is still less than the total expenditure for 2005-06 and 2006-07?

**The Hon. CARMEL ZOLLO:** I will ask Mr David Place, the Chief Executive of SAFECOM to respond.

**Mr PLACE:** I assume you are asking why the 2006-07 budget is lower than the 2005-06 actual?

**Mr PEDERICK:** I am referring to the \$1.1 million overspend by the SES for 2006-07 and asking why the budget is still less than the total expenditure for 2005-06 and 2006-07.

**Mr PLACE:** The 2006-07 estimated result is \$1.072 million higher than the 2006-07 budget. I will give you some of the major factors that have contributed to that. There was the transfer of funds from capital to operating as a result of changes made to the capitalisation policies as requested by the Auditor-General. The quantum of that was \$300 000, so that is just a change of accounting policies. Some funding was received from other emergency service agencies for the Road Crash Rescue Challenge, for which SES was the coordinating agency. There was an increase in the depreciation allowance granted during the 2006-07 mid-year budget review of \$120 000; and a \$370 000 write-off of assets that occurred as a result of the change in the asset capitalisation policies. There was a transfer of commonwealth support package funds from the Department of the Premier and Cabinet to SES of \$226 000; and a range of other minor adjustments such as increases from wage and salary supplementation of \$26 000, offset by decreases in fuel funding of \$11 000 and the take-up of work safety staffing in the out years of \$40 000.

**Mr PEDERICK:** Why is the budget for 2007-08 still less than the total expenditure for 2005-06 and 2006-07?

**MR PLACE:** The 2007-08 net cost to services budget is \$548 000 lower than the 2006-07 estimated result, chiefly comprised of reductions and expenses that occurred as a result of:

- the cessation of a number of activities that received funding specifically in the 2006-07 financial year;
- increasing savings impacts, including the write-off of assets as a result of changes in the asset recognition policies (that has a one year impact isolated to the 2006-07 budget and therefore does not contribute to the 2006-07 budget), the quantum of which was \$370 000;

- as I mentioned earlier, the funding received from the emergency services agencies for the road crash rescue, which was a one-off figure; and
- an increased impact of savings allocated during the 2005-06 bilaterals for the centralisation of the equipment purchases of \$50 000.

**The CHAIR:** The time having expired, I declare the examination of the proposed payments adjourned to later this day.

*[Sitting suspended from 1.02 to 2 p.m.]*

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Department for Correctional Services, \$159 845 000

**Departmental Advisers:**

Mr P. Severin, Chief Executive, Department for Correctional Services.

Mr A. Martin, Director, Finance and Asset Services.

**The CHAIR:** I declare the proposed payments open for examination and refer members to the Portfolio Statement, Volume 1, pages 4.146 to 4.159. Minister, do you have an opening statement to make?

**The Hon. CARMEL ZOLLO:** The Department for Correctional Services continues to face a range of challenges which have to be practically addressed and responsibly managed. Over the last 12 months there has been a rise in prisoner numbers and, although there is a range of reasons for this development, the government's tough stance on crime will continue. The government is very mindful that Correctional Services must be appropriately resourced to manage the increased demand and meet its statutory obligations.

In last year's budget the government announced the construction of several new prisons at Mobilong and Cavan, to come on line in 2011. Funding was approved for the recruitment of consultants to assist with the development of tender documents and the tender process to procure those facilities under a public-private partnership model. The facilities will be financed and constructed by the private sector, with custodial services being delivered by the government. I am pleased to say that the new prison project is on target to be completed in 2011. However, the challenge faced by the department in the meantime is to ensure that existing facilities are able to manage the increasing prisoner numbers over the next few years until the new prisons become operational in 2011.

With this budget, the government will fund an additional 125 prison beds throughout the state. A total of \$24.5 million will be spent over the next four years, with \$8.8 million allocated for the 2007-08 financial year. This is a responsible and appropriate response to the increases in prisoner numbers. The Department for Correctional Services continues to work closely with other criminal justice agencies to plan for future demand, and we will continue to responsibly manage the necessary law and order initiatives for the state.

The government is committing \$3 million over four years to upgrade and renew community corrections offices to meet the increased demand and provide a safe environment for community correctional staff. New offices will be leased in Port Pirie, and offices will be upgraded in Noarlunga. Over four years, \$3.8 million will be spent on the upgrade of prison

security systems. South Australia is renowned for its high electronic security standards in prisons. Ongoing investment into electronic systems ensures that state-of-the-art security is maintained and prison escapes are prevented. This is a significant community safety initiative. The government has allocated \$200 000 to undertake a feasibility study into the use of assisted global positioning satellite technology for the surveillance of offenders. The work should provide important information with regard to possible enhanced electronic surveillance of offenders.

As members are all aware, the administration of correctional services is particularly difficult and not without incidents and occurrences. What is important is that the government remains responsive to ensure that correctional services contribute to increased community safety. Following comprehensive investigations into a range of unfortunate occurrences in the last 12 months, the government has been swift to initiate appropriate action to prevent offenders profiteering from their notoriety, ensuring that inappropriate medication is not prescribed to offenders, and making it an offence for Correctional Services staff to engage in inappropriate transactions with offenders. These actions are a strong policy response to issues that have arisen in our correctional system, and that is what responsible government is all about. Following passage (unamended) in the Legislative Council, the House of Assembly will soon consider changes to the Correctional Services Act to back up our strong stand.

Another important crime prevention and community safety initiative is the establishment of the Police Corrections Section, a joint group between SAPOL and the Department for Correctional Services that will gather and manage intelligence and investigate criminal activity within corrections.

In closing, I acknowledge the hard and dedicated work undertaken by staff in the Department for Correctional Services. That often goes unrecognised. On a day-to-day basis important services are delivered and maintained through the dedication of management and staff in the department. This deserves acknowledgment. With the budget for the 2007-08 financial year, the government continues to fund the administration of correctional services for South Australia in a reliable and responsible manner.

**The CHAIR:** Member for Kavel, do you have an opening statement?

**Mr GOLDSWORTHY:** I do not have a formal opening statement, but I wish to make some comments. I want to acknowledge that the correctional services sector is under particular pressure. The issues with respect to the remand centre and the women's prison have been problems for quite a period of time and, unfortunately, the government has not addressed them until recently. We certainly understand that the government has form on these issues, particularly in relation to health, education, water and so on. However, notwithstanding that, the opposition will be keenly monitoring matters as they progress in terms of the development of the new correctional services facilities in the coming years.

I refer to Budget Paper 4, Volume 1, page 4.152, Program performance information, Program 2: Custodial Services. One of the program's objectives is to provide adequate secure accommodation at the appropriate level. The Department of the Premier and Cabinet issued a report in February 2007 entitled 'Progress on the APY lands'. The report states that a feasibility study has been undertaken into the development of a low security correctional facility on the lands as an alternative to imprisonment for certain categories of Ab-

original offenders from the APY lands. Can the minister advise who prepared the feasibility study and the business case, and whether decisions have been made as to whether or not a correctional facility will be built on the lands?

**The Hon. CARMEL ZOLLO:** That issue has been referred to the Minister for Aboriginal Affairs and Reconciliation. I will ask the Chief Executive, Mr Severin, to comment further.

**Mr SEVERIN:** The department was funded to undertake a feasibility study into the possible establishment of a low security correctional facility on the APY lands. That feasibility study (which was made publicly available) concluded that there are some options that are worthy of further consideration in relation to providing these services directly on the lands. However, it needs to be realised that those services impose a significant financial requirement and also require some significant logistical issues to be resolved, not the least of which is the provision of water. As trivial as it might sound, that certainly has proved to be one of the hurdles that was encountered, with respect to the feasibility study, in consultation with the local communities and looking at the logistics of establishing such a building.

At this time, as the minister outlined, the matter has been referred to the Minister for Aboriginal Affairs and Reconciliation for consideration in the context of whole of government initiatives for the lands. However, with the approval of additional beds for the existing correctional system this financial year, a provision has been made to establish 10 low security beds within the perimeter of the Port Augusta prison for traditional Aboriginal men. While that does not move the facility to the APY lands, nevertheless, from a correctional administrator's point of view, it provides us with an opportunity to manage traditional Aboriginal men in culturally more appropriate circumstances than we are currently able to do.

**Mr GOLDSWORTHY:** What level of funding has been provided in this budget for any further works on this project?

**The Hon. CARMEL ZOLLO:** I again refer the question to Mr Severin.

**Mr SEVERIN:** There is no funding, as no funding was provided previously directly to the department. We obtained funding from a fund held in the Treasury department for investigation of possible future infrastructure projects at the time. So, no additional funding is provided in this budget for that initiative. However, there are other initiatives, of course, which relate to the APY lands service delivery by the department which are fully funded.

**Mr GOLDSWORTHY:** Taking into consideration the logistics which require attention and all the operational aspects which need to be investigated, and so on, has any time line been provided for when this facility might be operational in the lands?

**The Hon. CARMEL ZOLLO:** As I said to the member previously, this matter has been referred to the Minister for Aboriginal Affairs and Reconciliation, and it will be looked at in the future as part of a whole lot of other initiatives on the lands.

**Ms BEDFORD:** I refer to Budget Paper 4, Volume 1, page 4.148, Investing payments summary: New Works. In the minister's opening address she referred to the challenges faced by the department to manage increased prisoner numbers. Can the minister outline the initiatives that are in place to manage prison bed space within existing facilities until the new prisons become operational in 2011?

**The Hon. CARMEL ZOLLO:** I thank the member for her important question and for raising this matter. As I previously mentioned, the additional prison facilities at Murray Bridge are scheduled to be commissioned in 2011, and will provide the department with the capacity and flexibility to respond to changes in prisoner numbers beyond that time. However, the current challenge is to ensure that existing facilities are able to manage the increasing prisoner numbers that will occur in the meantime whilst maintaining the department's commitment to operating a safe, secure, humane, flexible and effective system.

I can advise that the department is well advanced in this matter. A detailed bed space management strategy has been developed that will meet requirements over the next two years. That involves the introduction of extra prison beds in existing cells where it is appropriate to do so. Funding has been provided for an additional 125 beds in 2007-08. The funding consists of about \$3.368 million for investment related expenditure and \$5.46 million for recurrent related expenditure.

Ongoing recurrent funding to cover operating costs has also been provided. In addition to the 125 extra beds, 12 extra beds established at the Adelaide Women's Prison in 2006-07 are expected to be operational from this month. A number of the 125 beds have already been, or are about to be, introduced in full consultation with staff and the Public Service Association. The beds include five beds in B division at Yatala Labour Prison, 16 extra beds at the Adelaide Remand Centre (increasing capacity from 247 to 263), 20 beds at Mount Gambier Prison and 84 extra beds at Port Augusta Prison in Green Bush, Blue Bush, Wattle and Spinifex units. Implementation of the strategy could not occur without the support of prison management, custodial staff and the PSA. I take this opportunity to thank and congratulate them for their ongoing assistance, cooperation and tremendous support.

**Mr PICCOLO:** My question relates to victims of crime, and I note an announcement by the Attorney-General in the past 24 to 48 hours regarding some new legislation. I refer to Budget Paper 4, Volume 1, page 4.149, Program 1: Rehabilitation and Reparation. Victims of crime are an important focus for this government. Can the minister outline the victims support process employed by the Department for Correctional Services?

**The Hon. CARMEL ZOLLO:** I thank the member for Light for raising this matter. At the outset may I say that the government is absolutely committed to meeting the needs of victims of crime and the Department for Correctional Services, as part of the justice process, plays an important part of the government's victims strategy. The department has a victims services unit which not only provides information to victims about prisoners who have committed crimes against them, but also provides individual victims with the opportunity to influence the prisoner's conditions of release and coordinate the department's victim-offender mediation program. The department also offers a victim awareness program which is specifically designed to raise a prisoner's awareness of the impact of crime generally. The program provides an opportunity for offenders to acknowledge the impact of their crime on victims, including the wider community.

The government requires both the department's prisoner assessment committee, which is responsible for decisions concerning a prisoner's sentence plan, and the Parole Board, which determines a prisoner's eligibility for parole and their parole conditions, to consider the impact on victims and their

families of their decisions affecting a prisoner. At present there are over 450 victims of crime who have chosen to register with the department to receive its services and support. These numbers have steadily increased in recent years. There were only 380 victims of crime registered in April 2005.

In the past few weeks, the department has had discussions with the Commissioner for Victims of Crime to strengthen and improve the services that the department can offer to victims of crime. As a result of those discussions, a representative of victims will be invited to participate in a departmental executive committee that oversees strategy and programs in respect of rehabilitation. A representative of victims will be invited to a biannual forum to discuss and advise on matters affecting victims. Procedures on any leave programs for a prisoner will be reviewed and strengthened to reduce the possibility of administrative oversight in consulting victims, and the department will work with the Commissioner for Victims of Crime to review training programs provided to staff regarding the department's responsibilities to victims.

I also advise that legislation is proposed that will enable the victim of an offender on a community-based order to apply to receive certain information regarding the offender. The government will fund an additional full-time position to assist the department with the expected extra workload, and the filling of the position will be a priority over the next few weeks. In addition to the department's services to victims, the government also has a Ministerial Victims of Crime Advisory Committee, which targets victims' issues and provides practical outcomes to help victims of crime. The department has a representative on this committee. I am encouraged by the department's overall efforts in meeting the needs of victims. The department is doing very many good things and it is continuing to improve the services that we offer to victims of crime.

**Ms BEDFORD:** I refer to Budget Paper 4, Volume 1, page 4.150, Program 1: Rehabilitation and Reparation. Would the minister care to comment on the delivery and provision of education to Aboriginal prisoners in the prison system?

**The Hon. CARMEL ZOLLO:** I thank the member for Florey for her important question and for giving me the opportunity to comment on the matter. Aboriginal people in the criminal justice system are greatly over-represented. The latest statistics show that in South Australia 21 per cent of prisoners are of Aboriginal or Torres Strait Islander descent. Many Aboriginal people come into our prisons with significant gaps and deficits in their education and training experiences. Many have not completed high school and few have undertaken, or are undertaking, tertiary studies. This experience is consistent with other Australian correctional jurisdictions. The Department for Correctional Services is committed to assist in the rehabilitation of indigenous people, and it has directed considerable effort and attention to the education program.

Following a period of consultation and negotiation, the Department for Correctional Services and the Department of Further Education, Employment, Science and Technology entered into an agreement that transferred responsibility for the delivery of Aboriginal prisoner educational services to the Department for Correctional Services. Prior to that agreement, these services had been provided by the Department of Further Education, Employment, Science and Technology. The services in question were transferred in December 2006. Under the agreement, the Department of Further Education, Employment, Science and Technology will provide funding

of \$100 000 over a 12-month period and, in return, the Department for Correctional Services will deliver 10 000 curriculum hours of service to Aboriginal prisoners.

Since assuming responsibility for delivery, the Department for Correctional Services has appointed specific education staff to work with Aboriginal prisoners. There are specialised teaching staff at the Adelaide Remand Centre, the Adelaide Women's Prison, Port Augusta, Port Lincoln, Mobilong and Yatala Labour Prison for the delivery of Aboriginal education. The department has also taken steps to ensure that all prison education staff have been involved in cross-cultural awareness training to reflect on and learn about working with indigenous people.

I am pleased to say that Aboriginal prisoners are now enrolled in registered training programs, particularly those associated with literacy and numeracy skill development. In the period from January to May 2007, 157 Aboriginal prisoners have enrolled in education and training programs. During that period, the department has delivered 8 861 curriculum hours, which far exceeds the requirements of the agreement with the Department of Further Education, Employment, Science and Technology. I am advised that Aboriginal prisoners have confidence in the program, and this is demonstrated by the number of Aboriginal prisoners seeking enrolment. A suitable education standard is considered to be essential if prisoners leaving prison are to avoid reoffending. This is especially so for those who have not achieved even the basic levels of education. The increased number of Aboriginal prisoners who are now taking education should result in reduced reoffending and a safer community.

**The CHAIR:** I understand the member for Mitchell seeks the indulgence of the chair with a question.

**Mr HANNA:** Yes, I do, thank you, Madam Chair. I refer to the dot points in the first part of Program 1: Rehabilitation and reparation, which is set out on page 4, point 150. I readily acknowledge that the minister may wish to take this on notice. In respect of each of the programs referred to in those dot points, can the minister please specify the programs, specify the dollar allocation to each program, and the number of prisoners expected to take part in each program? If the minister could also indicate which programs are discontinued in those areas, which ones are new, I would be grateful.

**The CHAIR:** Are you referring to the dot points in the performance indicators?

**Mr HANNA:** I refer to the dot points in the first box under program 1. It refers to the objectives and a series of general descriptions or programs.

**The CHAIR:** Minister, are you able to provide any information?

**The Hon. CARMEL ZOLLO:** Madam Chair, we do not have that level of detail here, so we will have to take that on notice.

**Mr PEDERICK:** I refer to Budget Paper 4, Volume 1, page 4.147, targets and highlights. In respect of target 2007-08, what are the key milestones for the new prisons project, and which milestones have so far been achieved? Further, what is the term of the private-public partnership?

**The Hon. CARMEL ZOLLO:** Perhaps I will commence with some background, and then Mr Severin may wish to add some comments. In the 2006-07 budget, the South Australian government approved the procurement of three new prisons via a public-private partnership (PPP) contract. In a PPP contract, the private sector finances, designs, builds and maintains the facility, generally for a period of between 25

and 30 years. In considering private sector participation in public services, the South Australian government must be satisfied that the following key criteria are met:

- Private sector involvement delivers a net benefit to government, having regard to the risks of the project, compared with traditional public sector delivery;
- The risks associated with the project are clearly identified and allocated to the parties best able to manage those risks;
- Projects are subject to a competitive bidding process, with direct negotiations entered into only under a limited set of circumstances; and
- Probity is maintained during all phases of the process.

It is proposed at this stage that the PPP contract for the new prison project will be for 25 years. These facilities will include a 150-cell new women's prison to replace the existing 92-cell Adelaide women's prison; a 760-cell new men's prison to replace the existing 341-cell Yatala Labour Prison; and an 80-bed new pre-release centre, with 60 male and 20 female beds, to replace the existing 60-bed (males only) Adelaide Pre-release Centre. The new women's prison and new men's prison will be located on government-owned land adjacent and south of the existing Mobilong prison, and presents the department with a number of potential efficiency options by sharing services between the three facilities.

The new pre-release centre will be located on government-owned land in Goldsborough Road, Cavan. The estimated capital cost of these three facilities is in the order of \$438 million. Construction is anticipated to commence in 2009, at this stage, with completion in 2011. Collocation of three prisons at Mobilong—one existing and two new—obviously provides maximum opportunities for economies of scale for their operation. The existing 61-hectare prison precinct on Grand Junction Road, Yatala/Northfield, will be available for alternative use. It is proposed that there will be regional development opportunities for Murray Bridge. All three prisons—existing Mobilong plus the two new facilities—will continue the government policy to 'buy local' where possible (an additional \$12 million per annum); increased population through the relocation of Corrections staff and their families; secure long-term employment of over 550 staff in the three prisons; and the two new prisons will introduce an additional \$27 million per annum in salaries and wages into the local community.

Ecologically sustainable development principles will be used throughout the new prisons; that is, solar hot water and lighting, recycled water, energy-efficient design and building materials. The Chief Executive of the Department for Correctional Services, Mr Severin, is to chair an interdepartmental government services group to investigate the effect of the new prison infrastructure near Murray Bridge. A community consultative committee will be established to ensure that matters of concern to the local communities have a focus for communication with the project team that will be established.

**Mr SEVERIN:** In relation to the detailed time lines, in addition to the information that the minister provided, we have a full group of consultants on board to project manage the technical consultants for this project. The current timetable has been revised. The overall period for the project has not changed; however, within that period there are some slight adjustments in relation to different phases. The current plan provides for a market-sounding exercise to be undertaken in July-August for interested consortia. An expression of interest process will commence in October to identify interested consortia and those capable of tendering for this



project. We will narrow those down to two or three consortia, who will be invited to tender for the project. It is anticipated that the contract will be finalised by the end of 2008, in accordance with the original time lines that were issued last year. As the minister outlined, construction will commence in 2009.

**The Hon. CARMEL ZOLLO:** Investment in this new infrastructure will allow the government of South Australia to increase the Department for Correctional Services prison bed capacity, providing flexibility in prison management and sentencing options. It will replace the outdated and inefficient Yatala Labour and Adelaide Women's prisons and reduce operating costs associated with inefficient infrastructure. It will provide appropriate treatment and conditions for prisoners and improve opportunities for the rehabilitation of prisoners, providing safer communities through reduced recidivism.

**Mr GOLDSWORTHY:** I refer to Budget Paper 4, Volume 1, page 4.155, the income statement: income, commonwealth revenues. I understand that the Department for Correctional Services has funding through the Family Violence Prevention Program to develop and trial culturally and linguistically sensitive programs for Anangu men in the areas of family violence, anger management and substance abuse. My question has three parts: can the minister advise of the progress of this study; what is the cope of the study, in particular whether 'family violence' includes child sexual abuse; and is the program likely to be affected by the extension of the Mullighan inquiry or the commonwealth initiative on Aboriginal child sexual abuse?

**The CHAIR:** Is that within your portfolio, minister?

**The Hon. CARMEL ZOLLO:** Yes, thank you.

**The CHAIR:** I was not clear from the question whether it was within your portfolio; I was just clarifying that.

**The Hon. CARMEL ZOLLO:** By way of background, as has been mentioned, the Department for Correctional Services was successful in attracting commonwealth funding to establish a program team in Alice Springs to provide rehabilitation services and programs to offenders in the central Australian communities of South Australia, Western Australia and the Northern Territory. Funding of \$1.5 million was provided over two years, with approximately \$675 000 allocated in the first year. The remote areas programs are a cross-border initiative between South Australia, the Northern Territory and Western Australia. They are jointly funded by these jurisdictions and the commonwealth under the Family Violence Partnership Program to address family violence and other offending in remote Aboriginal communities in Central Australia.

A team of appropriately skilled practitioners with experience in working with traditional Aboriginal people has been involved in the development of a group of pilot programs aimed at addressing issues involving family violence, anger management and substance abuse. All programs will include a victim awareness component. Aboriginal people will be involved in the design, development and delivery of the programs. The emphasis is on cultural relevance and accessibility in concepts. Trained Aboriginal facilitators will work with program staff to deliver the programs.

In relation to outcomes for 2006-07, the managerial positions for the remote areas programs have been filled and three program officers have been engaged. The first program, a family violence program, has commenced at the Amata Aboriginal community in South Australia and further

programs are now scheduled throughout 2007 in South Australia, Western Australia and the Northern Territory. The evaluation and preliminary work related to the ongoing sustainability of the project commenced in our 2007-08 targets. It is intended that the family violence program will form the basis of the activities of the remote areas programs for 2007-08. Future plans include the development of programs that address anger management and substance abuse, and it is anticipated that the number of programs delivered will increase in 2007-08. Further consideration by the three participating jurisdictions to the sustainability of the programs past December 2008 will continue.

**Mr PEDERICK:** I refer to Budget Paper 4, Volume 1, page 4.147. To date, how much has the government spent on the new prisons project, including development of the business case and the tendering process? Does the government still expect the total cost of the project to be \$517 million and is that the lifetime cost of the project?

**The Hon. CARMEL ZOLLO:** I will ask Mr Severin to respond.

**Mr SEVERIN:** The department has spent approximately \$750 000 over three years in relation to various stages of the preparation of the business case. The budget allocated internally last financial year for the commencement of the project, after it was approved by government, is in the order of \$450 000, which mainly comprises consulting fees. The total budget for project management involvement over the life of this project is in the order of \$4.5 million. Those funds are to procure the facilities and manage the project. Obviously, there will be additional budgetary requirements for the commissioning of the new facilities and the transitioning of our operation from the Northfield precinct to Murray Bridge and Cavan.

**Mr PEDERICK:** As a supplementary question, apart from, say, some commissioning costs, will it still be within the \$517 million total cost for the two sites?

**Mr SEVERIN:** The estimate for the project cost is certainly still the same. However, we need to separate the anticipated cost of procuring the facility under a public-private partnership from the costs involved in managing the project, which are part of the costs provided in the forward estimates. The other costs are obviously based on an estimate that was arrived at as part of the business case, and they will be confirmed by establishing the public sector comparator before we go to tender. However, that is an expense that will be realised over the life of the contract, be it 25 years.

**Mr KENYON:** I refer to Budget Paper 4, Volume 1, page 4.150 regarding rehabilitation and reparation. Recent events in the Port Lincoln Prison have made headlines, but I wonder what contribution prisoners and staff have made to the community in the aftermath of the disastrous Port Lincoln fires?

**The Hon. CARMEL ZOLLO:** I thank the member for raising this matter. The member is right: the events of recent months have put Port Lincoln Prison in the spotlight for the wrong reasons, and that is regrettable, especially when so much good work has been undertaken in the local community by the prison and prisoners. I think the most positive things to come out of recent events have been the many letters of support that have been generated from the community in general. I have previously reported to the council about the work that the prisoners have been involved in since the 2006 fires which devastated the Port Lincoln area. The government made funding available initially as part of the bushfire relief fund and, following that, allocated a further \$120 000 to

allow the Department for Correctional Services to finalise a number of outstanding requests for assistance.

The program has now been completed, and I am delighted to report the extent of the work that has been completed since the project commenced. Prisoners have undertaken the following work, amongst other things:

- worked 560 days on 64 properties;
- erected 217 kilometres of new fencing;
- repaired 84 kilometres of old fencing, and removed 10 kilometres of fencing damaged by the fires;
- built and erected 70 gates;
- felled over 250 trees;
- cleaned up farm areas and, as part of that, removed fallen trees from buildings and sheds, dismantled and rebuilt water tower landings, removed damaged machinery from sheds, concreted and painted, cleared creek beds of debris, repaired sheep yards, rails and gates, built retaining walls and dug trenches for water pipes, planted trees and landscaped.

I am sure all members will join with me in congratulating the prisoners concerned and prison staff for this valuable contribution to a community in need. This project not only benefited the local community but helped the prisoners involved to develop work ethics and skills, interact with landowners and families, employers, people within the community, generally feel good about being able to help someone, and work together in a team environment showing tolerance, understanding and responsibility.

The department has passed on to me comments it has received from the Parole Board about prisoners who have participated in this project. These comments refer to prisoners who had previously failed to satisfy the Parole Board that their attitude to offending and release was such that they should be positively considered for parole. However, after spending some months helping the people of Port Lincoln who had been affected by the bushfires, it became clear to the Parole Board that these prisoners had shown a complete turnaround in their attitude to their offending behaviour and the community. Only time will tell whether there will be long-term changes to their attitude and behaviour or whether they will revert to their offending behaviour once they are released into the community. In the meantime, the prisoners and Port Lincoln Prison management and staff should be congratulated for their efforts that hopefully have made it a little easier for members of the community who were involved in the bushfires.

**Mr PEDERICK:** I refer to the previous budget line in Budget Paper 4, Volume 1, page 4.147. Have there been any discussions or proposals regarding the possibility of the redevelopment of the Northfield site?

**The Hon. CARMEL ZOLLO:** As I said in my previous response, the existing 61 hectare prison precinct at Grand Junction Road, Yatala North, will be available for alternative use. There have not been any further discussions, but we have announced it will be available for further use.

*The Hon. R.G. Kerin interjecting:*

**The Hon. CARMEL ZOLLO:** At this stage all I can say to you is that it will be available for alternative use. Clearly it is going to the LMC, and we will be taking it from there.

**Mr PEDERICK:** Referring to the former budget line, which agencies are on the project management group, which agency is the lead agency, what executive support has been given to the management group, and how many full-time equivalents are there associated with the group?

**The Hon. CARMEL ZOLLO:** I will ask the chief executive to answer this question.

**Mr SEVERIN:** The governance structure approved for this project, and the other public-private partnerships projects in this state at the moment, is that there is a ministerial committee chaired by the Treasurer which has on it all the relevant portfolio ministers for all the PPP projects at schools and prisons and the Minister for Infrastructure. There is the chief executive's steering committee chaired by the Under Treasurer, which also has relevant chief executives from the portfolios, including justice, transport and infrastructure, as well as myself and the chief executive of the education department.

Then there are the respective project teams which look after the prisons and the youth detention centre project, and the schools have their own. I chair the steering committee for the prisons and the new youth detention centre, and the team includes the project director and representatives from the Department for Families and Communities and the Department for Correctional Services. Those teams are responsible for managing the projects.

I chair a broader, interdepartmental group—which the minister mentioned in response to previous questions—which has representatives from a range of agencies including emergency services, police, housing, courts, transport and other agencies that have service delivery responsibilities in the local community. This committee is there to ensure that we continue to be mindful of the impact the new facilities might have on the Murray Bridge community and to ensure that the service demands will be planned for and met in the future. That committee has no formal standing as part of the governance arrangement, but it is certainly important in relation to the associated issues with this project (as it relates to Murray Bridge).

**Mr PEDERICK:** Is there a specific number of full-time equivalents of which you are aware?

**Mr SEVERIN:** The project team of the Department for Correctional Services has a project director, two senior project officers, an administrative assistant and one other adviser. There are also members of the Department for Families and Communities on that project, given it is a joint project, but I am not aware of the exact number of people.

**Mr PEDERICK:** In relation to the same budget line, what have been the outcomes/recommendations/findings of the interdepartmental government services group investigation into the effect of the new prison infrastructure on the community and associated services? Some of that may have been covered before.

**The Hon. CARMEL ZOLLO:** I think the honourable member is correct. We have spoken already about some of them, but I will ask Mr Severin to respond.

**Mr SEVERIN:** All the departments involved are fully apprised on the scope of the project and the proposed configuration of the prison and its role and function. There has been some direct consultation with those departments which will continue to provide a service or be involved in the direct service provision. Obviously, the health department currently provides prisoner health services to our state-run correctional facilities. The courts and the Legal Services Commission have a direct involvement with us, and there is a range of agencies, such as housing, transport, emergency services, and so on, where the involvement is more indirect.

In relation to those departments that are indirectly involved, no direct planning outcomes have been put into action, given there is still some time before the projects will

come to fruition. It is proposed at this stage that, if there are any requirements for other departments to have adjustments to their level of service in the area as a result of the new prisons being in the community, they will put forward appropriate budget submissions in order to ensure that those demands will be met. Those services that are directly involved in either structuring or delivering a service to the prison, or involved with service delivery, will be very much involved in the development of the tender documentation to ensure that the procurement is inclusive of the requirements that relate to agencies other than the Department for Correctional Services.

**Mr GOLDSWORTHY:** I refer to Budget Paper 4, Volume 1, page 4.154, Program performance information, Program 3: Community-based Services. In May and June this year, the department conducted what has been referred to as a major review of all community service order cases. The review reportedly found that the five community corrections regions that manage offenders on orders had between 2 per cent and 20 per cent community service order cases being managed outside guidelines. Who prepared the report? Can the committee be provided with a copy of the report? What was the level of variation for each region? What is the reason for a tenfold difference between the best and worst performing regions?

**The Hon. CARMEL ZOLLO:** As was mentioned in the media, the department's intention was to have a review in the 2007-08 financial year, but, given concerns raised by the media—although I do not believe we were told which particular case involved those breaches—within an appropriate time the department undertook a review. The first stage of the review has now been completed and has been widely reported in the media, as well. I will ask Mr Severin to continue with the response.

**Mr SEVERIN:** The review certainly identified that there were a range of differences between our regions. The overall result was such that it did not confirm that there are any systemic issues in relation to the performance of the community service program that would give rise to having a change in the way in which the program is administered. However, any non compliance with departmental guidelines is a concern. Hence, we have undertaken the review and we have commenced to address the issues, particularly in those areas where the results are less favourable than others. The reasons for the differences in results relate to a range of factors. Certainly, there are issues in some areas with remoteness, where persons sentenced to a community service order might reside in a township some distance away from a community corrections office. Again, that is not an excuse but, rather, by way of explanation it makes it logistically more difficult to supervise people if there is not ready access to them in relation to their compliance with orders.

Another reason was that we have a whole range of persons who present with significant impairments, mental health impairments in particular, and we have found that in some cases a community service order was not the most appropriate order for these persons to be able to comply with. In that regard, there is a project that has commenced at the Elizabeth court, and it is now going to also be introduced at the Port Adelaide court, to advise magistrates on the suitability of persons that they consider to sentence to a community service order, to ensure that we do not actually end up having persons sentenced to this type of order who may not be able to comply, for reasons that relate to either their specific risks or needs.

We do have some female offenders that we have identified who had childcare requirements and were not able to come to the office at the time when the normal work gangs were performing their orders. But, of course, there were also instances where staff did not comply with the standards, and that certainly has been identified in the review and has been addressed with the staff members to ensure that their compliance with our own standards improves over time. However, I have to say that that was certainly a small minority of staff. But I think it is fair to say that it is a range of all of those factors that have made up the numbers. The difference between a 2 per cent failure and a 10 per cent failure, or higher, related very much to metropolitan versus regional arrangements. It is more difficult in regional South Australia to ensure swift reaction to noncompliance than it is in the metropolitan area.

**The Hon. CARMEL ZOLLO:** I think it would be fair to say that South Australia has some of the strictest guidelines in relation to community service orders, and the department over the last few years has put in place some very smart initiatives, as already outlined by Mr Severin. I remember visiting Mount Gambier, Mr Severin, and the community officers there were actually using text messages to ensure that those on community service orders were able to be reminded, I guess, to be where they should be. Indeed, they were doing some very good work in terms of conservation in that area.

**Mr GOLDSWORTHY:** Minister, we have only about five minutes or so to run. Are you prepared to take the omnibus questions that I read earlier in the emergency services committee for this committee?

**The Hon. CARMEL ZOLLO:** Yes.

**Mr GOLDSWORTHY:** Just going on from the advice the chief executive officer provided the committee with in responding to the last question, where he explained that there was a range of factors in relation to people who have been given community service orders not adhering to them, including remoteness, mental impairment, some staffing/management problems, and perhaps single parents who have difficulty in working around their family needs. Surely those reasons would account for the minority. There has to be a percentage of offenders out there who just thumb their nose at the judicial system and the correctional services system. What are you doing about those people who openly defy the orders of the court?

**The Hon. CARMEL ZOLLO:** I think the answer to that is that we are enforcing them. The audit did find that overwhelmingly we are doing the right thing, and we had a 90 per cent compliance. As I said before, whilst some isolated cases have been found, overall we have one of the toughest regimes in Australia.

**Mr GOLDSWORTHY:** On the same line of questioning, what is your projected percentage of breaches over the next 12 months? Do you have any forecast percentage? Will it be the same, still 10 per cent, or are you projecting that there will be a reduction in that? I am just a bit keen to understand where this all might be going.

**The Hon. CARMEL ZOLLO:** I will ask Mr Severin to continue with the response.

**Mr SEVERIN:** The official statistics that we keep are actually the successful completion rate of people on those orders. We are always aiming to improve that, because while, on the one hand, we are very tough, on the other hand it is our objective to ensure that people get through those orders and actually finalise those orders, so they do not have any more issues with the law. Our compliance achievement at the

moment is in the high 50 percentile. So around 58 per cent of orders are successfully completed. That is lower than the national average. One of the significant reasons there, of course, is that we are very tough on those orders. There is a range of other reasons. We do not actually set ourselves targets for non-compliance; we expect, of course, that we are fully compliant, or, where we cannot comply, that there are compelling reasons as to why we cannot comply with our own guidelines. However, these are guidelines. They are set by the department. They are not standards that have a statutory basis. However, we consider that those guidelines are important to maintain the confidence of the judiciary and the community in our community service program.

**Mr GOLDSWORTHY:** Minister, through you, the chief executive said that have had targets for compliance and not for non-compliance. What is your target for compliance? Is it 100 per cent? Obviously you want 100 per cent compliance but you are not going to get it. What is your projected compliance rate for the next 12 months, 2007-08?

**The Hon. CARMEL ZOLLO:** We are talking about successful completion, compliance as such. But I will ask Mr Severin to elaborate.

**Mr SEVERIN:** The target that I was referring to was the successful completion target, that is, where somebody completes the order in the time that the judiciary has set. Our target for successful completions for the next financial year is around the 65 per cent mark. It is not about noncompliance: this is about people who start an order and complete it within that period of time. When we talk about noncompliance, as was asked about in the previous question, that is about where the departmental staff do not comply with our guidelines to supervise those orders. We would like to have a 100 per cent successful completion of any order but, of course, as was mentioned previously, we have a range of persons who simply do not comply with the requirements to complete their orders and have to be breached. What we are required to do, particularly to ensure that we continue to have the confidence of the judiciary and ensure that the program remains credible, is take breach action. That results in people not completing their orders, and that contributes to the statistic of having a non-completion in the order of 40 per cent.

**The Hon. CARMEL ZOLLO:** As well, as we have already said, we are introducing other initiatives to assist with that, whether it is those programs at Elizabeth or Port Adelaide, or the programs in country South Australia.

**The CHAIR:** That concludes the time allocated for consideration of matters relating to the Minister for Correctional Services and, there being no further questions, I declare the examination of the proposed payment completed.

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South Australia Police, \$490 795 000  
Administered Items for South Australia Police, \$354 000  
Department for Transport, Energy and Infrastructure,  
\$390 173 000  
Administered Items for the Department for Transport,  
Energy and Infrastructure \$11 539 000

**Membership:**

Dr McFetridge substituted for Mr Goldsworthy.

**Departmental Advisers:**

Mr M. Hyde, Commissioner, South Australia Police.  
Mr D. Patriarca, Director, Business Services.  
Mr J. Hallion, Chief Executive, Department for Transport, Energy and Infrastructure.  
Mr M. Small, Director, Road Safety.  
Mr P. Allan, Executive Director, Safety and Regulation Division.  
Mr T. Delaney, Chief Finance Officer.  
Ms J. Holmes, Manager, Budget Strategy.  
Mr A. Milazzo, Executive Director, Transport Services Division.

**The CHAIR:** I declare the proposed payments open for examination and refer members to the Portfolio Statement, Volume 1, pages 4.27 to 4.48, and Volume 2, pages 6.54 and 6.55. Does the minister have an opening statement?

**The Hon. CARMEL ZOLLO:** Yes. Since I last appeared before the estimates committee, I am pleased to say that South Australia has recorded the lowest annual road toll on record. At the end of 2006, South Australia recorded 117 deaths, compared to 137 in 2005. While I concede, of course, that 117 road deaths is 117 too many, this is a noteworthy progression towards a safer driving community. As of midnight last night—2 July 2007—the current road toll was 60, compared to 71 at the same time last year. I can confidently say that the strong and decisive action taken by this government towards improving road safety since the government's election in 2002 has been a major contributor to the declining road toll.

The Rann government is committed to reducing trauma caused on our roads and has set challenging goals for the future, with a target of achieving fewer than 90 fatalities and fewer than 1 000 serious injuries by the end of 2010. The government has been proactive and has implemented a wide range of road safety reforms. Last year in this forum I outlined some of the government's initiatives—such as the establishment of the Road Safety Advisory Council, chaired by Sir Eric Neal—as well as a range of reforms including full-time mobile random breath testing, demerit points for using a hand-held mobile phone whilst driving, immediate loss of licence for high-level drink driving and speeding as well as the graduated licensing scheme for novice drivers. In the past year, South Australian drivers have also been subject to random roadside drug testing. I make no apologies for the tough stance that this government has taken on drivers who recklessly disregard the law and put the lives of others at risk.

Repeat offenders will also be targeted in the coming year. The proof of service process will be tightened for those who have lost all their demerit points, and the alcohol interlock scheme will be strengthened. Legislation will be introduced to further target hoon drivers, with provisions for wheel clamping. While these policy and legislative changes will strengthen the law and the consequences facing the drivers in question, the real changes need to be made on ground level by each individual driver and road user in every South Australian community.

An excellent example is the South-East, where drivers and community members are working with the Department of Transport, Energy and Infrastructure, SAPOL and the Local Government Association on creating their own road safety strategy. The community input, which has been demonstrated in a series of forums, will result in guidelines and targets that are pertinent to that region. The development of the South-East Road Safety Strategy is an excellent example of how a

greater constant effort is required, not only from government but also from the community and individuals, to reduce fatalities and serious injuries. This dedication towards improving the road toll is also reflected by the state's 32 community road safety groups. In the past year, I have made a concerted effort to visit as many of the groups as possible. Their work in educating their communities about road safety is vital. Their dedication is commendable, and I would like to take this opportunity to thank them for the hard work they do.

In 2007-08, I will be continuing initiatives aimed at making vehicles safer and responding to concerns in relation to speed limits, while working with communities to build on the current support for initiatives and strategies aimed at reducing the road toll. The government will also continue its investment in road safety infrastructure through programs such as the state Black Spot program, which includes cycling infrastructure improvements, and the shoulder sealing program.

Road safety does not sit with just one department or one minister. Various government departments and agencies, including health, education, SAPOL and the Motor Accident Commission all contribute to supporting road safety efforts. MAC supports road safety advertising and funds research and sponsorship of road safety related projects. SAPOL plays a major role in the effort to increase road safety, and the enforcement programs delivered by SAPOL are essential to our effort. The Department for Transport, Energy and Infrastructure is responsible for coordinating the government's approach to road safety and providing the leadership on policy development and infrastructure.

In terms of overall spending by the department on road safety, the 2007-08 road safety budget is \$86.09 million. This compares to \$76.7 million in 2006-07. Included in the 2007-08 budget is (amongst other things) \$10.69 million on Black Spot treatments across the state; \$16.45 million on a range of other infrastructure associated programs, including cycle facilities, level crossings, red light/speed cameras and minor safety works; and \$8.04 million on information, education and training programs, including community road safety projects, Travel Smart, Share the Road sponsorship and Rider Safe. Special mention is also warranted regarding the expansion of the shoulder sealing program (\$7.2 million) and the introduction of the new Rural Road Safety program (\$4.4 million). Through the Rural Road Safety program, the government is committed to improving the safety of road users in rural South Australia. This is a new program that has a focus on roadside hazards. Funding will be applied to projects across the state and combined with the continuation of the shoulder sealing program.

These investments show the government's commitment to tackling road safety on a number of fronts, from infrastructure and engineering improvements to behavioural programs and initiatives. Improving road safety is a considerable challenge, and requires consistent effort by all users if continued progress is to be achieved.

**The CHAIR:** Does the member for Morphet have an opening statement?

**Dr McFETRIDGE:** Just a short statement. The issue of road safety is one where there obviously would be a bipartisan approach to minimising the damage caused to families, individuals and society through accidents and injuries. It is very disappointing to see that only \$14 million over four years of the over \$400 million in one year of vehicle taxes is being spent on road maintenance. Whilst we hear that

\$86 million is being spent on road safety, it is disappointing that it is not being spent on road maintenance. If one reads the RAA's *Backwater to Benchmark* report, one will see that the maintenance of roads has a significant input into reducing road accidents and improving road safety.

It is laudable that we are getting some increased shoulder sealing and some other roadworks done to improve roads, although I point out that some of that involves federal money. It is interesting to see over the next four years that the federal government will put over \$900 million into roads in South Australia, but I will not let the federal government off lightly. I think it should still be putting in more, and my federal colleagues are well aware of my thoughts on that. As the minister said, road safety is spread across a number of portfolios—namely, health, education, police and transport—and that is why it is interesting to see that we have a separate Minister for Road Safety. The money that is being spent on a separate ministry perhaps could be put back into road safety. I would be very interested to see the total cost of running this portfolio.

The cost that has not been mentioned by the minister so far is the cost to society of caring for the road accident victims—whether they are pedestrians, passengers, drivers of cars, cyclists or people involved in other areas of transport like trams or trains—and heaven forbid that we should have an accident like they had in Victoria recently. That is why it is so important that we spend on road transport. It is a matter of not what it costs the state but what it saves the state. The amount being spent on road safety out of the health, education, police and transport budgets could be reduced by a simpler, long-term plan to improve South Australia's roads.

**The CHAIR:** The member for Morphet, do you have questions?

**Dr McFETRIDGE:** I do. I refer to Budget Paper 3, page 2.14, Table 2.8: Transport, Energy and Infrastructure, regarding operating initiatives in the area of road maintenance. Does the minister consider that \$14.1 million over four years will be sufficient for road maintenance in South Australia to ensure that road safety risks on the state road network do not increase?

**The Hon. CARMEL ZOLLO:** Given that road maintenance as such is in the portfolio of my colleague the Minister for Transport, I will ask the Chief Executive of DTEI to respond.

**Mr HALLION:** The state budget provides \$14.1 million over four years in additional funding for road maintenance, and that brings the total road maintenance budget in 2007-08 for the state to \$76.3 million, which compares to a budgeted amount of \$73.9 million in 2006-07. The state has provided additional funding this year and, as I indicated earlier, that is additional funding over four years. The state has responsibility for something like 12 000 kilometres of sealed roads and over 10 000 kilometres of unsealed roads. Funding for routine maintenance activities includes road resurfacing and rehabilitation works, outback roads, maintenance of ferries, bridges, pavement marking, guard fence, traffic signals and road lighting, so there is a substantial asset base and the government provides significant funding.

The commonwealth provides additional funding which needs to be added to the state funding, and one of the issues that we have often been concerned about is the level of contribution that the federal government makes to the AusLink network on maintenance; if I recall, we rated that our second highest priority for AusLink funding. We would

like to see a greater contribution for road maintenance from the commonwealth in the future.

**Dr McFETRIDGE:** As to that \$78 million that you mentioned, Mr Hallion, why does the budget have \$14.1 million as the figure for road maintenance? If you are spending \$78 million on it, I think you would like to put that upfront, particularly when you have the RAA and the Road Transport Association saying that there is at least a \$200 million backlog in road maintenance.

**The CHAIR:** Minister, are you able to assist with this if it is in another portfolio area, or do you wish to refer?

**The Hon. CARMEL ZOLLO:** It is outside this portfolio. I will just ascertain whether we can answer it.

**Dr McFETRIDGE:** I thought we were talking about road safety, so I referred to roads.

**The Hon. CARMEL ZOLLO:** Mr Hallion is happy to continue.

**Mr HALLION:** I think I have indicated that we would like to see more funding on road maintenance, and particularly for the federal government's contribution to the AusLink network increased: that is our priority. That would certainly help address a number of the issues—in fact, a number of issues that the RAA has identified are on the AusLink network—so, we would like to see more contribution from the federal government. The state has increased its contribution and, in every budget process including in next year's bilateral budget process, we will continue to look at whether or not the amount of funding we provide is sufficient, but at the moment our priority is to see the federal government increase its contribution on the AusLink network.

**Dr McFETRIDGE:** This is like *deja vu* from Aboriginal Affairs yesterday—it is all the feds' fault, and I do not think that is the case somehow. I think that, considering the money that this government is getting from the federal government, it could be putting more in. I refer to Budget Paper 5, page 31, Works in Progress, regarding Road Safety—Reaching the Target. Budget Paper 5 identifies the program as 'expansion of the existing red light and speed camera network'. Can the minister advise how many red light and speed cameras were installed last year, and how many will be installed in 2007-08, by type and location—that is, either red light alone, red light and speed cameras, etc.?

**The Hon. CARMEL ZOLLO:** By the end of 2007-08, it is expected that there will be 64 dual capacity red light and speed cameras operating at traffic signals in metropolitan and rural locations. The 64 cameras consist of the following:

- 13 wet film cameras from the 2000-01 program that are rotated through 26 metropolitan sites;
- 10 digital cameras from 2004-05 located at 10 metropolitan sites; and
- 41 digital cameras from the four-year 2005-06 to 2008-09 expansion program located at 41 metropolitan and rural sites.

These 41 consist of 34 from the 2005-06 and 2006-07 financial years and seven new cameras to be installed in 2007-08. Because the metropolitan area has by far the highest number of crashes at traffic signals, 54 of the 64 cameras will be located in the metropolitan area with the remaining 10 cameras at rural locations: two at Murray Bridge, two at Whyalla, two at Port Augusta, three at Mount Gambier, and one between Littlehampton and Mount Barker.

**Dr McFETRIDGE:** The minister can decide whether she wants Mr Hallion to answer my next question, because the criticism is actually directed at him. A senior TransAdelaide official described to me the \$400 000 safety upgrade of the

tram crossing at Morphett Road—I will not use his language, Madam Chair—as an 'f-up' and then proceeded to shift the blame for this 'f-up' to the Commissioner of Highways.

**The Hon. CARMEL ZOLLO:** We regard level crossing safety of great importance. Since the fatal railway level crossing crash at Salisbury in 2002 in which four people were killed, the state government has implemented a number of processes and programs to manage level crossing safety in South Australia. These include: the establishment of a State Level Crossing Strategy Advisory Committee and a Level Crossing Unit within the Department for Transport, Energy and Infrastructure; the survey and assessment of all 1 140 level crossings using the Australian Level Crossing Assessment Model (ALCAM); a safety improvement program; and a media education campaign.

As I said, there are 1 140 level crossings in South Australia on active railway lines. Of these, 900 crossings have passive warning signs—'stop' or 'give way'—and 240 have active warning devices—flashing lights, bells, and, where appropriate, boom barriers. Since the commencement of the safety improvement program in the 2003-04 financial year, a total of \$10 million has been spent on level crossing safety improvement projects at some 40 level crossings. In addition, improvements to signage at level crossings to comply with Australian standards have been undertaken at approximately 450 crossings. To date, the level crossing safety improvement program has largely involved the metropolitan area where there has been the greatest number of vehicle and train interactions, and, hence, the greatest risk for a crash to occur.

The focus has been on safety treatments at crossings where there is the potential for vehicles to queue and become trapped on a crossing when a train approaches. A number of country crossings have also had safety improvements undertaken. I am pleased to say that the level crossing safety improvement program will continue this financial year, with a further \$3 million allocated in this budget towards safety treatments. This year there will be an even greater focus on country crossings, with the main target being higher usage passive crossings, particularly those used by heavy vehicles. The first round of level crossing surveys and ALCAM assessments was completed in the past year. The data collected during this process will better enable the identification and prioritisation of future level crossing safety programs.

A safety improvement strategy is being developed, which will allow for a more strategic approach to be adopted towards the management of level crossing safety. As well as engineering solutions, the department is also examining education and enforcement strategies to address level crossing safety. DTEI has developed and aired on several occasions the rather confronting 'Don't play with trains' radio and television commercials. The department is also chairing a national committee, which is examining behavioural issues at a level crossings with the goal of producing a nationally developed media education and enforcement campaign over the next 12 to 18 months. The State Level Crossing Strategy Advisory Committee will need to provide specific advice on the role that industry and local government should play in improving level crossing safety beyond 2007-08.

In regard to the specific issue that the member raised, a pedestrian cyclist crossing has been installed on Morphett Road by the raceway. It is one of four crossings to support the green cycle path along the Glenelg tramway. No complaints have been received by the director of road safety, who is the

responsible public servant. If the member has any specific issues that he wishes to raise, he is very welcome to contact me or the department.

**Dr McFETRIDGE:** Just for the committee's information, I can say that, from personal experience in having used that crossing many times, they are still going through the red lights. They are queuing dangerously across the intersection, and there are traffic delays of up to 30 minutes on Morphett Road because of the lack of sequencing of the lights.

**Mr PICCOLO:** I would like to raise a question about a matter which is important for my electorate. It has been raised in passing so far. It concerns the government program to seal road shoulders and the general rural road safety program. I refer to Budget Paper 4, Volume 2, pages 6.18, 6.20, 6.23 and 6.54. I would specifically like to know if the minister can advise the committee of what issues will be targeted through the shoulder sealing and rural road safety programs. What roads will receive the greatest expenditure?

**The Hon. CARMEL ZOLLO:** I thank the member for his question. The rural road safety program has been designed to address the worrying statistic that reveals that almost 60 per cent of fatal and casualty crashes in South Australia over the past five years occurred on rural roads. South Australia's Strategic Plan has set a target to reduce road fatalities to less than 90 persons per year and serious injuries to less than 1 000 per year by 2010. As I have already mentioned, making South Australia's vast regional road network more crash tolerant is the key focus of the South Australian government's new program. In the 2007-08 budget, \$11.6 million has been allocated to the introduction of the new rural road safety program (\$4.4 million) as well as an extension of the shoulder sealing program (\$7.2 million).

Over the five-year period between 2001 and 2005, approximately 56 per cent of all fatal and casualty crashes on rural roads involved drivers or riders losing control of their vehicle prior to its leaving the road and, in most cases, either hitting a fixed object or rolling over. Safer roads and roadsides will play a critical role in achieving South Australia's road safety targets. It is possible to mitigate the consequences of driver mistakes and crashes on rural roads through a variety of cost-effective infrastructure treatments, and two of the most cost-effective safety treatments are sealing the road shoulder to give users greater room to recover from losing control and removing, modifying or shielding road users from roadside hazards—for example, trees, culverts or utility poles.

The continuation of the shoulder sealing program, combined with the introduction of the new rural road safety program, will provide significant safety outcomes by reducing the number and severity of road crashes. The program consists primarily of protective barriers, with some hazards removal, together with improved treatment of rural road junctions and audio-tactile edge treatments. Projects have been chosen because of either a poor and unacceptable crash history or, alternatively, they have been identified by safety investigations audits as having significant crash potential. The programs are based on formulated priority lists from both the road safety strategy and individual regional offices.

Roads to receive significant safety improvements under either one or both of the shoulder sealing and rural road safety programs in 2007-08 are:

- North-East Road/Tea Tree Gully Road/Mannum Road, estimated cost \$1.888 million;

- Aldgate-White Hill, estimated cost \$0.479 million;
- Gorge Road, estimated cost \$0.56 million;
- Main North Road, estimated cost \$0.797 million;
- Flinders Highway, estimated cost \$0.840 million;
- Kadina-Moonta, estimated cost \$0.750 million;
- Riddoch Highway, estimated cost \$1.320 million;
- Gawler-Kersbrook, estimated cost \$0.860 million; and
- Barrier Highway, estimated cost \$1.320 million).

I am confident that the new rural road safety program and the ongoing shoulder sealing program will help us make significant road safety improvements in regional South Australia.

**Mr KENYON:** I refer to Budget Paper 4, Volume 2, pages 6.18 and 6.54. The majority of our road fatalities, and a large proportion of serious injuries, involve country roads and people who live in country areas. Will the minister outline what is being done to increase the engagement of rural people and rural communities in efforts to improve their safety on the road and to reduce the rural road toll?

**The Hon. CARMEL ZOLLO:** In 2005, the South-East region had the highest number of road deaths of any South Australian region with 20 fatalities. In April last year, a month after becoming minister, correspondence between the South-East Local Government Association and I ensued in relation to the development of a strategy for the South-East. Following a meeting on 1 December 2006, the SELGA board agreed to the project proposal and to work jointly with the Department for Transport, Energy and Infrastructure (DTEI) to develop the strategy. The development of the strategy is expected to assist in efforts to reach the targets for lower fatalities and serious injuries in South Australia's Strategic Plan. The strategy may also be the forerunner of similar road safety strategies developed for other regions of our state.

A key part of the development of the strategy—the consultation with local residents, agencies, organisations and businesses—is now complete. The public consultation phase consisted of five public forums and the opportunity for local residents, agencies, organisations and businesses to make a written submission on road safety. Invitations and publicity about the forums and making a submission were distributed as follows: letters to the seven councils in the South-East region, the four community road safety groups, SA Police, SA Ambulance, the Country Fire Service, the Limestone Coast Regional Development Board, as well as a selection of other organisations and businesses and advertisements in the five South-East newspapers.

The five forums were held at Mount Gambier, Millicent, Naracoorte, Kingston and Bordertown. About 50 people attended, either as members of the public or representatives of councils, government agencies and private organisations. DTEI engaged Mr Eric Howard to facilitate the forums and to provide advice on the details of the draft strategy. Mr Howard was the General Manager Road Safety of VicRoads until 2006 and is now working as an expert consultant in road safety. Eight public submissions were received.

The steering committee overseeing the development of the strategy met on 30 May 2007 to consider the outcomes of the five forums and the submissions received. As a result of that meeting, guidance was given to DTEI, with the details to be included in the strategy. DTEI has commenced preparation, and it is expected that a draft will be ready for distribution to the councils making up SELGA this month. The next board meeting of SELGA will be in early August, and it will provide an opportunity for an agreement to be reached on the strategy between SELGA and me and, of course, the release

of the document. Clearly, some of the proposals will take longer to achieve and deliver results. However, I am confident that we will achieve positive outcomes over the short, medium and long term.

**Ms BEDFORD:** I refer to Budget Paper 4, Volume 2, pages 6.18 to 6.15. Minister, will you outline the role and operations of the on-road drug-driving program, which was implemented in July 2006, and funding allocated to the program?

**The Hon. CARMEL ZOLLO:** I thank the member for her question. While the 12-month drug-driving trial officially ended at midnight on 30 June, drivers should not become complacent when it comes to drug driving. Roadside drug testing will continue indefinitely while a review is being undertaken to ensure that we have the best model in the long term. The testing will continue to operate in the same manner as it did during the trial, without the need for any legislative changes. This government is committed to achieving the State Strategic Plan, as I have outlined before, to see a target of 40 per cent reduction in fatalities and serious injuries by the end of 2010, and drug driving is one of a number of contributors to road deaths in South Australia.

The statistics tell us that in 2006, 24 per cent of driver and motorcycle rider fatalities, tested post-mortem, had either THC (the active ingredient in cannabis) and/or methamphetamines in their blood at the time of the crash. Between 2003 and 2005, 23 per cent of driver/rider fatalities, tested post-mortem, had detectable levels of one or a combination of THC, methamphetamine, speed—which I do not think we mentioned before—and MDMA (ecstasy) in their blood at the time of the crash.

As we know, random roadside drug testing of drivers for THC and methamphetamine began on 1 July 2006, and the government added MDMA, commonly known as ecstasy, to the testing regime from 8 September 2006 to send a clear message to those who take drugs and drive. Funding of \$4.3 million was allocated by the government for a drug driving program from 2005-06 to 2008-09, and in this budget (2007-08) a further allocation of \$11.1 million over four years has been provided for the program. The legislation included a review to be tabled in parliament after the first 12 months of operation, and this review is currently being conducted.

For the information of the committee, South Australia Police have advised the following results for driver drug-testing operations by the Drug Driver Testing Group for the period 1 July 2006 to 30 June 2007. During the trial, the detection rate was that 1 in 35 drivers, or 2.85 per cent, confirmed positive to a prescribed drug. That is based on confirmed drivers over 9 876 tests. The breakdown of oral fluid and blood samples confirmed positive from the roadside testing are as follows: 282 confirmed results from 277 oral fluid samples and five blood samples. Of these, 123 samples tested positive for methamphetamine only, 71 for THC only, nine for MDMA only, and 79 for a drug combination. Four drivers refused to supply an oral fluid sample. There were two recidivist drivers who were detected twice during the trial period with a prescribed drug in their oral fluid. Of the 282 confirmed results, not surprisingly perhaps, 249 were for males ranging in ages from 16 to 58 years.

As we know, the trial, which involved one testing station operated by SAPOL, has clearly been a great success in taking those people off our roads. The review that is being undertaken will determine how drug testing of South Australian drivers will be expanded, and that includes the

level of penalties. Any changes need to be carefully considered, and I will be taking advice from SAPOL. In the meantime, the government will continue to get drug-affected drivers off our roads.

**Dr McFETRIDGE:** I would like to acknowledge the member for Schubert's longstanding efforts in achieving the drug-driving legislation. He certainly has been a champion of that. My next question relates to Budget Paper 3, page 3.8, table 3.4, concerning speeding fines. Is the government dropping the tolerance on speed cameras from what it is now to 5 per cent or 3 km/h—whichever is the lower—or some other new lower tolerance level? What is the total revenue from speeding fines for 2006-07 and how much is being used to improve road safety?

**The Hon. CARMEL ZOLLO:** As the tolerance in speed is an operational issue, I will ask the Police Commissioner, Mr Mal Hyde, to respond.

**Mr HYDE:** I begin by saying that one of the greatest contributions to road safety is changing people's attitudes and behaviour. If you look at the history of things in the state and look at where we have come from, over the last 30 years we have come from a fatality rate of 382 a year to 117 last year. A lot of things have contributed to that, with safer roads, safer cars and a whole raft of other things, but one of the things that has made a big difference is changing people's attitudes. For older people, I suppose, if you reflect upon attitudes to drink-driving back 30 years ago to what they are today, they are completely different. People have changed their attitude to it.

From our point of view, if we are to continue to get improvements in road safety, one of the key things we need to do is have the community continually improve its attitude and behaviour to road safety. So, the South Australia Police Strategic Plan is really predicated on people continually upgrading their standards of behaviour and their expectations from others, and so you can encapsulate that into a lower tolerance for high-risk behaviour on our roads. As part of that lower tolerance, South Australian police are looking at a range of things, including the tolerance that we have for speeding offences.

At the moment it takes two forms. The officers on the road have their own discretion in terms of what tolerance they will allow when they detect speeding motorists. That is based on a whole raft of the circumstances that they consider at the time. There are no rules prescribed around what that tolerance might be. Obviously we have some expectations that dangerous drivers will be actioned either by issuing notices or summonses for court or cautions.

The other form in which speeding detection takes place is through speed cameras, whether they are speed cameras alone or with red-light cameras, as well. As part of that, we have a tolerance which we apply in our expiation notice branch. That is the tolerance that primarily has been considered for change. The difficulty with talking about a tolerance level is that, if we do describe a tolerance to the community, that de facto becomes the new speed limit. We have always taken the view that it is unproductive to put precise tolerance figures out in the public arena. That might be particularly the case for the lower speed ranges where people might expect that they can exceed it by more proportionately than at the upper end. We are looking at tolerance levels. Obviously, we will consider what is reasonable. It is not a matter of reducing tolerances down to something which we think is unacceptable—and the community would probably share our view there. We are looking at what would be a reasonable toler-



ance level. We would prefer not to be discussing publicly what the tolerance level might be.

In terms of the actual fines, might I say at the outset that the notices come from a variety of sources: they are not just road safety or traffic-related expiation notices. The bottom line on the overall amount is that in the 2006-07 budget there was a forecast in the order of \$76 million for revenue, and the actual result was just over \$58 million. In respect of speeding, the forecast in the 2006-07 budget for mobile speed cameras was \$19.7 million, and the actual outcome was \$14.4 million. In relation to the forecast for fixed speed cameras—which are in conjunction with red-light cameras—the forecast was for \$22.3 million, and the outcome was \$15.2 million. Obviously, there was a reduction in the forecast revenue for fines, primarily resulting from a lower outcome in respect of speed fines. From a police point of view—and I am probably not reflecting the Treasurer's point of view—we think that is a good outcome.

**The Hon. CARMEL ZOLLO:** It is a good outcome from the road safety minister's point of view, as well.

**Mr HYDE:** Whilst there was some delay in the rollout of the new speed cameras over the past few years, the primary reason for the reduction is a change in driver behaviour—which goes back to the behaviour I was talking about before. We see much less offending past our speed cameras by motorists. I am sure that is a contributor to the overall good outcomes that we saw in the road toll last year; and there are good indications for this year, as well.

**Dr McFETRIDGE:** I think a zero dollar would be terrific, and I think everyone would agree with that. I have no sympathy for people who speed: if you don't want a fine, don't speed. I congratulate the police for the job they do. I refer to Budget Paper 4, Volume 1, page 4.28, road use regulation. In March 2006, Mr Patrick Burns was charged with breaching road rule 300 of the Australian Road Rules. He has since had his conviction affirmed following an appeal. The minister indicated on Radio FIVEaa on 4 June that she expected SAPOL officers to 'enforce the spirit and the intent of the legislation as it now stands' in order to allow people to use a mobile phone hands free in a car. Considering the law as it stood on 4 June is the same law that existed when Mr Burns was charged last March, will the government acknowledge that Mr Burns was acting in the spirit of the law and provide Mr Burns with an ex gratia payment to cover the costs of the fine and the related legal proceedings?

**The Hon. CARMEL ZOLLO:** It not the case that the rule stood in the same manner. The Australian Transport Council approved a large package of amendments to the Australian Road Rules on 29 September 2006. These changes to the Australian Road Rules were part of a large package to tidy up existing laws and many of these changes were minor in nature. The rule on handheld mobile phones was one such rule, where there was some debate about the meaning of 'use' of such a phone. The amendment to this rule, which has now been enacted in South Australian legislation, makes it an offence to drive while holding a mobile phone and ensures that hands-free mobile phones can be used. South Australia is the first state to change rule 300.

The amendment provides that the driver of a vehicle, except an emergency vehicle or police vehicle, must not use a mobile phone that the driver is holding in his or her hand while the vehicle is moving, or is stationary but not parked, unless the driver is exempt from this rule under another law of this jurisdiction. 'Mobile phone' does not include a CB radio or any other two-way radio. 'Use' in relation to a

mobile phone includes the following: holding the phone to or near the ear (whether or not engaged in a phone call), holding the phone while writing, sending or reading a text message on the phone, holding the phone when turning the phone on or off and holding the phone to operate any other function of the phone.

ATC decisions are in the nature of policy and have no legal effect. The amendments that ATC approves have to be adopted into our legislation before they become law. There are no specific time frames required for this, and each jurisdiction has to consider what implementation tasks are required before this can happen; for example, cabinet approval, publicity, change in education materials, and so on. Other jurisdictions are not planning to introduce the package until the end of this year, although I understand Victoria intends to introduce the mobile phone rule this month.

On 14 March 2006 a Supreme Court judge interpreted the rule which was then in existence as allowing hands-free use of mobile phones. This was consistent with the clarification provided in the ATC approved amendments and we did not see an urgency to introduce the mobile phone rule. The recent Supreme Court decision in the case of Mr Burns was a stricter interpretation of the rule than in the March 2006 case. This was unexpected. However, once the decision was handed down it was necessary to act quickly to clarify the legislation by implementing the ATC approved amendments, which reinstated the common interpretation that was adopted by the court in March 2006.

I should place on record that Mr Burns committed the offence on 6 March 2006—months before the ATC approved the amendments. A person is judged on the basis of the law when the offence was committed. Even if the government had implemented the amendments immediately after the ATC approved them, Mr Burns would still have been judged on the version of the rule that existed at the time.

**Dr McFETRIDGE:** I am sure Mr Burns will be happy about that. I refer to Budget Paper 4, Volume 2, page 6.54, Program 11: Income—Fees, fines and penalties, and I think you have said something about this, minister. In May this year the Australasian Railway Association sent a letter to the government, in which the association described the penalties for illegal behaviour at level crossings as 'ridiculously low', and urgently called for an increase in the penalties for breaching road rules at railway crossings. The letter also noted that South Australia had the lowest infringement notice penalty of the four mainland states, identified as low as \$176. What action is the government taking to ensure that penalties reflect the danger?

**The Hon. CARMEL ZOLLO:** I have already placed on record this department's commitment to level crossing safety in South Australia. The state level crossing committee is looking at all aspects of level crossing safety, including infrastructure, and, for example, rumble strips, education, enforcement, cameras, penalties, and technology, for example communication between trains and vehicles using GPS, to develop proposals regarding further improvements. All resource issues will be considered as part of these proposals and, at the national level, a specific group has been formed to look at road user behaviour at level crossings, and a number of projects are coming from this group, including a national survey of drivers' attitudes and behaviours at level crossings, data collection regarding incidents, an inventory of available education material, and an education and enforcement trial.

If I can advise the committee that South Australian penalties for level crossing offences are not significantly different from other states. I understand that Victoria has just increased penalties, from \$177 and three demerit points to \$430 and four demerit points, post Kerang. I am aware that Mr Nye of the Australasian Railway Association wrote to my colleague the Hon. Patrick Conlon, and I have responded just very recently to Mr Nye; indeed, he may not have a copy of my response. I have acknowledged that currently the expiation fees for level crossing offences are slightly lower in South Australia than the highest fee associated with road intersection offences for similar behaviour. It is my intention to instruct my department to develop a submission for consideration by cabinet to increase the expiation fees for level crossing offences, in line with current fees for road intersection offences, for implementation in July 2008.

In terms of penalties, the maximum court imposed penalty in South Australia for offences under the Road Traffic Act 1961, including its associated regulations and Australian road rules, other than those in part 12, where no specific penalty is set, was recently increased from \$1 250 to \$2 500. This default maximum penalty applies to level crossing offences. I do not propose at this stage to increase the penalty for these offences in line with penalties for offences such as reckless and dangerous driving. Reckless and dangerous driving can occur in many different situations. It would be my understanding that, if police believe the circumstances of a breach of the road rules at a level crossing constitute reckless and dangerous driving, they are able to charge the driver of the vehicle with this offence. Similarly, there may be situations where a level crossing offence is committed without reckless or dangerous driving being involved.

I have been advised that the issue of penalties in relation to breaching road rules at level crossings was also discussed. As I have mentioned before, the recent meeting of the national level crossing behaviour coordination group notes that the penalty is not vastly different across many of the jurisdictions, including Victoria, even after the recently announced increase, and indicated that there was no intention to have an increase at this time. The notion that any penalty increase needs to be accompanied by enforcement in order to be effective was also discussed at that particular meeting.

**Dr McFETRIDGE:** I refer to Budget Paper 3, page 2.14, Table 2.8—Department for Transport, Energy and Infrastructure, operating initiatives. Has the minister had any discussions with the Local Government Association regarding the difficulties that local government is encountering with funding for road maintenance, and is the minister aware of the ‘Hamburger highway’ proposition that has been put up in New South Wales where businesses are offering to pay councils money to paint their advertising signs on roadways and give money to local government to assist with road maintenance? You would see a McDonald’s sign at the intersection or something like that.

For the committee’s information, it is mentioned in an article in the *Journal of the Australasian College of Safety*, of which I am a member. I think I am the only member of parliament who is a paid member of this college. It is a good journal, and I hope the minister gets it. On page 22, the article is headed ‘Road Advertising’, and is written by Mr Ken Smith RRSP, ACRS Fellow.

**The Hon. CARMEL ZOLLO:** With all due respects, this question is probably a little outside the budget papers, but I will refer the question to my colleague the Hon. Patrick Conlon and also look at it myself.

**The CHAIR:** The time agreed for the examination of the proposed payments for the Department for Transport, Energy and Infrastructure and Administered Items for the Department for Transport, Energy and Infrastructure is completed. The payments for South Australia Police and Administered Items for South Australia Police are to be referred to committee B.

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Department of Trade and Economic Development,  
\$67 366 000.

**Witness:**

The Hon. K.A. Maywald, Minister for the River Murray, Minister for Water Security, Minister for Regional Development, Minister for Small Business, Minister Assisting the Minister for Industry and Trade.

**Departmental Advisers:**

Mr R. Garrand, Chief Executive Officer, Department of Trade and Economic Development.

Ms K. Lablack, Director, Population and Migration.

Ms A. Allison, Director, Corporate Services.

Ms S. Yang, Director, Immigration SA.

**Membership:**

Ms Chapman substituted for Dr McFetridge.

Mr Griffiths substituted for Mr Pederick.

**The CHAIR:** I declare the proposed payment open for examination and refer members to the Portfolio Statement, Volume 1, part 2.

Minister, I think you are aware of all the procedures relating to estimates committees, particularly those relating to questions being directed to the minister rather than to advisers, but the minister may refer questions to advisers for a response if required. I know other committee members are familiar with the need to reference questions to the line that we have open for examination at the moment. Minister, do you wish to make an opening statement?

**The Hon. K.A. MAYWALD:** Yes, I do. The Population and Migration Unit is a division within the Department of Trade and Economic Development. The Population and Migration Unit has responsibility for promoting South Australia as a desirable location to live, work and play. The South Australian government’s population program is continuing to pay dividends for the state and the economy. In the year to December 2006, South Australia’s population growth was the highest 12-month period of growth since December 1991, an increase of 16 149 persons to 1 575 714.

Net overseas migration added 11 150 persons to South Australia’s population, the highest level since 1972. The number of settler arrivals to SA from overseas in the six months to December 2006 was 5 127, the highest number recorded. This significant increase in the number of settler arrivals positively reflects upon government-funded initiatives such as promoting skilled and business migration opportunities in markets such as the UK, India and China and Business SA’s welcome service for business migrants to South Australia to encourage overseas persons to migrate to South Australia. The fertility rate for 2005-06 in South Australia was 1.82 compared to the Australian average of 1.83. The current rate for South Australia is the highest in over a decade.

There has also been a significant improvement in the net outflow of population interstate in the year to December 2006. The net loss of people interstate was 2 765, an improvement of almost 23 per cent from -3 569 in the 12 months to December 2005. If these trends continue, South Australia is on track to achieve its population target of 2 million by the year 2050. In 2007-08 the key initiatives being implemented to support these trends include:

- \$2.7 million over four years to enhance on-arrival services for skilled migrants coming to South Australia;
- continuation of on-arrival services for skilled and business migrants; and
- \$960 000 for parents seeking to re-engage in the labour market through the Parents Return to Work program.

**The CHAIR:** Is the timetable for this afternoon agreed upon?

**The Hon. K.A. MAYWALD:** Yes.

**Ms CHAPMAN:** Yes.

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

**Ms CHAPMAN:** I do not propose to do so. However, I will inquire as to whether the minister has taken on notice eight omnibus questions from the opposition earlier in her deliberations today. If she has, and those questions have been directed to each of the agencies for which she is responsible, the committee will be relieved of my having to re-read those eight questions. However, if she has not, I am happy to do so.

**The Hon. K.A. MAYWALD:** This is my first sitting, so it will be necessary to read them.

**Ms CHAPMAN:** The omnibus questions are as follows:

1. Will the minister provide a detailed breakdown of the baseline data that has been provided to the Shared Services Reform Office by each department or agency reporting to the minister, including the current total cost of the provision of payroll, finance, human services, procurement, records management and information technology services in each department or agency reporting to the minister, as well as the full-time equivalent staffing numbers involved?

2. Will the minister provide a detailed breakdown of the expenditure on consultants and contractors in 2006-07 for all departments and agencies reporting to the minister, listing the name of the consultant and contractor, 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 2007 and, for each surplus employee, what is the title or classification of the employee and the total employment cost of the employee?

4. In the financial year 2005-06 for all departments and agencies reporting to the minister what underspending on projects and programs was not approved by cabinet for carryover expenditure in 2006-07?

5. For all departments and agencies reporting to the minister, what is the estimated or actual level of under-expenditure for 2006-07 and has cabinet already approved any carryover expenditure into 2007-08? 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 subcategory, what was 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 2007?

(ii) Between 30 June 2006 and 30 June 2007, 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. For the years 2005-06 and 2006-07, will the minister provide a breakdown of expenditure on all grants administered by all departments and agencies reporting to the minister listing the name of the grant recipient, the amount of the grant, the purpose of the grant and whether the grant was subject to a grant agreement as required by the Treasurer's Instruction No. 15?

8. For all capital works projects listed in Budget Paper 5 that are the responsibility of the minister, will the minister list the total amount spent to date on each project?

Having read those omnibus questions, I now refer to Budget Paper 4, Volume 1, page 2.27, Population and migration, and, in particular, the Adelaide Make the Move interstate migration program. What is the government doing to address the net annual loss of South Australians to other states, which was 2 654 to September 2006 (and I think an even greater figure to December 2006, as the minister has just identified), which is the second largest interstate migration loss behind New South Wales? Of particular concern to the opposition is that 37 per cent of all interstate moves comprises persons aged 20 to 34.

**The Hon. K.A. MAYWALD:** The interstate migration program began in October 2004 with the Make the Move campaign contributing to target T1.23, reducing net interstate outflow to zero by 2010, with net inflow to be sustained until 2014. In South Australia we have been concentrating our effort on building the economy and ensuring that we have appropriate investment in upskilling and developing our skilled workforce programs. There has been a whole of government package in relation to the skills portfolio area, which goes across the DFEEST portfolio, and the Department of Trade and Economic Development, DECS and various other departments are also involved. The total package is about \$98 million in looking at upskilling.

A healthy economy is about ensuring that we have people who want to stay and the jobs available for them to stay here. The other programs that we are running in relation to 'making the move' also apply to keeping people in the state. It is about attraction and retention. With respect to the other part of the member's question about the statistics, the census data to which she referred is 2001 data: it is now five years old. The new census data has not been released to us as yet. The issue of the trend—

**Ms CHAPMAN:** That was for 2006, minister.

**The Hon. K.A. MAYWALD:** We have not had the upgrade on that age group.

**Ms CHAPMAN:** We have. It was published last week.

**The Hon. K.A. MAYWALD:** We have not seen the upgrade of the census figures with respect to that age group. We are still waiting for that data. However, loss of people interstate is trending in the right direction. As I said in my opening statement, the net loss of people interstate is 2 765, which is an improvement of almost 23 per cent on the previous year. So, we are trending in the right direction.

**Ms CHAPMAN:** If we are trending in the right direction, as the minister said, even though we have this appalling statistic that somewhere between 2 500 and 3 500 people net are leaving the state, why was it necessary for the government to abandon the South Australian Strategic Plan target requiring a reduction in net population loss interstate to zero by 2008 (which is just 180 days away), and will the minister now concede that the Adelaide Make the Move money should now be put to better use?

**The CHAIR:** Minister, my opinion is that that may not be a question you are able to answer at this time, but I invite you to provide any information you can.

**The Hon. K.A. MAYWALD:** It does not reflect a budget line. However, the issue of retention is a very important one which we take very seriously, and it is part of our SAS population policy target. The population policy target for South Australia, which was released in March 2004, sets the state's key target of achieving a population of 2 million by 2050. We have a number of components to our total population targets. T1.22 on total population has components in relation to interstate migration to reduce the annual net interstate migration loss to zero by 2010 and a net inflow thereafter to be sustained through to 2014. Those are still very high bars to achieve and we will be working towards those targets. Of course, as to our overseas migration, we are looking to increase the net overseas migration gain to 8 500 per annum by 2014. We are looking to improve the population fertility rate to maintain a rate of, at least, 1.7 births per woman—that is T1.25.

**Ms CHAPMAN:** Minister, my question was, though, why did the government abandon its original target? I know what the targets are that you just read out; they are the ones that they changed in January this year to the 2010 and 2014 targets. But when the Strategic Plan was issued, it set a target of net population loss at zero by 2008. My question is: why did the government, if it is swimming along so beautifully with this issue, abandon that target in January this year and supplant the two that you have just referred to?

**The Hon. K.A. MAYWALD:** I suggest that 'abandon' is probably not the appropriate word, given that we have reworked our population targets on the basis of the consultation that we have undertaken. It has been extensive consultation under the review of the SAS targets in the past 12 months. It was seen as appropriate to redefine our targets, which included new targets as well as redefining that target, and it was seen that the 2008 target may not have been achievable. However, we have set ourselves quite a high bar. The idea of this target is to ensure that we strive beyond our comfort zone, and we intend to do so, and it is trending in the right direction.

**Ms CHAPMAN:** Yesterday the target of homelessness was identified as something that had kept its target, which is clearly not achievable, and that target said that in South Australia we would halve the number of rough sleepers (the homeless) by 2010. Now it has been disclosed in last week's ABS figures that, in fact, the government has achieved nine a year, and it will be another 50 years before that target is achieved. Clearly, that is going to be blown out of the water. They did not change their target, simply because they said they could not achieve it.

**The CHAIR:** Order! The member for Bragg, please confine yourself to issues before this committee.

**Ms CHAPMAN:** I am pointing out, Madam Chair, that a number of targets are set in the Strategic Plan, one of which was addressed yesterday when the new statistics came out, and the government did not see fit to change that one. Even though you are on, I suppose, a collision to nowhere as far as this target goes because you only have 180 days to comply with the original target, it has clearly been changed, with no acknowledgment that the government has failed to achieve that target or anywhere near it.

**The CHAIR:** Order! The member for Bragg, this is a time for questions, not debate.

**Ms CHAPMAN:** I am asking the minister to agree or not.

**The CHAIR:** Please proceed with a question.

**The Hon. K.A. MAYWALD:** What was the question?

**Ms CHAPMAN:** Do you agree or not?

**The Hon. K.A. MAYWALD:** I do not agree at all. I think that what we have undertaken is a complete review of our SAS targets through an extensive process of public consultation. The review steering committee advised on the targets that we should be undertaking and, where appropriate, changes to those targets. This was not on my advice: this was on the advice of the update team. The update team advised that these were more appropriate targets. It is certainly not setting the bar low: it is setting the bar still very high. We intend to work towards achieving those targets.

**Ms CHAPMAN:** At page 2.27, again on the Make the Move program, what were the findings of the review into the performance of the Adelaide Make the Move program? How much is budgeted for in the 2007-08 year to continue the campaign? By way of some background, on 23 October 2006 during estimates, the minister said that she was currently 'reviewing the performance of the program and refining the budget in relation to how we move forward'. The minister advised that the total expenditure for the year to date on the migration attraction program was \$1.76 million for 2005-06, which included events, marketing, etc. Minister, you also said that the program would be redeveloped, and that we would not be doing the 'broad brush' advertising, saying that \$804 000 had been budgeted for marketing in 2006-07. To refresh you on my question: what were the findings of the review into the performance of this program?

**The Hon. K.A. MAYWALD:** We undertook a review to see what industry may require in regard to recruitment and retention of skilled people in South Australia. As a result of that review, we have had a greater participation of partners who attended our expos. Some of the companies that attended the expos in the Make the Move program include:

- ASC Pty Ltd, which was represented in Melbourne and Sydney;
- Defence, which was represented in Melbourne and Sydney;
- SAPOL, which was represented in Melbourne;
- Hudson, which attended both Melbourne and Sydney;
- Challenge Recruitment Ltd, which attended both Melbourne and Sydney;
- Corus People Solutions, which attended both Melbourne and Sydney;
- Department for Families and Communities, which attended both Melbourne and Sydney;
- Carnegie Mellon University Heinz School Australia, which attended both Melbourne and Sydney;
- Education Adelaide, which attended both Melbourne and Sydney;
- CareerOne, which attended both Melbourne and Sydney;
- PIRSA, which attended in Sydney; and
- OneSteel, which attended in Sydney.

The other issues were that the requirements of both the defence and the resources industry were investigated. However, employers who needed to recruit interstate determined that utilising the existing careers and skills expos or their own recruitment mechanisms were adequate for their needs. We determined, on the work undertaken in the 2006-07 year, that we spent about \$540 000 in that program, and we have budgeted for about \$1 million for 2007-08. We believe the program is working. We have seen some good figures. The interstate competitive activity has increased, with Western Australia now launching the Go West program;

Queensland has started its Head to Queensland program; and Victoria, one of the key geographical targets for the Make the Move Program, has invested in retention campaigns estimated at \$1 million. So, most states are following suit and taking the lead of South Australia.

**Ms CHAPMAN:** That is very interesting, minister, but my question—

**The CHAIR:** Order! You have not been given the call. I need to check whether members on my right have questions. Do members on my right have questions?

**Ms CHAPMAN:** Can I just clarify something, Madam Chair? I was informed by the minister at the commencement that there would not be government questions. Unless that is not correct, I will proceed with the question. I appreciate, minister, that you have explained that other states are following suit, and that you have asked employers what skills they need. You have given me some statistics about how many have gone to the expos, but my question was: did you conduct the review that you said you would last year into the performance of this program?

**The Hon. K.A. MAYWALD:** We undertook a review into the aspects of the program that were working, and we worked with industry to see what it was that they were looking for in the Make the Move program, and we adapted the program accordingly.

**Ms CHAPMAN:** Did you issue a report?

**The Hon. K.A. MAYWALD:** No, we did not. It was an internal review.

**Ms CHAPMAN:** I again refer to page 2.27. There have been 12 000 inquiries to date in response to the Adelaide Make the Move promotional activities. How many people have actually moved to Adelaide as a direct result of the Make the Move campaign, and how many families does this number represent?

**The Hon. K.A. MAYWALD:** It can be difficult to track these numbers, but, of the 13 595 inquiries that were received for Make the Move since the program commenced, 7 379 resumes that we know of were forwarded into the recruitment funnel. Of these, 750 people have been interviewed, with 223 being placed in employment.

**Ms CHAPMAN:** Minister, last year you managed to tell us that. Last year you told us that, since July 2005, 202 people—500 when you count the family members, according to your evidence last year—now live in Adelaide. I am asking you how many are here now as a result of this program.

**The Hon. K.A. MAYWALD:** Thank you for asking me that; I am pleased that you have. It is very difficult to actually identify those numbers. However, when you look at the net number of people moving into the state and the population increase that we have achieved, we believe that the program is worthwhile pursuing.

**Ms CHAPMAN:** Will the minister agree to take question on notice and provide us with that information?

**The Hon. K.A. MAYWALD:** As I said, it is difficult to quantify that information, so I would not be able to provide the honourable member with that information in any manner in which it would be useful for the parliament. It is about a program in which it is very hard to quantify exactly how many people have moved to South Australia as a consequence of actually seeing or attending one of the expos that have been involved in the Make the Move program.

**Ms CHAPMAN:** Minister, can you explain then, how you were able to answer that question at estimates in October last year, when you told us that 202 people are now living in Adelaide as a result of this program?

**The Hon. K.A. MAYWALD:** They are the people whom we know of.

**Ms CHAPMAN:** Can you answer the question or take it on notice as to how many you know of now?

**The Hon. K.A. MAYWALD:** As I said, 13 595 inquiries have been received for Make the Move program since the program commenced—

**Ms CHAPMAN:** We got all that last year.

**The CHAIR:** Order, member for Bragg!

**The Hon. K.A. MAYWALD:**—and 7 379 resumes were forwarded into the recruitment funnel. Of these, 750 people have been interviewed, with 223 being placed for employment.

**Ms CHAPMAN:** I take it that that is a no, then, that you do not propose to take to take the question on notice?

**The Hon. K.A. MAYWALD:** That is the information that we are able to give you in answer to that question.

**Ms CHAPMAN:** I refer to page 2.7. Of the permanent migrant intake, how many of the 6 364 settler arrivals in 2004-05 and the 9 099 settler arrivals in 2005-06 have subsequently left the state?

**The CHAIR:** Minister, are you able to provide that information?

**The Hon. K.A. MAYWALD:** Once settlers have arrived in the community and they move in and become part of the community, we do not keep records on their movements afterwards, so we are unable to provide you with that information.

**The CHAIR:** Member for Bragg, probably one final question?

**Ms CHAPMAN:** Is the minister saying, then, for those who come to South Australia and are in these figures, there is no follow-up by either your unit or someone in government as to whether they are there a year later, and, if so, what they are doing, whether they have employment, accommodation, or have been able to access schools, hospitals, or such that you would actually have a record of what happens to our immigrants?

**The Hon. K.A. MAYWALD:** We can undertake surveys, but there is no requirement for individuals to tell us their every movement.

**Ms CHAPMAN:** I am not suggesting that for a moment, and I would certainly hope that the government would not impose that on someone who came to South Australia—

**The Hon. K.A. MAYWALD:** I certainly hope they would not either.

**Ms CHAPMAN:** What I am asking is whether you ask your unit or somewhere else in government to provide that information, which, I have no doubt, those who are still living in South Australia would be proud and pleased to give.

**The Hon. K.A. MAYWALD:** The commonwealth has undertaken some surveys on employment outcomes and the results of immigration programs, but the state has not undertaken that kind of work.

**Ms CHAPMAN:** Does the state have access to that information?

**The Hon. K.A. MAYWALD:** I am advised that the commonwealth cannot provide us with individual details, given the privacy provisions.

**Ms CHAPMAN:** We will see what the commonwealth says about that.

**The CHAIR:** Member for Bragg, you keep getting a lucky last question in.

**Ms CHAPMAN:** Yes, thank you, Madam Chair. I refer to the new state plan on fertility on page 2.27. Why has the

government dropped the original Strategic Plan target to sustain fertility at around the Australian average or better and adopted a modified target, again in January this year, to maintain the state's existing fertility rate of 1.7 births per woman, which is the lowest of all states?

**The CHAIR:** Minister, you may have some information, but it is clearly not an estimates question.

**Ms CHAPMAN:** I am asking the minister about what is in her budget papers on the State Strategic Plan target, which she spoke about in her opening remarks. I am asking why her government changed the rules about what the target was on fertility in January this year, taking it down to something that is now the lowest of all states.

**The CHAIR:** Deputy leader, the time has expired.

**The Hon. K.A. MAYWALD:** The answer to that question (and I refer to the previous question) is that the new targets have been established in a broad consultation process and, as advised by the update team, as more appropriate targets in this year's Strategic Plan.

**The CHAIR:** The time for the examination of this issue having expired, I advise that the proposed payments for the Department of Trade and Economic Development remain open.

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Department of Water, Land and Biodiversity  
Conservation, \$92 038 000

Administered Items for the Department of Water, Land  
and Biodiversity Conservation, \$15 078 000

**Membership:**

Mr Williams substituted for Ms Chapman.

Mr Pederick substituted for Mr Griffiths.

**Additional Departmental Advisers:**

Mr R. Freeman, Chief Executive, Department of Water,  
Land and Biodiversity Conservation.

Mr P. O'Neill, Executive Director.

Mr G. Knezevic, Chief Finance Officer.

Mr P. Case, Chief Executive, Water Security Task Force.

Ms E. Young, Director, Drought Team.

**The CHAIR:** I declare the proposed payments open for examination and refer members to the Portfolio Statement, Volume 3, Part 12, pages 12.44 to 12.71. Does the minister have an opening statement in this area?

**The Hon. K.A. MAYWALD:** Yes, I do, Madam Chair. I am pleased to open the budget estimates discussion for the River Murray program for the Department of Water, Land and Biodiversity Conservation. This has been a very momentous year for the Murray-Darling Basin, with the impact of the most severe drought on record affecting business, industry, the environment and the general community right across South Australia. I believe that the drought has brought home to all South Australians the fact that our water resources are precious and that we must all actively play a part in achieving security of supply. Just as backyard burning is no longer part of our urban culture, I believe that there is now cultural acceptance that we should not waste water, regardless of availability of supply at any one point in time. I will now elaborate on our drought response, as well as the plans by the commonwealth to assume management of the water resources

within the basin and increase the scope of water trading across the basin.

I turn first to the drought and the government's response to secure supplies. There have been record low inflows into the Murray-Darling Basin storages in 11 of the last 12 months. For the first time, irrigators throughout the basin were faced with a real possibility of no water being available at the start of the 2007-08 water year. Fortunately, as a result of recent rainfall and early releases from the Snowy system, the situation has eased—but only ever so slightly—and River Murray users in South Australia will commence the water year with 4 per cent of their annual allocation, with the prospect of improved allocations as the year progresses.

As a result of these circumstances, an extensive amount of contingency planning is under way to ensure critical water needs, and we established a Water Security Advisory Group in October last year that was formerly chaired by the Treasurer, and now chaired by myself as Minister for Water Security. Through that process we also established the Water Security Task Force, which is made up of the chief executives of all of the agencies that have a part to play in managing the drought. We have also set up drought response teams in each of the agencies that feed into the Water Security Task Force, as well as establishing and appointing two ministerial liaison managers in the Hon. Dean Brown—a former premier—as the community liaison manager below lock 1, and the Hon. Neil Andrew—the former Speaker of the House of Representatives—as the community liaison manager upstream of lock 1. There has been a myriad of issues that we have had to deal with, but some of the actions we have undertaken to ensure the best possible conditions are maintained along the length of the Murray have included:

- sealing the barrages against the ingress of seawater into the lower lakes;
- fast-tracking dredging applications to enable individual licensees to maintain access to water;
- micromanagement of the weirs and control structures.

We also looked at pumping an extra 60 gegalitres of River Murray water into storages in the Adelaide Hills to build reserves and reduce the risk of potential water quality problems if the drought continues. We are also lowering the major pumping station offtakes that supply Adelaide and country areas below lock 1 so that we can keep pumping at a lower level. We have closed 27 regulated wetlands, saving around 14 gegalitres. That is basically putting the small amount of water we have into a smaller area. We have undertaken investigations into nine other unregulated water bodies that are connected to the River Murray, and there is a series of triggers that have been identified for the closure of those. They have now been activated as a consequence of the 1 July water allocations being struck at less than 50 per cent.

These closures would generate an annual evaporative net saving of around 46 gegalitres. We have already closed Ross and Jaeschke lagoons, and we are still doing a bit of work on Lake Bonney and Yatco and Gurra Gurra lakes, working through some issues that we need to ensure we have well and truly under control before we commence the closures there. However, it is anticipated that, should we get the go-ahead to disconnect those wetlands, that should be completed by September. We are also investing in the fast-tracking of 17 water treatment plants or filtered water to 17 communities that are presently taking unfiltered River Murray water, at a cost of approximately \$50 million. We are also running a pipeline to Clayton from the existing SA Water mains near

Milang. Further, we have provided for metered standpipes to be established to access water in Narrung, Meningie, Goolwa, Hindmarsh and Milang. We have also been carting water to the community of Raukkan.

We have had to deal with many difficult issues, and I would like to acknowledge the exceptional work of the departments, the drought response teams, the Water Security Task Force and our community liaison managers, who have spent an enormous amount of time and effort in ensuring we are able to deal with individuals' issues as they arise. We have also been, of course, very proactive in connection with the national water agenda in promoting the Prime Minister's national plan for water security, and we have been instrumental in negotiating the way forward for the establishment of an independent Murray-Darling authority that will report to the federal minister. This is a once-in-a-century opportunity to get it right for the river, and South Australia has been playing a very strong leadership role in the negotiation of the legislation, and also bringing the parties closer towards agreement.

I would like to acknowledge the strong work of the senior officials who have been working with commonwealth officials, and also interstate officials, to deal with the detail of that legislation. We have also been successful in these last 12 months in finally delivering interstate water trading across the three jurisdictions of New South Wales, Victoria and South Australia in the southern connected basin. It has been a long process in negotiating the way forward for an open trading regime, and we are very pleased to have been able to sign off with both New South Wales and Victoria in the last 12 months.

In conclusion, I am grateful for the opportunity to put before the estimates committee an account of South Australia's response to the unprecedented drought, and to demonstrate how South Australia is actively supporting basin-wide initiatives to facilitate security of supply, including support for the commonwealth government's plan for water resources, management of the basin, and facilitating trading of water so that it may be put to best use.

**The CHAIR:** Member for MacKillop, do you wish to make an opening statement?

**Mr WILLIAMS:** No, thank you, Madam Chair.

**The CHAIR:** You can proceed straight to questions.

**Mr WILLIAMS:** Minister, my first question is asked in the context of your press release of 1 July—or in the last day or two—regarding water restrictions in Adelaide. The question is: how can your government be taken seriously on water restrictions and its drought measures when, in last year's estimates, following comments by—

*Mr Piccolo interjecting:*

**The CHAIR:** Point of order, member for Light?

**Mr PICCOLO:** I understood the basis of our questions is actually the budget papers, not a press release. I may be incorrect, because I am new to the process.

**The CHAIR:** I uphold your point of order. I am not sure whether the member for MacKillop is about to refer to a budget line.

**Mr WILLIAMS:** Nearly all of my questions will refer to Budget Paper 4, Volume 3, page 12.54. With your approval, Madam Chair—

**The CHAIR:** Can you be a little more specific, please, member for MacKillop, in relation to this one?

**Mr WILLIAMS:** Subprogram 2.1.

**The CHAIR:** A line is required, not a page.

**Mr WILLIAMS:** My copy of the budget does not have lines in it, and there are no numbers on the lines.

**The CHAIR:** You can refer to the fifth dot point or whatever. We just need to be able to identify what you are talking about, not just a broad thing.

**Mr WILLIAMS:** I am talking about water security, Madam Chair.

**The CHAIR:** We know that. Come on: be more specific and helpful to the committee, please. There is no excuse not to abide by standing orders, member for MacKillop, and I am sure you can.

**Mr WILLIAMS:** I refer to the net cost of the subprogram.

**The CHAIR:** No, not sufficient, member for MacKillop, you can do better than that.

**Mr WILLIAMS:** I can only assume that the program is where the budget provides the finance for things such as the minister's advisers, the minister's press releases, and so on.

**The CHAIR:** Some members of the opposition seem to understand estimates and some do not. The issue is that it is not about anything to do with the operation of the department or anything to do with government policy. We have question time in the house on a regular basis for those questions. Estimates is about the specific line-by-line examination of the budget papers. Questions must refer to an identifiable budget line, a performance commentary or a target. The minister is not equipped to answer any question about anything to do with the operations of the department. Ministers have been very cooperative. Member for MacKillop, have I given you enough time to find it?

**Mr WILLIAMS:** Thank you, Madam Chair, for your explanation.

**The CHAIR:** Do you have a reference?

**Mr WILLIAMS:** The reference is that the government established a water security advisory group. It is in the second paragraph under the performance commentary and refers to a group of independent experts in water management in Australia. I am sure the minister has taken significant advice from the group and that its members have helped her to establish policy. I want to ask her about a policy.

**The CHAIR:** That is the trouble.

**Mr WILLIAMS:** If we cannot ask questions about the policy I do not know what we are doing here. I often ask myself that question, to be quite honest.

**The CHAIR:** I am sure you can frame a question.

**Mr WILLIAMS:** Every dollar which is appropriated in the budget is spent on government policy. That is the way in which the system operates. If we cannot ask questions about the policy and get the ministers to justify the policy which explains the expenditure, I do not know how the parliament can make a decision about appropriating money.

**The CHAIR:** Member for MacKillop, perhaps you could ask a concise question and the minister may be able to assist. In fact, I think she is saying she has been reading your mind.

**The Hon. K.A. MAYWALD:** Perhaps the specific question the honourable member wants to ask relates to water restrictions in metropolitan Adelaide for domestic consumers.

**Mr WILLIAMS:** That is certainly the question.

**The Hon. K.A. MAYWALD:** I advise the honourable member that is not a question for the River Murray minister but, rather, a question for the SA Water component, given that SA Water established those restrictions under that portfolio. The honourable member may want to check in the budget papers under SA Water and the impact on dividends

or the like. That might be a key place for the honourable member to look.

**The CHAIR:** Thank you, minister—which illustrates what it is all about.

**Mr WILLIAMS:** I will take your advice, Madam Chair. My understanding is that the lines were opened for the minister's responsibilities in relation to both the River Murray and water security.

**The CHAIR:** No: 4.45 p.m. to 6.15 p.m. is the Department of Water, Land and Biodiversity Conservation. SA Water is 6.15 p.m. to 6.45 p.m.—as, indeed, I clarified with you.

**The Hon. K.A. MAYWALD:** I am happy to swap them around, but I would have to bring in other officers.

**Mr WILLIAMS:** Most of my questions relate to both the River Murray and SA Water. SA Water operates most of the infrastructure on the River Murray and provides the water supply about which the debate on water security focuses. If the committee wants to play games—

**The CHAIR:** Order! That is not an appropriate comment. There are no games being played. The minister's lines were identified earlier. Agreement was indicated by the lead speaker of the opposition. I privately confirmed that with you again. The minister looks as if she is trying to assist.

**The Hon. K.A. MAYWALD:** I am trying to find a way forward. The period 4.45 to 6.15 p.m. is about the Department of Water, Land and Biodiversity Conservation responsibilities and budget lines. If the honourable member would prefer not to ask questions in that area we can move to SA Water. I am happy to do that.

**Mr WILLIAMS:** We do have questions in that area. Does Waterproofing Adelaide come under SA Water?

**The Hon. K.A. MAYWALD:** Waterproofing Adelaide comes under the Minister for Environment and Conservation.

**Mr WILLIAMS:** I am confused. Why do we not make an agreement that I ask the questions and the minister answers the questions. If the minister does not want to answer a question, we will move onto the next question.

**The CHAIR:** I would like to see the word 'want' removed. If the minister is able to the question, then she will.

**The Hon. K.A. MAYWALD:** I am happy to answer the questions in line with the schedule that has been established. If the honourable member has no questions for the Department of Water, Land and Biodiversity Conservation budget lines, we will move onto SA Water, and I will bring in the SA Water officers. I am happy to do that. They are two separate lines and two different responsibilities which I have. We had agreed upon an agenda. I have no problem with changing that, if that is the wish of the opposition.

**Mr WILLIAMS:** There are a number of questions relating directly to the River Murray. Again, I refer to the budget line to which I referred earlier. Minister, given that you are now in the unique position of being the Minister for the River Murray, Minister for Water Security and the minister with responsibility for SA Water, I think it is correct that for the first time in the history of the state all water licences held by the government of South Australia are held within the portfolio of one minister. I suspect that is correct. Minister, will you detail to the committee all the licences that are held by you in all those portfolio areas? Will you give the committee the background of how each licence came to be held by the government?

**The Hon. K.A. MAYWALD:** The responsibility for water licensing lies with the natural resources management minister, Hon. Gail Gago; however, I do hold water licences

for SA Water and as the Minister for the River Murray. I can bring back the details of those individual licences. There is the metropolitan licence, which is a 650 gigalitre rolling licence over five years; a 50 gigalitre licence for country towns; and a 1.8 gigalitre licence that is held by the Minister for the River Murray. There are some other small licences that are held by the Minister for Environment and Conservation, and there is also a small allocation of about 4.2 gigalitres that is held by the minister for primary industries. There are also some miscellaneous licences held by SA Water, and I will bring back the details of those.

**Mr WILLIAMS:** When you bring back that information, minister, will you also bring back any constraints which apply to those licences. For example, can you transfer water from a country licence to the metropolitan licence, or vice versa? Can you transfer water from the 13 gigalitres dedicated to environmental flows back to other uses? Can you supply that information as well?

**The Hon. K.A. MAYWALD:** I can provide you with some of that information now, and I can get some more of the technical detail on the transfer of separate licences within SA Water's holdings. The country licence is not transferable into the city licences. The 50 gigalitres is specifically for country towns and is used for country towns, I understand. I do not have the officers from SA Water here and this really is an SA Water question. The second part of your question relates to the 13 gigalitres which we have transferred over to the Living Murray. That is made up of licences that have been purchased from willing sellers from South Australia and some water held by the Minister for the River Murray in government ownership. Those licences have been transferred to a special account which is held for the Living Murray initiative and cannot be transferred back.

**Mr WILLIAMS:** Minister, why did you make an announcement on, I think, 17 June that there would be a 1 per cent allocation to irrigators and then only four or five days later make an announcement—

**Mr PICCOLO:** On a point of order, Madam Chair, how does this relate to the budget?

**The CHAIR:** The member for Light is correct. The introduction to the question suggests that it will not be in order, however I will give the member for MacKillop time to find a way to ask a question that is in order.

**Mr WILLIAMS:** I refer to the same budget line: Budget Paper 4, Volume 3, page 12.54, subprogram 2.1, Natural Resources Management Services (River Murray). If I have the wrong budget line for where the minister makes statements about water allocations, I am sure she will correct me.

**The Hon. K.A. MAYWALD:** Perhaps if the member refers to dot point 1, 'providing ex gratia relief to water licence holders', that might encompass his question. We will draw a long bow for him.

**Mr WILLIAMS:** I am certain that the minister knows what I am talking about.

**The CHAIR:** That is fine, but the committee must ask questions that are in order. This is not the only place the member has for asking questions. I ask him to try to conform with the standing orders.

**Mr WILLIAMS:** I suspect, particularly in the case of this minister, that this is the only place we have to ask questions.

**The CHAIR:** I understand not.

**Mr WILLIAMS:** That is not my understanding. Minister, why did you make a statement on, I think, 17 June that there would be a water allocation of 1 per cent of irrigators' licences for July and then on 22 June you made an amended



statement that that allocation would be 4 per cent? Given that in a matter of five days you changed the allocation by some 300 per cent, was that the smart way to go to instil confidence in the irrigation industry which is hanging out to know exactly what its future might be?

**The Hon. K.A. MAYWALD:** The reason for the series of announcements was that we have a drought policy that requires us to provide information to irrigators at the earliest possible opportunity. We had a situation where irrigators were facing the possibility of a prohibition on pumping from 1 July. That announcement was made by the Prime Minister in conjunction with the premiers of each of the states as a consequence of the drought contingency planning that has been undertaken at a national level.

My River Murray advisory committee, which is a subcommittee of the Natural Resources Management Board for the South Australian Murray-Darling Basin region, had advised me that it was important to get information out as soon as practically possible. In the middle of the month in accordance with our drought policy I advised irrigators of what the likely allocation would be at the start of the season. I did not have definitive figures from the Murray-Darling Basin Commission at that stage and there had been some good flows into the system in early June that had not been incorporated into the end of May figures. As at 15 June, which was the middle of the month, I did not have the necessary sign-off on those inflows to be able to incorporate those in an announcement.

So, rather than gazette that figure, which would be the normal thing that we would do under our drought policy, I advised irrigators that we had assessed the data from the Murray-Darling Basin Commission as at the end of May, and that that enabled us to have at least 1 per cent to allocate, but that it was likely to improve and, as soon as we had the sign-off figure, which was likely to be at the end of that week, we would gazette the opening figure. But it was going to be at least 1 per cent. The reason for doing that was to ensure that people were given information as soon as it was available that the prohibition to pump was no longer relevant and that there was going to be an allocation and it would possibly be 1 per cent or more.

I gave plenty of notice with that statement and did a significant amount of media work, and I also provided information through the numerous networks we have established to provide data and information to irrigation communities that that would be upgraded at the end of the week once I got the final sign-off from the Murray-Darling Basin Commission on the results of the beginning of June inflows. Normally, at the middle of the month when we gazette, we only gazette on the basis of the end of the previous month's data but, given the need to get information out as quickly as we possibly could, we decided to defer the decision until later in the week, 22 June, when we got some numbers signed off regarding the beginning of June inflows.

**Mr WILLIAMS:** I refer to page 2.54 of the budget and to the performance commentary. There is a statement in the performance commentary regarding the Living Murray 35 gegalitre target. Could the minister explain this, because it does not mean anything to me? It says in the third to last paragraph that 14 gegalitres of the water have been recovered. Then it goes on to say '13 gegalitres of government-owned water, mainly purchased from willing sellers, were placed on the Living Murray Eligible Measures Register in February 2007 and has been put forward for investment by other jurisdictions.'

**The Hon. K.A. MAYWALD:** Yes, there are two figures there. The 13 gegalitres is what we have actually listed on the Eligible Measures Register with the Murray-Darling Basin Commission as part of the process for recovery of water for the Living Murray. The 14 gegalitres includes about a gegalitre of water that we have purchased since then from willing sellers, which is not yet listed on the Eligible Measures Register.

**Mr WILLIAMS:** What is meant by the statement with regard to the 13 gegalitres: 'and has been put forward for investment by other jurisdictions'?

**The Hon. K.A. MAYWALD:** Under the Living Murray initiative there is a process whereby each jurisdiction has the opportunity to invest in other jurisdictions' projects once they have gone through the process of being acknowledged as eligible measures on the Eligible Measures Register. Then an invitation goes out to each jurisdiction to invite them to invest up to their percentage share under the intergovernmental agreement for each measure. All states that are signatories to the Living Murray initiative, with the exception of the ACT, are going to invest in South Australia's 13 gegalitre project.

**Mr WILLIAMS:** I understood, from statements made by yourself and the Premier, that that was the first part of South Australia's contribution. Now you are telling the committee that that contribution may form part of the contribution from other states?

**The Hon. K.A. MAYWALD:** I will go back and go over how the intergovernmental agreement works. Each of the Murray-Darling Basin jurisdictions has an agreed water recovery target and a financial expenditure target under the Living Murray Intergovernmental Agreement. For South Australia, those targets are 35 gegalitres of water recovered from within South Australia and an investment of \$65 million. So, we have committed to investing \$65 million. Some of that \$65 million we will invest in some of our own projects and we will also invest in projects interstate. For example, we have invested in the Victorian government's water recovery project, which includes the Goulburn-Murray water project and also the Lake Mokoan decommissioning. I have just been advised that we have actually invested in the water project with Goulburn-Murray but we have not yet invested with Lake Mokoan, but we are considering that.

The project that we have put forward under part of our target to achieve 35 gegalitres of savings in South Australia is the 13 gegalitres of water that has been put forward as an eligible project. It has the tick off, and all jurisdictions can now invest in that. Our target is to invest our \$65 million, which is our component of the \$500 million to achieve the 500 gegalitres by 2009.

**Mr WILLIAMS:** How do you make the decisions on which projects you will invest in, and is it expected that the amount of money that South Australia has agreed to invest—I think you said \$65 million—would be excess of the cost of the investment required in South Australia to provide the 35 gegalitres?

**The Hon. K.A. MAYWALD:** Can you repeat the second half of that question?

**Mr WILLIAMS:** South Australia is committed, I understand, to provide 35 gegalitres of water savings and is also committed to spend \$65 million. Is it expected that the \$65 million will provide more than enough money for the 35 gegalitres of water? Irrespective of that, how do you decide which projects to invest in and which ones not to invest in? I am a little surprised that we have not just invested part of

our money into that 13 gegalitres. As I said, that is part of our investment; it is part of our water.

**The Hon. K.A. MAYWALD:** We have, indeed. You cannot link the two targets. There is a target of 35 gegalitres of water that has to be found in South Australia, and there is a commitment from South Australia to invest \$65 million towards the 500-gegalitre target. Clearly, the \$65 million will recover possibly more water than the 35 gegalitres in South Australia. We have invested in the 13 gegalitres. In fact, that water was purchased by the state government out of the \$65 million that we are setting aside for the Living Murray initiative. That 13 gegalitres was put on the eligible register, and other jurisdictions can then invest and we recoup some of the funds for that investment. We then reapply that to other Living Murray initiatives. So, the other jurisdictions are required to invest their money to deliver their targets and also other targets in other jurisdictions. A total of \$500 million has been pooled for projects across the board that will give 500 gegalitres, but the 500 gegalitres is not evenly proportioned like the funding is. We have a higher proportion of funding in our \$65 million.

As to how we go about determining which projects we fund, with respect to the 13 gegalitres, we funded that full project, then we invited other jurisdictions to invest back in it. That gives us more money in the pool to then go out and invest in other projects, which we will be doing. A number of feasibility assessments are undertaken on things such as the innovative market options, which is part of our 35 gegalitres, and also understanding the triggers for investment in on-farm infrastructure, which is another project that we are looking at introducing to make up the rest of our 35-gegalitre project. There is a whole range of projects totalling about 249 gegalitres (I believe the figure is) in New South Wales and Victoria. South Australia has already agreed to invest in some Victorian projects, and we are considering other projects. We undertake a full assessment of them, and we look at value for money and whether or not we see that water as beneficial.

#### **Membership:**

Mrs Geraghty substituted for Mr Piccolo.

**Mr WILLIAMS:** I refer to page 12.56 and the second to last paragraph in the performance commentary, which states:

In 2006-07, the Independent Audit Group's review of South Australia found that this state was again under its cap on diversions target, thereby adding to the cumulative cap credit that South Australia has developed.

What is meant by that?

**The Hon. K.A. MAYWALD:** As the member would be aware, South Australia signed up to the cap, I believe, in 1996. We have an obligation to ensure that our extractions and diversions are maintained beneath that cap. When we are audited, an assessment is undertaken of our compliance with the cap. We have performed well against that compliance and at this stage we are in credit, in that we have not used up to our cap in each year. So, we are ahead of target—unlike other jurisdictions, for example, New South Wales, which has consistently breached the Barwon-Darling cap provisions.

**Mr WILLIAMS:** I refer to subprogram 2.1, page 12.54. Water is currently pumped in the River Murray salt interception schemes in South Australia. What will that volume rise to when the schemes now being planned are operational, and is this volume of water being offset against any formal allocation? How is it accounted for?

**The Hon. K.A. MAYWALD:** The salt interception schemes are not offset against allocation; that is not a calculation. The salt interception schemes are part of the basin-wide salinity strategy, and are accounted for separately under that strategy. I will bring back the detail for the member in relation to the number of litres pumped from each of the different salt interception schemes.

**Mr WILLIAMS:** I refer to the same budget line. The Murray River NRM Board has been given the role of the Murray River environmental manager. Is an amount of funding paid from the minister's budget to support that function? Last year the minister indicated that the cost was \$500 000. I was wondering whether that is funded out of the minister's budget.

**The Hon. K.A. MAYWALD:** The role of the River Murray environmental manager is funded by DWLBC from the River Murray Improvement Fund and the National Water Initiative.

**Mr PEDERICK:** I refer to Budget Paper 4, Volume 3, page 12.46, Highlights 2006-07, dot point 4. Are details on application forms for the Rainwater Tank Plumbing Rebate Scheme available at the point of sale for rainwater tanks? If not, why not?

**The Hon. K.A. MAYWALD:** I need to advise the member that the Waterproofing Adelaide strategy in that line is the responsibility of the Minister for Environment and Conservation (Hon. Gail Gago). It would be useful if we did a little research on which minister has responsibilities.

**Mr PEDERICK:** It would be useful perhaps if the government did not play so many games, and certainly—

**The CHAIR:** Order!

**Mr PEDERICK:** —no—

**The Hon. K.A. MAYWALD:** I have a point of order. There are—

**The CHAIR:** Minister, you cannot raise a point of order: you are a witness. There is no need to do so. I am asking the—

**Mr PEDERICK:** Everyone can play the game, Madam Chair.

**The CHAIR:** Member for Hammond, we are not about playing games. We are about respecting the budget lines and the processes of this parliament. I understand that there are some difficulties in working out these portfolios, but it is necessary to respect the minister's response as to whether or not she has responsibility: she knows.

**Mr PEDERICK:** That is fine. I will just keep asking, and I will defer the questions that need deferring. I refer to Budget Paper 4, Volume 3, page 12.45, Targets 2007-08, dot point 12. When will the rehabilitation of the Lower Murray reclaimed irrigation areas be completed?

**The Hon. K.A. MAYWALD:** As to the Lower Murray reclaimed irrigation area, the 2007-08 targets are to arrange the rehabilitation funding deed for the remaining two districts, which is now completed, as I understand it. All rehabilitated land in the program is to be metered by 1 July 2007. All drainage water and reuse works are to be completed by 1 July 2008. There is a continuation of the on-farm infrastructure works through 2007-08 and to complete the farm consolidation and exit payments in 2007-08.

**Mr PEDERICK:** I refer to Budget Paper 4, Volume 3, page 12.45, Highlights 2006-07, at dot point 9. Have water meters been installed to cover all of the thousand hectares already rehabilitated in the Lower Murray reclaimed irrigation area? If not, when will this area be fully metered?

**The Hon. K.A. MAYWALD:** I am advised that not all properties have been metered as yet, and there have been some specific reasons in relation to different individual circumstances and, in particular, the fact that the funding deeds have only just recently been signed by some irrigators. So, the metering program is slightly behind schedule, although we anticipate that over 2007-08 that will be rectified.

**Mr PEDERICK:** I have a supplementary question on the same budget line. Is it because meters just have not been physically available?

**The Hon. K.A. MAYWALD:** I am not aware that that is the case, but we can certainly inquire.

**Mr PEDERICK:** I refer to Budget Paper 4, Volume 3, page 12.46, Highlights 2006-07, at dot point 11. How long will it be before the Murraylands and the South-East are fully metered?

**The Hon. K.A. MAYWALD:** Once again, the Natural Resources Management Act resides with the Minister for Environment and Conservation, and that is a question best referred to that minister. I have the responsibility under that act for the Natural Resources Management Board for the Murray-Darling Basin region, but not across the state.

**Mr WILLIAMS:** I refer to Budget Paper 4, Volume 3, page 12.57, subprogram 2.3: Infrastructure Services. Minister, you have claimed a number of times that the barrages are leaking because they were only designed to work one way. If that is the case, were they not designed to keep the saltwater out of the freshwater, rather than the freshwater out of the saltwater? Several sources, both DWLBC and SA Water's website, make statements similar to the following from SA Water's website which states that the barrages were:

... constructed across the channels leading from Lake Alexandrina to the Murray Mouth to prevent seawater entering Lake Alexandrina and Albert during periods of low river flow.

**The Hon. K.A. MAYWALD:** It is quite obvious that there have been some real issues with the barrages in recent times because of the prolonged period of reverse head that we are experiencing on an almost continuous basis down at the barrages. The barrages were never designed for reverse head for this extended period. They are not completely watertight heads; it is possible for seawater to leak into Lake Alexandrina which is increasing the salt concentration of the lake. As we have identified the leakages, we have been working hard with extra crews that have been employed to assist with dealing with the leakages as they arise, and we are doing daily patrols of the barrages. It has certainly been a matter of concern to the government in relation to how we manage the increased salinity as a result of the egress of seawater into the lower lakes. Apart from plugging them as quickly as we possibly can as the leaks arise, we have great difficulty in implementing any other programs that would be able to minimise that leakage.

**Mr WILLIAMS:** I refer to Budget Paper 4, Volume 3, page 12.54, subprogram 2.1: Natural Resources Management Services (River Murray). As we move forward in this current year, what is the status of the environmental flows, namely, the 13 gigalitres that we have talked about several times already? Will these flows continue and, if so, will the same percentage reduction be applied to the environmental flows as irrigators receive? That is, will 4 per cent of that 13 gigalitres be allowed to flow if that is all the irrigators get, or will none of it be flowing? What is the status of that environmental flow?

**The Hon. K.A. MAYWALD:** The 13 gigalitres will be treated the same as any other licence and, in fact, there was some allocation early on in the season in 2006-07 of Living Murray water to environmental projects that took into consideration the 60 per cent allocation of those licences under the notice of restriction that is currently in force.

**The CHAIR:** Before inviting the member for MacKillop to ask another question, I want to confirm some last-minute rearrangements of the timetable. I now have 4.45 to 5.45 p.m. for this current line relating to DWLBC, etc., 5.45 to 6.05 p.m. for SA Water, 6.05 to 6.50 p.m. for small business, and 6.50 to 7.40 p.m. for Office of Regional Affairs. Is that correct? There is no break. Is that your understanding, minister?

**The Hon. K.A. MAYWALD:** I apologise to the opposition; I did not expect that to go straight to the chair. We were talking about those time frames. Are you happy to accept that?

**Mr WILLIAMS:** Yes.

**The CHAIR:** Is it okay to proceed with that timetable? We will push forward with DWLBC while we work it out.

**Mr WILLIAMS:** We will continue, Madam Chair. I refer to page 12.54, natural resource management services, River Murray. Minister, in your media release of 17 June, you stated:

Water will be available for industrial users from July 1, however, they will need to complete a water efficiency plan to demonstrate exactly how they will reduce their usage. The Department... will work closely with industry associations and large water-using businesses to achieve savings. Industrial users should contact their water supply company for details of their obligations.

Minister, I note that the latest water restrictions are gazetted, but there is nothing in the *Gazette* or notice about invoking these obligations on industrial users. Under what powers are you invoking the obligations of industrial users to complete a water efficiency plan?

**The CHAIR:** Are you able to answer that one, minister; it sounds a bit outside to me?

**The Hon. K.A. MAYWALD:** Yes, I am. The users who are directly from the River Murray are licensed under the Natural Resources Management Act and the restrictions will be under the powers of that particular act. More specifically, regulations under the Natural Resources Management Act and Waterworks Act requiring the preparation of water efficiency plans by industrial users both River Murray licensees and SA Water customers, were approved by Her Excellency the Governor and was published in the *Government Gazette* on Thursday 28 June 2007.

**Mr WILLIAMS:** Madam Chair, with the committee's agreement, I am more than happy to move to SA Water.

**The CHAIR:** We can proceed to SA Water with a change of advisers. Thank you to the advisers from DWLBC, and so on.

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Administered Items for the Department of Treasury and Finance, \$1 065 167 000

**Departmental Advisers:**

Ms A. Howe, Chief Executive, SA Water.  
Mr J. Ringham, Chief Operating Officer.  
Mr P. Mendo, Chief Financial Officer.  
Mr. P. Prodanovski, Financial Controller.  
Ms A. Westley, Manager, Ministerial Liaison.

**The CHAIR:** We have clarified our lines and find that we have lines open. I declare the proposed payments reopened for examination, and refer members to the Portfolio Statement, Volume 1, pages 3.37 to 3.42. I confirm that this relates to SA Water. Do you have an opening statement, minister?

**The Hon. K.A. MAYWALD:** Yes, I do. South Australia, like much of the nation, has been affected by the most severe drought on record. This year, we have had to deal with a whole new landscape, with water security becoming crucial to the state's continued prosperity. SA Water has been required to introduce and manage the most significant water restrictions imposed in this state. While it is estimated that these measures will impact on SA Water by about \$25 million in 2007-08, it is important to note that South Australians have demonstrated an exceptional response to water restrictions with our water consumption falling significantly.

In the year ahead, SA Water will undertake significant planning for a secure water future. SA Water has committed \$3 million to a full environmental study into a desalination plant for metropolitan Adelaide, with much of the work to be undertaken in 2007-08. In tandem with this study, SA Water will undertake further investigations into increasing the capacity of Mount Bold Reservoir, building on an initial scoping study. In 2007-08, approximately \$1.2 million will be spent on a comprehensive investigation of the geology of the site, incorporating past knowledge and informing further environmental and engineering studies. In total, it is expected that \$8 million to \$10 million will be spent on the feasibility work.

Due to the drought, SA Water has accelerated phase 3 of its country water quality improvement program, and construction on the first of eight pipelines (Mount Pleasant to Tungkillo) has commenced. The project will provide filtered water to 15 communities along the River Murray at an estimated project cost of approximately \$54 million, and it is expected to be completed by the end of the year. In my previous comments to the committee, I think that I referred to that project as involving 17 communities; I would like that to correct that number to 15. As a further drought measure, SA Water will construct a new 12.1 kilometre pipeline to the township of Clayton at a cost of about \$5 million. The \$21.5 million upgrade of the Torrens aqueduct to reduce water losses through evaporation and leakage is now well underway, and approximately \$12 million will be spent during 2007-08.

A preferred option has been selected and a detailed concept design has commenced for the Christies Beach waste water treatment plant upgrade. About \$5 million will be spent in the coming year as the concept design is completed and preparations for construction commence. This upgrade will include enhanced effluent quality, which is a key component of the Waterproofing the South project. Construction of the \$48.5 million Eyre Peninsula water supply upgrade is complete, enabling the delivery of water to augment ground-water supplies on Eyre Peninsula.

SA Water has a borrowing target with a debt to asset ratio ranging from 15 to 25 per cent. This target range provides sufficient flexibility for SA Water to meet its capital investment needs. For the forward estimates, a gearing ratio of around 18 to 19 per cent will be maintained over the next four years. This will be reviewed, however, as feasibility work is completed on capital works projects, such as desalination, reservoir expansion and other Waterproofing Adelaide projects. A review of water pricing structures will also be

undertaken as part of the long-term planning for water security.

A healthy water supply is essential for a healthy community. SA Water recognises that sustainable use of water is one of our most urgent resource challenges, and it is committed to working to secure South Australia's water supply in the long term.

**The CHAIR:** Does the member for MacKillop wish to make a statement?

**Mr WILLIAMS:** No, Madam Chair. If I make a statement, I think that the time allotted will be all gone. However, I am still confused. As Minister for Water Security, do you have a budget line, and what do you do?

**The Hon. K.A. MAYWALD:** I have responsibility for SA Water as the Minister for Water Security. As the Minister for the River Murray, I have responsibility for the River Murray Act and that part of the Natural Resources Management Act that refers to the River Murray.

**Mr WILLIAMS:** So, water security does not involve projects such as Waterproofing Adelaide, Waterproofing the South and so on?

**The Hon. K.A. MAYWALD:** Only those projects that are SA Water projects.

**Mr WILLIAMS:** It makes it almost impossible, Madam Chair, for the committee to ask questions. I have a series of questions on the Waterproofing the South project; some pertain to SA Water and some do not.

**The Hon. K.A. MAYWALD:** The policy area for Waterproofing the South resides with the Minister for Environment and Conservation. However, I am quite happy to take questions on any projects which are part of any of the Waterproofing Adelaide projects and which are SA Water's responsibility.

**Mr WILLIAMS:** I understand that the Waterproofing the South project was originally conceived as a \$66 million project. It now turns out that it is supposed to be a \$119 million project. Can you tell the committee where the cost increase has occurred? Obviously, I will have to ask you to answer that, and I will have to ask your ministerial colleague to do the same. Hopefully, the extra projects you give us will fill in all the gaps that have appeared. However, the reality is that, in the last week, the federal government announced that it will put \$34 million (I think that was the figure) towards that project. All of a sudden, the state government is complaining. I am trying to get my head around why the project has gone from \$66 million to \$119 million.

**The Hon. K.A. MAYWALD:** I can certainly help the member with his confusion on this project. The project is led by the Onkaparinga council; it has the lead role in this project, and it has made the application to the federal government's National Water Commission for Australian government Water Fund funding. Initially, when the project was first presented to the Australian government for consideration for funding, SA Water was a smaller partner in the project. When the Australian government reviewed the application from the Onkaparinga council, they determined that they would prefer to see more state government involvement in the project.

We then went back and revisited the project with the Onkaparinga council, and we incorporated further works at the Christies Beach waste water treatment plant, which brought the total project cost to \$119.2 million. Of that, the total expenditure for the City of Onkaparinga would be \$23.1 million, \$67.7 million from SA Water, \$2 million from

the Adelaide Mount Lofty Natural Resources Management Board, and \$26.4 million from the Willunga Basin Water Company. The funding that was sought from the components of the project was as follows: the City of Onkaparinga were seeking \$17.6 million from the federal government against their \$23 million total project cost; SA Water was seeking \$21 million towards our \$67.7 million cost; the board was seeking \$1 million against its \$2 million cost; and the Willunga Basin Water Company was seeking \$13.2 million against its \$26.4 million cost—being a total project cost of \$119.2 million. The total ask of the Australian Government Water Fund was \$52.9 million.

**Ms BEDFORD:** I move:

That the time for the sitting of the committee be extended beyond 6 p.m.

Motion carried.

**Mr WILLIAMS:** As a follow-up to the answer just given: as regards the SA Water component which, on my understanding, is further treatment work at the Christies Beach waste water treatment plant, why are they seeking funding from the federal government when SA Water has a levy applied to all sewerage rates—which is still being collected—which I thought was put towards SA Water's environmental improvement program?

**The Hon. K.A. MAYWALD:** The SA Water component is about improving the quality of the treatment to enable it to be part of the Onkaparinga program, and so the extra component that was developed in the second round of discussions and negotiations was to do with increasing the quality of the effluent treatment.

**Mr WILLIAMS:** Is it correct that the water quality coming out of that treatment plant is not meeting the EPA standard of less than—I think it was—10 parts per million or 10 milligrams per litre of dissolved nitrogen?

**The Hon. K.A. MAYWALD:** We meet the EPA licence requirements and, for the reuse water, it is not about the nitrogen content; it is about the bacteriological quality.

**Mr WILLIAMS:** Minister, what is the capacity of the Glenelg waste water treatment plant to produce both B-class and A-class water; how much of this capacity has been utilised through water reuse; what quantity of water has been reused in the 12-month period for which the latest figures are available; and what is the time frame to use water from this source to water Adelaide parklands as announced by the Premier in July 2005?

**The Hon. K.A. MAYWALD:** Currently there are about two gegalitres of treated water that is recycled and reused at the Adelaide Airport, and for public open space and golf courses. The total throughput of the plant is about 15 gegalitres, and the Adelaide parklands pipeline and reuse project is still under consideration.

**Mr WILLIAMS:** Minister, I think you mentioned in your opening statement the improvement program for the delivery of part of the water in some country areas of South Australia. Does SA Water have a policy of preference for South Australian suppliers? I ask the question because I have noted a complaint from the South Australian Water Alliance that reputable South Australian suppliers were overlooked for a Victorian-based company to supply those treatment plants.

**The Hon. K.A. MAYWALD:** SA Water has a policy for local suppliers where they are competitive. That was an open-tender process, and the Melbourne-based company was

clearly ahead of the locally based supplier in regard to delivery of the project.

**Mr WILLIAMS:** Have the proponents of the resort development at Port Hughes been given any undertakings at all from SA Water that they will be able to access water from the potable water supply until such time as the housing development is providing enough effluent for recycling to provide for the resort irrigation needs; and, if they have been given such undertakings, is there a time after which potable water would not be available for golf course irrigation?

**The Hon. K.A. MAYWALD:** SA Water has not received a formal application for a water supply, as the development application has not yet been submitted. However, the developers contacted SA Water in October 2005 regarding water supply to the development, and were informed that augmentation charges would apply to the development, and that further discussions should be held when details of the development were finalised. We understand that the proposal is to develop 2 000 residential allotments, a 120-room resort hotel, and an 18-hole golf course with associated commercial and recreational facilities at Port Hughes.

In August 2006 the developer was informed that sufficient water was available for the development, subject to the following conditions: augmentation works, approach mains and reticulation pipework to be paid for; consideration being given to finding an alternative source of water for the golf course; if the golf course is to be supplied from SA Water's system, the peak demand should be limited to 20 litres per second; and water supply availability is subject to water resource availability. The development is expected to commence, subject to development approval, in late 2007 or early 2008 and take up to 15 years to complete. SA Water will continue to work with the developer to finalise water supply to the residential and commercial elements of the development. SA Water is also continuing to encourage the developer to utilise an alternative source of water for the golf course. Use of water for the development will be subject to any water restrictions applicable at the time.

**Mr WILLIAMS:** How was the decision made to have SA Water spend \$3 million on the potential environmental impacts of a desalination plant (if one was built on the coast of Adelaide), given that the government's desalination task force, which is charged with investigating the desalination option for Adelaide, is not due to report until October this year?

**The Hon. K.A. MAYWALD:** On the advice of the chair of the desalination working group, the government determined to apply funding to get that process under way, given that it would be useful to do that environmental study regardless of whether or not we determine to progress a desalination plant for Adelaide. We believed it was important to have the environmental assessment undertaken so that we understood more about the gulf and what impacts desalination might have on it.

**Mr WILLIAMS:** According to this morning's paper, you are planning a trip over the next few days to study desalination. The opposition received a note from the government whip seeking a pair and was told that you have been 'asked to travel overseas to visit and speak at a number of events relevant to the portfolios of trade and industry and water security'. We found out this morning that you are going to—

**The CHAIR:** Member for MacKillop, can you refer this to a budget line?

**Mr WILLIAMS:** It is the budget line of SA Water. I refer to Budget Paper 4, Volume 1, page 3.38.

**The CHAIR:** Does that identify a trip?

**Mr WILLIAMS:** Well, I assume the trip has been paid for out of the \$153 million, which is budgeted for SA Water.

**The CHAIR:** Member for Mackillop, I thought you were getting it. This question does not sound like it is in order.

**Mr WILLIAMS:** I am sure that in the government's opinion it does not sound like it is in order.

**The Hon. K.A. MAYWALD:** I would be happy to comment, Madam Chair. The purpose of the trip is to incorporate a number of visits and speaking engagements, and also visit desalination plants.

**Mr WILLIAMS:** I was about to get to the specific question. Minister, what specific issues will you be inquiring into on this trip; and would it have been more beneficial to wait until the desalination working group reported to the government in October so that the investigative trip would have been informed as opposed to being speculative?

**The CHAIR:** That is definitely not an estimates question, but the minister may care to indulge you.

**The Hon. K.A. MAYWALD:** I am happy to respond to the question, even though the question has been ruled out of order. It is important to note that I am taking the chair of the desalination working group with me on this trip to assist in informing him and me regarding desalination issues. We are meeting with the Minister for Environment and Water Resources in Singapore, we will be meeting with the Minister for Environment in Dubai, and we will also be visiting a number of sites that have experienced different issues in relation to the development of their desalination plants. We see it as an important part of informing not only the committee in its deliberations but also the government and me.

**The CHAIR:** I think we can say the agreed time has concluded.

**Mr WILLIAMS:** I think we could say the examination of the detail of the budget has been very scant.

**The CHAIR:** There were agreements, and that is the way it is. There being no further questions, I declare the examination of the proposed payments relating to the Minister for the River Murray and the Minister for Water Security completed; that is, the Administered Items for the Department of Treasury and Finance, \$1 065 167 000. We also had open the estimate of payments for the Department of Water, Land and Biodiversity Conservation, \$92 038 000, and administered items for that department. I declare the examination of the proposed payments adjourned and refer them to committee B. I remind the committee that the proposed payment for the Department of Trade and Economic Development remains open and I invite the relevant advisers to the table.

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#### Departmental Advisers:

Mr R. Garrand, Chief Executive, Department of Trade and Economic Development.

Ms A. Allison, Director, Corporate Services.

Mr A. Joy, Director, Office of Small Business.

#### Membership:

Mr Pisoni substituted for Mr Williams.

Mrs Penfold substituted for Mr Pederick.

**The CHAIR:** We now call to the table the Minister for Small Business. Minister, do you have an opening statement?

**The Hon. K.A. MAYWALD:** Firstly, can I make one minor correction to the record. In a previous answer under SA Water I did advise that the country licence of SA Water could not be traded. In fact, it can be traded to a first use licence, and that is the Adelaide metropolitan licence, but it must be used first prior to any other allocation. It has only occurred once back in 2003 and the transfer was a very small amount.

**The CHAIR:** Thank you, minister. As the member who asked that question is not here, can you undertake to provide that answer to him?

**The Hon. K.A. MAYWALD:** We will certainly do that. I have a brief opening statement. The small business portfolio is situated within the Department of Trade and Economic Development as the Office of Small Business. The Office of Small Business has responsibility for the delivery of services to small business, the business enterprise centres and the Small Business Development Council. Last year I commissioned a state-wide survey to determine the most critical regulatory issues for small and medium size business and to identify areas where the state government may act in reducing regulatory compliance burdens.

Overall, taxation was the biggest area of concern, and particularly payroll tax. I am happy to be able to say that this budget will introduce payroll tax cuts that will benefit businesses by over \$300 million over the next four years. From 1 July this year the rate of payroll tax will reduce from 5.5 per cent to 5.25 per cent, with a further reduction from 1 July 2008 to 5 per cent. From 1 July 2008, South Australia will have a payroll tax rate equal to that of Victoria and equal second lowest in the nation. More than 6 500 employers hiring more than 370 000 South Australians will benefit from these tax cuts.

Another key area of concern raised was red tape. The Premier has committed to cutting red tape by 25 per cent by July 2008. A Competitiveness Council, which I chair, was established last year to make recommendations on practical initiatives to enhance our international competitiveness. The council is currently undertaking industry reviews to identify steps the government could take to reduce compliance burdens, starting with the cafe and restaurant industry, then building and construction, transport, motor vehicle retailing, and fishing and aquaculture. The Business Council of Australia has recognised South Australia as one of the leading states in red tape reform. The council's report, released on 28 May 2007—'A Scorecard of Red Tape Reform'—ranks South Australia ahead of all other states except Victoria.

Further, on 18 June 2007, the government announced the state's most intensive and wide-ranging review of the planning system. The Economic Development Board identified the need for planning reforms to help implement economic development in South Australia. The State Planning and Development Review will assist the government's red tape reduction commitment by ensuring that the planning system is further streamlined.

In South Australia we have a high proportion of family businesses, accounting for over 55 per cent of the South Australian workforce. Some 60 per cent of these businesses are projected to change ownership or leave their industries in the next six to 10 years. The Premier recently announced that the next Thinker in Residence would be Dr Dennis Jaffe, an expert in business management, to provide advice on how to manage family business, especially the transition to new owners or succession within family. Dr Dennis Jaffe will be in residence from 25 June to 31 August.

The state government provides significant direct support and assistance to small business, primarily through the Department of Trade and Economic Development and the network of nine business enterprise centres (BECs). Outright winner of the Best Metropolitan BEC in Australia went to our Western Area Business Enterprise Centre, Port Adelaide. Best BEC Manager in Australia was awarded to a South Australian again, Allan Amezdroz, of the Inner Southern BEC in Morphettville.

Services include: general business information, a business licence information service, free business skills development programs and a business owners coaching program. The government also supports the business helpline, a free telephone counselling service to small business owners during times of difficulty and crisis. Small Business Month, which is an initiative of the Small Business Development Council, will again be run in 2007. The event will include a range of workshops and information sessions delivered in collaboration with the BECs and regional development boards across metropolitan and regional South Australia. As you can see, Madam Chair, the state government is very supportive of delivering a range of programs to small business to enhance their future development and success.

**The CHAIR:** Do you have an opening statement, member for Unley?

**Mr PISONI:** Yes, thank you, Madam Chair. The small business portfolio is seen as a minor, or part-time, portfolio by this Labor government. The Liberal Party, and I personally, see it as a vital portfolio and a critical area. Small to medium businesses are the powerhouses of our state's economy and, collectively, its largest employer. While they should, where possible, be left to do what they do best without interference from the government, the government does have a role to play in supporting and encouraging small business to invest, employ and create wealth.

The Rann Labor government is failing small business in this budget, and generally, by having a part-time minister. This minister and the government do not give small business the priority it deserves, failing to adequately address taxation issues such as payroll tax, stamp duty and land tax. I can tell the committee that the small business community is bitterly disappointed at the fact that the threshold has remained at the lowest in Australia at \$504 000. This government is all talk and no action on reducing compliance costs and the red tape burden, and I would be interested to know how the reduction of 25 per cent is progressing and also how it is measured.

This Labor government supports the federal Labor Party and its agenda of dismantling critical elements of workplace reform, such as AWAs, which have underpinned Australia's ongoing economic success. It also supports Kevin Rudd's plan to reintroduce unfair dismissal laws, which will curtail the confidence of the small business sector to employ staff for the first time, in some cases, or even to commit to training staff for the first time. In fact, the removal of unfair dismissal laws has given small businesses the ability to take a risk with a new kid on the block and often employ a kid in their first job and give them valuable experience that they otherwise would not gain.

This government fails to understand that small business owners were born in the same hospitals as their employees. They are not a special breed. They are, in almost all cases, one-time employees themselves. They have taken the risk to support themselves and their families in a very competitive environment. I believe that this government would have had a better understanding of small business if it recruited its

political candidates more widely than Trades Hall. I believe the Treasurer himself confirmed that he did not have the 'ticker' for business when he turned down the opportunity to buy a steel business as quoted in the *Sunday Mail* advertorial of 3 June this year where it was stated:

... would Kevin throw in his lot with Bannon government minister Lynn Arnold or would he go into business? 'It was really going to be a 50-50 cut whether my wife, Cathy, and I bought a steel business and mortgaged the family home, or whether I worked as a political adviser,' he says. 'And my guess is that I didn't quite have the courage to take on the challenge of a small business, to be brutally honest.'

He went on to say:

'I think, coming from a humble background, job security was more important than risking what little assets we had on building a business.'

This comment from the Treasurer would suggest that he concedes that small business is tough. But now he is in a position to do something about it, he chooses not to.

My first question relates to Budget Paper 4, Volume 1, page 2.22. The description 'Objective of the Program' states that the Office of Small Business supports the Small Business Development Council. As it is the stated objective of the small business program to ensure small business issues are represented at state government level, can the minister explain why Business SA, which previously always has been represented on small business development councils, is currently being denied a position?

**The CHAIR:** That is a policy question, but you may answer, minister, if you care to.

**The Hon. K.A. MAYWALD:** The Small Business Development Council's primary role is to advise the Minister for Small Business on specific matters that have been referred to it by the minister or on issues that it raises independently. The council also advises on key issues under South Australia's Strategic Plan that relate to that sector. It is not a representative body and does not purport to represent different industry associations. It has a broad representation of people from all walks of small business. I provide the following information on who was appointed to serve the two-year term, which expires on 30 June 2008.

I chair the council, as the Minister for Small Business, and the members are: Ms Liz Davies, Storpac Pty Ltd; Ms Linda Eldredge, Glenryden Pty Ltd; Ms Debra Ferguson, Ferguson Australia Pty Ltd (and who, I understand, is a member of Business SA); Mr Robert Ferguson, Fergusons Chartered Accountants; Mr Chris Herrmann, InfoTec Communications Pty Ltd; Mr Malcolm Johnson, Johnson Home Improvements; Ms Rose Kemp, Riverland Plaza Pharmacy; Ms Susan Lee, Soniclean Pty Ltd; Mr Conor McKenna, Twoeyes Pty Ltd; Mr Philip Sims, Robern Menz (Mfg) Pty Ltd; Ms Beverley Turner, Emu Ridge; and Mr Kym Webber, Waikerie Crash Pty Ltd. So, as the committee can see, there is a broad cross-section of businesses and industries represented by those individuals. They do not bring to the table a representative body of any associations, and Business SA is an association, as such, and does not run a business. The members on this forum represent a business and the idea of this council is to get people who are actually practitioners in business.

**Mr PISONI:** Business SA has previously been on that council.

**The CHAIR:** Member for Unley, do you have a question?

**Mr PISONI:** I have. This question relates to Budget Paper 4, Volume 1, page 2.6. The targets refer to increasing

the uptake of a full range of visa options for migrants to South Australia. Can the minister advise what processes will be put in place to match small businesses with the available skills of migrants?

**The CHAIR:** Minister, is that your area?

**Mr PISONI:** This is a very relevant area for small business people, Madam Chair.

**The CHAIR:** Order, member for Unley! The minister has the call.

**The Hon. K.A. MAYWALD:** The state government has provided \$500 000 over two years to Business SA to match small businesses to business migrants. That is a new program that has been developed in cooperation with the Department of Trade and Economic Development. It is being managed by Business SA and funded by the Department of Trade and Economic Development. It was an election commitment of the state government to provide the \$500 000 to Business SA. It is a pilot program, which establishes a business-led welcome service for business migrants to South Australia.

**Mr PISONI:** I refer to Budget Paper 4, Volume 1, page 2.6, targets and highlights. A target for 2007-08 is to increase the uptake of a full range of visa options for migrants to South Australia. Can the minister advise what the state government is doing through the federal government to maintain its regional status, and has the minister sought assurances from federal Labor that South Australia will retain that status if it were to win government?

**The Hon. K.A. MAYWALD:** Madam Chair, can I seek some clarification? This is the budget line that we have closed, which is the migration portfolio.

**The CHAIR:** Yes, that was my understanding.

**Mr PISONI:** This is very relevant for small business, to enable them to get their skills—

**The CHAIR:** It may be, member for Unley, but it is not a line that is open. If the minister is able to provide some additional information she may, but it is not a matter that is before us. Minister, do you have anything to add? I do not think it is your portfolio, is it?

**The Hon. K.A. MAYWALD:** I am the minister responsible for population, as the minister assisting in trade and economic development. However, the advisers left earlier, because that budget line has now closed.

**Mr PISONI:** I refer to Budget Paper 4, Volume 1, page 2.17, Highlights 2006-07, and the establishment of a pilot program with Business SA to encourage, welcome and orientate new migrant arrivals to South Australia. Can the minister advise how many migrants have been approached through this program, and whether the intention of this program is to assist migrants to set up businesses or find employment? How successful has it been and can the committee give some indication of the numbers?

**The CHAIR:** That is the same, is it not, as the matters that were considered between 4.15 and 4.45 this afternoon?

**The Hon. K.A. MAYWALD:** This relates to the welcome program of Business SA, the question that we answered previously. The program officially began in October 2006, with the first year's funding of \$250 000 transferred to Business SA at that time. Business SA officially commenced the project from 20 November 2006. It has a reporting program, and that detail is not available to us at this point.

**Mr PISONI:** I refer to Budget Paper 4, Volume 1, page 2.22, the income statement. Program 7 refers to small business growth and expenses, grants and subsidies. Can the minister explain why, with a budgeted revenue from payroll tax on business in the 2007-08 year of \$853 million, only

\$177 000 will be returned to small business in the form of grants and subsidies?

**The Hon. K.A. MAYWALD:** Can the member repeat which line he is talking to in regard to the grants and subsidies?

**Mr PISONI:** Program 7: Small Business Growth, expenses, grants and subsidies. There is a grant allocation there of \$177 000.

**The CHAIR:** I have my doubts about the question.

**The Hon. K.A. MAYWALD:** Yes, I can explain that. That is a timing issue between the payments to the BEC. Some fall before 30 June and some fall into the—

**Mr PISONI:** No, my question was: can the minister explain why a budgeted revenue from payroll taxes on business in 2007-08 is \$853 million, but only \$177 000 in that budget line will be returned to small business?

**The CHAIR:** The first part of the question refers to something that is not before us.

**The Hon. K.A. MAYWALD:** The first part of the question refers to the Treasurer, and I refer the member to the Treasurer in that respect. Secondly, I would like to provide information to the member regarding the funding of the range of programs that are available to small business for the financial year 2007-08. There are nine business enterprise centres, including Enterprise Adelaide and the Salisbury Business and Export Centre, which receive \$150 000 each. The total BEC grants is \$1 350 000: Better Business Series Workshops, \$225 000; Skills Development Workshops, \$135 000; Business Owners Coaching Program, \$250 000 (and that is offset with a revenue of about \$80 000); Start Your Own Business Workshops, \$45 000; Business Licence Information Service, \$127 000; Business Helpline, \$140 000; Professional Development Business Advisers, \$42 000; Industry Associations Support (which is a new initiative), \$50 000; SA Small Business Month, \$175 000; and with respect to the Thinker in Residence there is a sponsorship of \$10 000 plus incidentals as a grant of \$10 000. That is the assistance provided to small business for the financial year 2007-08—or budgeted for provision to the small business sector for 2007-08.

**Mr PISONI:** We saw a budget allocation in 2005-06 of nearly \$2 million on that line, with a result in the 2006-07 budget of \$2.7 million. There was a budgeted amount of only \$65 000 the next year, but an estimated result of \$1.445 million, yet there is a budgeted amount this year of only \$177 000. Can the minister explain why the budget was cut so dramatically from 2005-06 to 2006-07 and why we have seen such an enormous overspend in both estimated and actual amounts? Can the minister explain why this year we again have a very small budget for the grants and subsidies line, when there is a history of that line being blown out of the water over the last three years?

**The Hon. K.A. MAYWALD:** As I mentioned in my previous answer, it is a timing issue. There have been no cuts in budgets. Each of the business enterprise centres (BECs) receives \$150 000. The payment for the business enterprise centres for 2005-06 and 2006-07 was made prior to 30 June 2006, resulting in double the payments being reflected in the 2005-06 year as compared to one in the 2006-07 year. The payment in the 2006-07 year is related to the 2007-08 year of operation, so it is merely a timing issue.

**Mr PISONI:** Just a quick look at that because the maths does not seem to add up: the budgeted amount was \$65 000 and there is an over-budgeted amount in 2005-06 also, and the over-budgeted amount for 2006-07 is nearly 10 times the



budgeted amount. Then we have gone back to virtually a fraction of the amount of the estimated result for 2007-08. I am not sure that I understand the timing, minister.

**The Hon. K.A. MAYWALD:** The issue relates to the business enterprise centres, and there is a total funding of those centres of \$1.35 million per annum—that is \$150 000 per centre. That line includes other minor grants and not just exclusively the business enterprise centres, but it is those centres that determine that the figures look like they are up and down but they are just a timing issue. The total for the BECs is \$1.35 million per annum. Two lots were paid in the 2005-06 year which brings it up to \$2.7 million, and one lot was in the 2006-07 year which is for the 2007-08 contribution.

**Mr PISONI:** What will happen to that \$177 000 budgeted for 2007-08?

**The Hon. K.A. MAYWALD:** There was a forward payment prior to 30 June 2006-07 in that \$1.445 million. In the 2006-07 year where you have the \$1.445 million, \$1.35 million of that is an advance payment on the 2007-08 allocation of funds for BECs. Of the \$177 000, \$140 000 is for the Small Business Helpline and other miscellaneous grants.

**Mr PISONI:** I refer to Budget Paper 4, Volume 1, page 2.16. Under 'Highlights' we see 'increase the number of manufacturers engaged in green manufacturing'. Can the minister advise how many small businesses engage in green manufacturing? What criteria are used for a business to be described as a green manufacturer?

**The Hon. K.A. MAYWALD:** This is a line item under Kevin Foley, but I will take it on notice to seek information from the Treasurer in regard to that issue.

**Mr PISONI:** Have you visited any green manufacturers?

**The Hon. K.A. MAYWALD:** No, I have not. I may have but not specifically about green manufacturing. I have visited many manufacturers but I am not aware of their status as a green manufacturer.

**Mr PISONI:** This is on the same topic. If the minister has agreed to get back to me on that, I will ask a couple of other questions on it. Can the minister advise what the baseline figure for green manufacturing was and what is that figure now?

**The CHAIR:** Order! I think this is going very far beyond the line that is open.

**The Hon. K.A. MAYWALD:** The question that I have agreed to get the information on is how many small businesses are involved in green manufacturing. For further questions on the green manufacturing line, I would refer them to the Treasurer, whose responsibility it is.

**Mr PISONI:** In the same budget paper and same volume, on page 2.23, under Program 7: Small Business Growth, specifically referring to performance commentary, which refers to BEC management and staff receiving comprehensive training, last year in answer to a question during estimates the minister said:

At the moment we also have our business enterprise centres going through the process of APEC accreditation.

Can the minister advise if the APEC accreditation has been completed? If so, what changes to the operation of the business enterprise centres has the APEC accreditation achieved?

**The Hon. K.A. MAYWALD:** Currently, we have the highest number of accredited advisers in any jurisdiction in South Australia and our business enterprise centres continue

to seek excellence in that area, and that was evidenced at the recent business enterprise centre awards, where South Australia took out top honours in a number of areas.

**Mr PISONI:** Sorry, minister; I thought that your answer last year was suggesting that the enterprise centres were going through a process of APEC accreditation. Are you saying that they have not or that only the employees have?

**The Hon. K.A. MAYWALD:** The advisers have been going through that process. It is about the advisers.

**Mr PISONI:** The advisers have APEC accreditation?

**The Hon. K.A. MAYWALD:** The advisers are going through the process of APEC accreditation. We have the highest number in the nation of any jurisdiction of business advisers with that accreditation.

**Mr PISONI:** With APEC accreditation?

**The Hon. K.A. MAYWALD:** Yes.

**Mr PISONI:** So, it is not the centres themselves; they do not have an accreditation system. It is the—

**The Hon. K.A. MAYWALD:** The business advisers themselves.

**Mr PISONI:** The advisers have the accreditation.

**The Hon. K.A. MAYWALD:** The advisers who work within those centres, so the building does not have it: the individual advisers do.

**Mr PISONI:** I refer to Budget Paper 4, Volume 1, page 2.7, Highlights for 2006-07. The Small Business Month held in October is noted as a highlight. Can the minister advise if participation in terms of numbers was greater by changing from a week to a month? For example, in Small Business Week in 2005, 1 500 businesses attended events. What figures on participation are available? Is there any follow-up, or are figures available to indicate the rate of positive outcomes in terms of those who attended? Last year's budget, in the performance commentary, stated that there were 486 participants, and this year it states that 1 500 businesses attended the events. I am a bit confused about what that means.

**The Hon. K.A. MAYWALD:** I am advised that the events held by BECs and the RDB networks attracted very good numbers last year, with overall attendance up by about 75 per cent to around 3 500 people, including those who attended the conference.

**Mr PISONI:** That was 2 500 people over a month?

**The Hon. K.A. MAYWALD:** It was 3 500 over a month.

**Mr PISONI:** I refer to Budget Paper 4, Volume 1, page 2.23, small business growth, performance commentary. The performance commentary states that business enterprise centres, managers, and business advisers have continued to receive comprehensive training to assist in the delivery of quality services to clients. Can the minister advise what percentage of staff at the business enterprise centres, including managers and business advisers, have a small business background, and what percentage have a public sector background?

**The Hon. K.A. MAYWALD:** We will certainly get back to you with specific details. I am advised that most business enterprise centres—their staff and management—have all been involved in business training of some sort. Many of the members who make up the management boards of the BECs are small business operators themselves. We will bring back the specific details with numbers to the member.

**Mr PISONI:** To make that clear, minister, does that relate to the advisers?

**The Hon. K.A. MAYWALD:** Yes.

**Mr PISONI:** I refer to Budget Paper 4, Volume 1, page 2.23, Program 7, Small business growth. The performance commentary states that business enterprise centre managers and business managers have continued to receive comprehensive training to assist in the delivery of quality services for clients. Can the minister provide details of this training, who provided the training, and how much it cost?

**The Hon. K.A. MAYWALD:** I will take that question on notice also, and get that information from the BECs.

**Mr PISONI:** I again refer to Budget Paper 4, Volume 1, page 2.23, small business growth. The performance commentary states that business enterprise centres assisted in the creation of 250 full-time and 75 part-time jobs. How is the role of the business enterprise centres in creating these jobs determined and measured?

**The Hon. K.A. MAYWALD:** The BECs have formal key performance indicators about which they need to report on a regular basis on business contacts. They report on the success of the interaction between the BECs and companies and the outcomes that that achieves. We receive that information from the BECs as part of their contract of funding.

**Mr PISONI:** The measurement mechanism is not something that is known to you, to make that claim?

**The Hon. K.A. MAYWALD:** The measurement is the number of jobs that have been created as a consequence of contact with the BECs that is reported under the funding agreement.

**Mr PISONI:** And you are not aware of what they are? You cannot tell me what they are?

**The Hon. K.A. MAYWALD:** They count the number of employees who have been employed as a consequence of the work, advice and support that they have provided to the businesses that are on their books.

**Mr PISONI:** How do they know that it was due to their input?

**The Hon. K.A. MAYWALD:** They have a mechanism whereby they are in constant contact with different companies. They record their interactions with those companies, and they record the results of that company's performance.

**Mr PISONI:** I am trying to determine how they can make that claim, minister.

**The Hon. K.A. MAYWALD:** The BECs are required to report against key performance indicators under their terms of funding contract. They keep extensive records of their contact with different businesses, the type of contacts, and the type of results those businesses have achieved. They report by agreement to us on a number of areas. They have the four major key performance areas under which they agree to supply us with that information on a regular basis.

**Mr PISONI:** Four major performance areas?

**The Hon. K.A. MAYWALD:** Four major key performance areas. They are: the business owners' coaching program—they have to enrol 20 companies in that program; they have to provide advice and assistance to 200 companies; they have to hold a minimum of four 'better business series' workshops; and they have to provide at least 10 'start your own business' workshops. Through those contacts, they can record information from those companies in regard to the outcomes that they have achieved as a consequence of the participation in those programs.

**Mr PISONI:** How is that audited?

**The Hon. K.A. MAYWALD:** We do not audit it. We have a very good working relationship with our BECs. It is a cooperative approach. The companies that work with those

BECs report very favourably on the outcomes achieved by BECs and the interaction with those companies.

**Mr PISONI:** I refer to the same Budget Paper, page 2.23, small business growth, performance commentary. I note that 1 500 people participated in the 100 Starting Your Own Business workshops. Will the minister advise whether there was a follow-up to find out how many participants went on to start their own businesses; if so, how many?

**The Hon. K.A. MAYWALD:** We do not have the detail on how many people have gone on to start their own business. However, one of the good things about this program is that it provides very important information to assist people who are starting their own business or making a decision not to start their own business. It would not be an ideal indicator of the success of the program on the numbers of people who started a business, because a lot of businesses start on the basis of not having enough information. By participating in one of these workshops, individuals can get very good insight into what is needed to start their own business; some will go on to do so, others may not.

**Mr PISONI:** How is the success of the workshops measured?

**The Hon. K.A. MAYWALD:** We require that the BECs work with their communities to establish at least 10 Start Your Own Business workshops in each of the BEC areas as part of their key performance indicators. Our key performance indicator is that they have run 10 workshops that provided the opportunity for people to participate.

**Mr PISONI:** I refer to the same budget paper, page 2.23. I note that 800 Business Licence Information Service packages were provided. Can the minister advise the time frame between requesting and receiving the BLIS, and how many are followed up to determine an outcome? How many recipients of these packages achieve their required outcome?

**The Hon. K.A. MAYWALD:** I am advised that this information is posted to them on either the same day or the next day. It is up to them what they do with the information; there is no follow-up by the department in that regard. It is an information service: we send the information out to people, and they determine whether or not they go ahead with that information.

**Mr PISONI:** So, once it has been posted, that is the end of it?

**The Hon. K.A. MAYWALD:** Well, if someone has made an inquiry to get some information sent to them, we send them the information, and that concludes the transaction with that inquiry. Of course, we do have advisers if people want further information, and they can access that further advice if they choose to do so.

**Mr PISONI:** Can I have one of those kits sent to me?

**The Hon. K.A. MAYWALD:** We can certainly send you one of those kits.

**Mr PISONI:** There is no need to follow-up.

**The Hon. K.A. MAYWALD:** It depends which industry you want the kit for. We need a little more information on which industry you want the business licensing information on.

**Mr PISONI:** I would like everything you have: one for all the industries you give advice on.

**The Hon. K.A. MAYWALD:** It may take a little longer than 24 hours to get all those packages together.

**Mr PISONI:** That is okay. I will not time you. My interest is not as important as that of a potential small businessperson. I refer to Budget Paper 4, Volume 1, page 2.6, targets, which refers to delivering \$1 million in

export grants to South Australia's small to medium enterprises via the Market Access Program. Can the minister confirm whether this is a federally funded program? What type of small to medium enterprises will be targeted? What is the cost of administering this program, and who pays for the administration costs?

**The Hon. K.A. MAYWALD:** I am advised that the Market Access Program is a state government program and that it is managed out of the Department of Trade and Economic Development. It is estimated that over 90 per cent of recipients are small businesses with fewer than 20 employees. We can give a breakdown by industry sector, if you would like us to.

**Mr PISONI:** I would like that, minister.

**The Hon. K.A. MAYWALD:** I need a point of clarification on the previous question in relation to the Business Licensing Information Service. I am advised that millions of pages could be involved unless we narrow it down a little.

**Mr PISONI:** Perhaps a random selection of the most popular requested.

**The Hon. K.A. MAYWALD:** We can do that for you.

**Mr PISONI:** That concludes my list of questions.

**The Hon. K.A. MAYWALD:** Thank you very much.

**The CHAIR:** There being no further questions for the Minister for Small Business, I advise that the proposed payments for the Department of Trade and Economic Development remain open, and I call the Minister for Regional Development to the table.

#### Departmental Adviser:

Mr P. Tyler, Executive Director, Office of Regional Affairs.

**The Hon. K.A. MAYWALD:** I have a brief opening statement. The regional development portfolio is situated within the Department of Trade and Economic Development as the Office of Regional Affairs. The Office of Regional Affairs has primary responsibility for the Regional Communities Consultative Council, the Regional Development Infrastructure Fund, the Regional Development Board framework, and a number of smaller community development programs such as the Rural Town Development Fund and Community Builders. The 13 regional development boards are funded under a state/local government partnership for five years to attract specific project-related funding and program delivery. The state government will continue to work with the boards to maximise regional development opportunities.

The current round of the resource agreements will expire on 30 June 2008. Six regional development boards, whose resource agreements were due to expire on 30 June 2007, have been extended to coincide with the remaining seven. This will bring all regional development boards into alignment and allow for the implementation of new key performance indicators consistent with reporting arrangements, and closer integration with the economic targets under South Australia's Strategic Plan.

A small intergovernmental working group has been established to work through state and local government partnership details in relation to future directions. For the first time, the Department of Trade and Economic Development will decentralise six positions to the regions to operate closely with the regional development boards, and to further support the economic development of regional South Australia.

The Regional Development Infrastructure Fund is an important tool in implementing the strategic infrastructure

planned for SA, and in meeting South Australia's Strategic Plan targets in the regions. The RDIF assistance has supported projects that have generated over 4 000 new jobs and over \$900 million in total project investment. So far this financial year, RDIF has committed against 11 projects, generating over 500 new jobs, with a total project investment of approximately \$200 million. Regions are growing, and the ABS estimates show that regional population grew by 0.7 of a per cent from the previous year, with all regions showing growth. These estimates show that the population grew in the northern statistical division for the first time in a decade, mainly due to increased population in Port Augusta and at Roxby Downs. The regional unemployment rate averaged 4.4 per cent, and was lower than the 5.3 per cent for the Adelaide metropolitan area. In addition, PIRSA estimates that the value of primary production (that is in agriculture and minerals) was \$7.4 billion in 2005-06. That represented an increase of 19 per cent from the previous year.

The prosperity and wellbeing of people in communities in regional South Australia is critical to the sustainability of the entire state. Viable regional communities contribute significantly to our economic growth, and this needs to be partnered with strong social networks and environmental measures that conserve our water and other natural resources. At the same time, it is important to acknowledge that the challenges of the drought and water management have been key issues for regional South Australia. As a result of the drought, there has been considerable impact on the agriculture sector and farm-related businesses, as well as the flow-on effect to the communities.

The state government has introduced six phases of drought response measures since September 2006 in a whole of government response. Importantly, the most recent package of measures totalling \$7.7 million focuses on regional mental health support and family counselling, retaining skills in regional areas and community development. The Regional Communities Consultative Council has made comprehensive submissions on issues impacting regional communities in the areas of drought, and a review of the Native Vegetation Act and regulations. The council continues to be an important voice for rural and regional communities.

**The CHAIR:** Member for Frome, do you have a statement?

**The Hon. R.G. KERIN:** No, other than to welcome back to the green leather Phil Tyler, who spent some of his younger years in here, and who has gone on to bigger and better things, I might add. I will go straight into questions, Madam Chair. Budget Paper 4, Volume 1, page 2.25, mentions the Regional Development Board resource agreements. As the minister said, some agreements expired on 30 June 2007, while the remainder will expire next year, and the minister has rolled those over, I understand. It sounds like the KPI is the reason for some of those not being made six-year agreements so that they just have a common expiry date.

The regional development boards have not had an increase in core funding for some years now, so probably the number one question is: will the minister concede that their ability to assist in facilitation of investment and job growth is somewhat compromised by that lack of growth in core funding? Secondly, is any increase in state funding planned for the regional development boards?

**The Hon. K.A. MAYWALD:** A number of RDBs have argued for an increase in core funding. However, it needs to be noted that most organisations do not have operational funding guaranteed in five-year resource agreements. Any

increase in funding for the regional development boards is likely to be through an increase in project funding support, as is the case with the business adviser funding in the 2005-06 budget where the return to taxpayers can be measured against South Australia's Strategic Plan. Any increase in core funding would flow through to local government, as a 3:1 funding arrangement applies to core operational funding payments. RDBs provide a service delivery function for a number of state and commonwealth programs where they get extra funding for delivering those services; for example, the SA Works program through DFEEST, the regional food program through PIRSA Food SA, the Far North economic development initiatives through PIRSA Minerals, and small business field officers through the Department of Transport and Regional Services and Aus-Industry services.

They also get funding for the skill migration and Trade-start programs for DTED. In addition, \$845 000 was provided through the Office of Regional Affairs in funding for RDB-related projects during 2006-07. There is also a number of other program funds available to RDBs, such as the Regional Development Infrastructure Fund, Rural Towns Development Fund, Community Builders and, just recently, the regionalisation of the SASP fund, and the Upper Spencer Gulf Enterprise Zone Fund is available to the three Upper Spencer Gulf regional development boards. The state government has lifted its funding support for remote economic development services in Coober Pedy and Roxby Downs.

It is really important to note that we have not asked the regional development boards to implement operational savings or efficiencies, as has applied to state agencies. In fact, funding to RDBs is quarantined whilst significant savings have applied to DTED. We are happy to provide a framework of funding support. We expect the regional development boards will source project-specific funding from all levels of government and, where appropriate, the private sector. Indeed, that is exactly what they do in a number of areas to a large degree, with great success in leveraging funding from all levels of government for specific development projects within their regions.

**The Hon. R.G. KERIN:** Have the boards in the last few years had a rise, such as a CPI rise, in funding or has it been static in dollar terms?

**The Hon. K.A. MAYWALD:** Not in core funding, but we do increase funding to the boards through the project-specific funding.

**The Hon. R.G. KERIN:** Some \$65 000 has been put towards the regional development boards resource agreements and the small business advisers. As the minister would know, the cost of employing good people for those jobs has increased to the point where, with on-costs and whatever, it is probably closer to \$100 000. Has any consideration been given to increasing that \$65 000?

**The Hon. K.A. MAYWALD:** There was an increase in the provision of funding to the regional development boards a couple of years ago from \$55 000 to \$65 000 and the boards do top up those positions from other funds and other project funds. Many of the project funds for which they apply these days have a component built into them for administrative functions, which they use to top up operational costs.

**The Hon. R.G. KERIN:** The early resolution of the resource agreements is crucial to the boards' (particularly those which have one-year contracts) keeping good staff. The Local Government Association and individual councils support the current model but, of course, they need certainty

of state government funding for RDBs. Will the minister give a guide as to when regional development boards will have their resource agreements finalised for the next five years?

**The Hon. K.A. MAYWALD:** We are going through a process at present where we are consulting with the Local Government Association and, indeed, in the last week or so that has progressed. We are looking at developing in partnership with local government a series of principles on which the next round of resource agreements will be based. That work is being completed and we expect to have that information agreed between the parties by mid-July. We will be looking at consulting through Regional Development SA on how the new key performance indicators will be developed. Once we have undertaken that consultation, we expect to have a draft resource agreement out later this year, possibly as early as October, depending on how much information we have and how timely the information comes back through Regional Development SA. We would be looking at early next year in order to ensure that they have adequate time for planning for the next financial year.

**The Hon. R.G. KERIN:** I acknowledge that the resource agreements have not been finalised, but is it intended that the new resource agreements will require further increases in non-local government representation on the boards?

**The Hon. K.A. MAYWALD:** Are you referring to board membership?

**The Hon. R.G. KERIN:** Yes, board membership.

**The Hon. K.A. MAYWALD:** There has not been any discussion regarding an increase in local government representation on the boards. However, there has been discussion about having the new DTED officers who are placed out in the regions being made members of the boards, so we actually operate in a partnership function with the other members and the other funding partner.

**The Hon. R.G. KERIN:** So full members of the board, not just executive officers?

**The Hon. K.A. MAYWALD:** Full members.

**The Hon. R.G. KERIN:** Will the new agreements continue to require that the chairs of the boards not be current elected members of local government?

**The Hon. K.A. MAYWALD:** That is something we will consider in the consultation through Regional Development SA. We do not have a view on that. If RDSA comes forward with a recommendation we will consider it.

**The Hon. R.G. KERIN:** Why are Fleet SA cars used by RDBs now government plated?

**The Hon. K.A. MAYWALD:** The vehicles that are used by the DTED officers in the regions are government plated, but the boards have their own vehicles, which would not be government plated, I believe. That is what I am advised, but if it is different from that I will come back to you.

**The Hon. R.G. KERIN:** In Budget Paper 4, Volume 1, page 225, program 8 refers to the appointment of five regional managers; but I think the minister might have said six.

**The Hon. K.A. MAYWALD:** There are five out in the regions. The sixth one is based in Adelaide and delivers to the Fleurieu, Kangaroo Island, Barossa and Adelaide Hills—the peri-urban areas.

**The Hon. R.G. KERIN:** Yes, they have only just been appointed. What is the specific role of these positions and how will they work with the regional development board in their region, given that some will be based with or adjacent to the RDB offices?

**The Hon. K.A. MAYWALD:** These DTED officers relate to positions that were freed up in Adelaide to create the six new regional manager positions, five of which are based outside Adelaide. The positions will be based in Clare, Berri, Mount Gambier, Port Lincoln and Port Augusta. Their job is to focus on case management, regionalisation of the South Australian Strategic Plan and working in partnership with the RDBs to achieve economic outcomes. These positions are in addition to the support provided by DTED to increase exports from regional SA through TradeStart, to address skills shortages through the Regional Migration Program, and the \$21.5 million/five years resource agreements to the RDBs. Together with the three DTED TradeStart positions, this is the first time in the history of the department that there have been dedicated regional based positions from DTED.

In 2006-07, the six appointments have been made and the new people are in the process of taking up the positions. DTED is currently negotiating performance agreements, organising the regional office facilities and inducting the new appointees. In 2007-08, the new managers will work closely with the regional stakeholders, in partnership with the regional stakeholders, including the regional development boards, the regional facilitation groups, and local government, as well as local industry, to achieve objectives that support the regional implementation of South Australia's Strategic Plan.

**The Hon. R.G. KERIN:** Minister, is this new money that is funding these positions or are these roles that have been reassigned out of DTED?

**The Hon. K.A. MAYWALD:** Reallocation of existing funding, yes.

**The Hon. R.G. KERIN:** Are the appointees to these positions—and I wish them well—all relocations out of DTED or are some new employees?

**The Hon. K.A. MAYWALD:** They are new employees. I am advised that one is a reallocation but went through the process of applying for the position, as all the positions were open for general application.

**The Hon. R.G. KERIN:** So they were basically picked up out of vacancies within DTED and relocated.

**The Hon. K.A. MAYWALD:** We freed up some positions, then we went to an open call for the positions out in the regions, so non DTED employees could apply.

**The Hon. R.G. KERIN:** A couple of my colleagues have an interest in this, and you can take it cynically, minister, if you want to, but from 2002 to 2006 the regional affairs office at Port Augusta was seen by some, who were very cynical, as an office for the ALP candidate in Port Augusta, which was then closed once the election was out of the way. Can the minister guarantee that that practice will not be an ongoing one?

**The CHAIR:** I do not think the minister is here to guarantee anything. Minister, do you have any information for comment?

**The Hon. K.A. MAYWALD:** The office being referred to was under the portfolio line managed by minister Holloway. So, no, I have no comment to make.

**The Hon. R.G. KERIN:** It shifted around a few times; and I will not go into why it was shifted at one stage. I will move on, and I refer to Budget Paper 4, Volume 1, page 225 and the Regional Development Infrastructure Fund, which is a very important fund in regional South Australia. The minister might want to take this question on notice, but will the minister outline the expenditure from the RDIF in

2006-07 on individual projects and indicate the proponents of those projects?

**The Hon. K.A. MAYWALD:** I can provide you with that information now. The RDIF, I agree, is a very important tool in implementing the Strategic Infrastructure Plan for regional South Australia. As to the 2006-07 outcomes for the financial year, the RDIF committed \$3.3 million against 11 projects, as I mentioned before, generating over 500 jobs and with a total project investment of about \$200 million. The approved support for major regional projects in 2006-7 included: \$600 000 towards transport infrastructure, allowing B-double access to the 170 hectare Kingsford Regional Industrial Estate, in the Barossa Valley. There was \$500 000 towards power, gas and recycled water infrastructure to support the glass house manager investment of around \$30 million in a new horticultural project. The state-of-the-art glasshouse project will produce hydroponic truss tomatoes near Two Wells.

There was \$500 000 towards roads, electricity, water, gas and telecommunications in the Whyalla Industrial Park. There was \$500 000 towards the Cape Jaffa Marina in the state's south-east, for infrastructure support in the development of the commercial and industrial wharf area of stage 1, including a commercial wharf and associated areas such as pavement, hardstand, wash down and berthing facilities. Another project involved \$375 000 towards electricity infrastructure for Southern Ocean Lodge on Kangaroo Island, a project that has state-wide strategic significance as an iconic eco-tourism development. There was \$120 000 towards electricity and transport associated infrastructure to support the expansion of the Adelaide Hills Business Centre at Lobethal.

There was \$268 000 towards electricity infrastructure at Kangaroo Island Abalone. There was \$250 000 towards electricity infrastructure at Southern Australia Seafoods at Port Lincoln. There was \$185 000 towards electricity infrastructure at the Streaky Bay Abalone Farm on Eyre Peninsula. There was \$55 595 towards electricity infrastructure to support an upgrade at Whiteheads Timber in Mount Gambier. There was \$15 923 towards electricity infrastructure at Hog Bay Stores in Penneshaw on Kangaroo Island. A recent economic evaluation of the fund found that projects supported by RDIF generate an average \$100 increase in GSP over five years for each RDIF dollar invested. As you will note, most of them were for infrastructure supporting the projects. It is generally investment in infrastructure, from grid access to the farm gate, or to the business gate, and, as you can see, most of them were for assisting with the augmentation of electricity costs.

**The Hon. R.G. KERIN:** I welcome that direction; it tended to go towards less specific development outcomes for a while, but I welcome the fact that it is back to where it is. Is there a published criteria for selection of what will qualify?

**The Hon. K.A. MAYWALD:** Yes, it is on the Office of Regional Affairs website.

**The Hon. R.G. KERIN:** There is currently an issue with water capacity for the Balaklava, Port Wakefield and Bowmans area in regard to intensive livestock and other developments. The minister would be aware of the substantial industry growth in those areas and the potential for much more if water capacity can be increased to the area. I think there was a bit in the budget for PIRSA, backed by the Yorke regional development board and Wakefield council, for a new pipeline to service the area, which was unsuccessful. Can the minister tell the committee what she may be able to do, or

what may be happening, to ensure that future development in that area is not lost?

**The Hon. K.A. MAYWALD:** It is a very good project, and there is a lot of enthusiasm for it in a number of areas. I know the Yorke board and also the local government body in the area are working with ORA and also with Primary Industries and SA Water on that matter, and it has a lot of support in the regions. We are certainly working through those issues and we understand the importance of water to those projects.

**The Hon. R.G. KERIN:** Another regional development infrastructure issue is the assistance in providing natural gas to regional centres to allow potential industrial development to proceed. What assistance was offered by the government to natural gas providers in an unsuccessful move to ensure the provision of natural gas to Loxton and Renmark?

**The Hon. K.A. MAYWALD:** There was no application through the RDIF for those particular proposals. I understand that there were, from a local member's perspective, some inquiries made from local government and some work undertaken between local government and the gas companies. The gas companies did some investigations into the feasibility of extending those lines and determined not to do it. There was not an application to the RDIF, however.

**The Hon. R.G. KERIN:** Yes, I realise it had not stood up on its own in regard to feasibility. Is the minister aware of any work that has been done by the ORA or DTED to assist in getting a natural gas pipeline to those towns or other communities such as Tanunda, Balaklava, Bowmans or Port Wakefield, where a need or an opportunity has been identified?

**The Hon. K.A. MAYWALD:** At this point the Office of Regional Affairs advises me that it has not had any discussions in that regard.

**The Hon. R.G. KERIN:** In relation to the Regional Communities Consultative Council, the performance commentary on page 2.25 indicates the term of the RCCC was extended for one year to 31 December 2007, with 19 members reappointed and two new members appointed. Is there a particular reason the extension was for only one year?

**The Hon. K.A. MAYWALD:** The decision to extend was on the basis of the excellent work that the members of the Regional Communities Consultative Council have undertaken in relation to the State Strategic Plan. They have been intimately involved in the review of the plan in the regions, and it was seen to be an appropriate thing to extend their term, given the extensive knowledge that they had developed over a period. Now that we are looking towards regionalisation of the State Strategic Plan, we see them as playing a significant role in that respect, and the knowledge they have gathered as a consequence of the review and the key role they played in the review in the regions was seen as critical, so we have extended this council's term from two years to three years to assist in that transition to the implementation of the regionalisation of the plan.

**The Hon. R.G. KERIN:** Again, I can take this on notice, but who are the current members, including the new appointees?

**The Hon. K.A. MAYWALD:** I have that information to hand. The current chair of the Regional Communities Consultative Council is Mr Peter Blacker from Port Lincoln, and members are Deb Agnew from the Limestone Coast, Joy Baluch from Port Augusta, Bill Boehm from Roxby Downs, Mark Braes from Millicent, Jeff Burgess from Gulnare, Bill Clifford from Murray Bridge, Bishop Eugene Hurley from

Port Pirie, Monika Klein from Cockaleechee, Jane Lowe from Ceduna, Bill McIntosh from the Flinders Ranges, Jeffrey Mincham from Cherryville, Heather Moore from Taillem Bend, Janet Sawyer from Whyalla, Dr Ruth Schubert from Mount Gambier, Claire Smith from Berri, Phil Tyler from Adelaide, Craig Wickham from Kangaroo Island, Jeanette Wormald from the Northern Mallee, Kym McHugh from Mount Compass, and Ian O'Loan from Mallala. I can provide details of their background for the member if he would like that information.

**The Hon. R.G. KERIN:** I know most of them. It is a good group of people.

**The Hon. K.A. MAYWALD:** It is a really good group of people, and I appreciate your support for the organisation. They work together extremely well as a council and they have provided some very good advice to government in relation to issues that they bring back from the communities. I will table that information.

**The CHAIR:** My understanding, minister, is you are providing that information to the chair for circulation to the committee?

**The Hon. K.A. MAYWALD:** That is right, for circulation to the committee.

**The Hon. R.G. KERIN:** Can the minister briefly outline the process by which the advice goes to government and out to the various ministers or agencies?

**The Hon. K.A. MAYWALD:** Generally, the advice is provided through reports, letters and communications from the chair to the minister.

**The Hon. R.G. KERIN:** How often have they been meeting, and do they only meet with the minister or do they have meetings on their own?

**The Hon. K.A. MAYWALD:** They have four meetings a year. They meet quarterly, and I attend where possible. However, they generally meet on their own and they visit a different region. They generally spend two days in a region during each visit, where they organise community forums and also meet with industry leaders through that process. It is a very worthwhile exercise. The communities that they visit become very much involved in the program with the members of the council. The RCCC has now conducted 16 regional meetings, each time consulting directly with the relevant communities.

**The Hon. R.G. KERIN:** What level of support is provided to the RCCC by the Office of Regional Affairs, other DTED offices and offices of other state government departments and agencies?

**The Hon. K.A. MAYWALD:** We provide an executive officer to the RCCC and we also provide funding to specific consultancies that the RCCC may determine are necessary to assist in its representation of regional communities.

**The Hon. R.G. KERIN:** The appointments for the next RCCC, I take it, will start next calendar year, 1 January 2008?

**The Hon. K.A. MAYWALD:** The next RCCC will be appointed from 1 January, but we will start the process in the next couple of months to call for nominations.

**The Hon. R.G. KERIN:** So, nominations will be called for?

**The Hon. K.A. MAYWALD:** Yes, most definitely.

**The Hon. R.G. KERIN:** I refer to Budget Paper 4, Volume 1, page 2.25, regional capacity. With respect to the issue of common regional boundaries, regional development boards and regional LGAs are certainly supportive of the government reform commission recommendation to have

uniform boundaries for state agencies and departments across South Australia. Given that I believe cabinet has signed off on those boundaries, is it still envisaged that they will not be fully implemented until December 2008?

**The Hon. K.A. MAYWALD:** The new boundaries do not apply to the regional development boards, given that they are individual boards and are aligned with local government boundaries. However, the future funding and the program funding will be more aligned to the SASP boundaries to assist us in ensuring that our government investment is focused on achieving targets within those SASP boundaries.

**The Hon. R.G. KERIN:** I again refer to page 2.25. The regional facilitation groups were established after a successful trial in the Riverland some years ago. That trial included representatives of the relevant regional development board and local government as well as senior officers from all state government departments and agencies that were based in the region. Is the minister aware that some regional development boards, including Fleurieu, Yorke, Mid North, Barossa and Light, have no involvement in a regional facilitation group?

**The Hon. K.A. MAYWALD:** Yes, I am aware of that. We have had some discussions around the regional facilitation group membership and how RDBs and other interested parties may be more involved in that process. We intend to work through that in the regionalisation of the South Australian Strategic Plan and the roles that the different organisations will play in assisting us and the local communities to regionalise those plans.

**The Hon. R.G. KERIN:** Is that likely to include local government?

**The Hon. K.A. MAYWALD:** At this stage, there is no intention to include local government. However, local government is included on the regional development boards through the DTED officers, who will become part of the regional facilitation groups.

**The Hon. R.G. KERIN:** I refer to the Regional Statement, Budget Paper 6, page 11. Under South Australia's Strategic Plan, regionalisation payments of \$566 000 are listed. What are the projects and initiatives referred to here under the \$566 000?

**The Hon. K.A. MAYWALD:** In relation to the previous question, I have just been advised that one of the goals of the regionalisation of the SASP plan is to bring together local government, the RFGs and also the regional development boards to help us in developing that regionalisation. The process of regionalisation will begin early in 2007-08. The Limestone Coast region has been proposed for a pilot regionalisation program. The Department of Trade and Economic Development has established a pilot fund to assist local government regional development boards and other regional community organisations, including RFGs, to undertake projects to progress the implementation of South Australia's Strategic Plan targets in three SASP regions. Initiatives will aim to assist regional communities to become more resilient in the face of structural change or drought, and consideration will also be given to projects aimed at leveraging new economic development opportunities in the regions.

This initiative will complement other measures aimed at delivering South Australia's Strategic Plan targets and strengthening regional communities. The fund will be managed by the Office of Regional Affairs in DTED. It is a new budget initiative, as the member has highlighted, and \$566 000 has been made available for the pilot fund in 2007-08. We are working through the details on how that

pilot will roll out with the Limestone Coast Regional Development Board, local government and the RFG.

**The Hon. R.G. KERIN:** And the \$566 000?

**The Hon. K.A. MAYWALD:** Yes, the \$566 000 is applied towards that pilot.

**The Hon. R.G. KERIN:** Regional Statement, Budget Paper 6, page 2, refers to regional impact assessments. What is the process followed by the Office of Regional Affairs in relation to regional impact assessments prepared for cabinet? Is it common with those to go to regional development boards for comment? I know that you could not give them all the detail, but is comment sought from the regional development boards, or would it be sought from the DTED offices in the regions?

**The Hon. K.A. MAYWALD:** Two processes are involved. The cabinet process determines whether a regional impact assessment will be undertaken and, once that has been determined by cabinet, a process is undertaken which includes advice from regional development boards. Since the introduction of the regional impact assessment policy, a total of 12 regional impact assessments have been undertaken and submitted to DTED. These include the Sturt Highway upgrade from Gawler to Nuriootpa, the security sensitive ammonium nitrate policy, the SA Ambulance Service communication centres in Mount Gambier and Port Pirie, the King George whiting fishery management policy, the SA Police regional assessment policy, the review of the Citrus Industry Act 1991, Lower Murray irrigation activity with the EPA exemption, Service SA expansion, salinity zoning policy, Transport SA plant procurement and the review of the regional impact assessment process.

One regional impact assessment has been submitted to DTED in the past year regarding the Sturt Highway upgrade. Three regional impact assessment training workshops were delivered in 2006-07 and the next regional impact assessment will be undertaken in relation to the shared services changes that are occurring at the moment. All these regional impact assessments are available on the Office of Regional Affairs website.

**The Hon. R.G. KERIN:** Are they all prepared specifically for cabinet or is it a broader process?

**The Hon. K.A. MAYWALD:** It is a broader process and they are available publicly. On the training workshops that were delivered in 2006-07, approximately 120 public servants have attended those workshops to get an understanding of what is required of them when undertaking a regional impact assessment to assist and expedite the process.

**The Hon. R.G. KERIN:** When the minister spoke earlier about the extra assistance given to regional development boards, she mentioned the food industry development officers who, until recently, numbered 12 and who were based with the regional development boards. These have now been reduced to five, I believe, with one based in Adelaide and four in regional centres. Again, I might be wrong; it might be five and one. Do you know if they are going to be based in the same locations as the DTED regional appointments?

**The Hon. K.A. MAYWALD:** It is not necessarily a budget line under the regional portfolio. However, I am a member of the Premier's Food Council where a review of the food officers was undertaken, and I am aware that they have made some changes to those funding arrangements. That detail I do not have to hand. It is a primary industries funded program, so perhaps that would be better sought from the minister for primary industries.

**The Hon. R.G. KERIN:** I think a lot of us were disappointed with that reduction but, as you say, it is in another portfolio area. I refer to Budget Paper 4, Volume 1, page 2.6 of which the highlights refer to the Upper Spencer Gulf and the Outback Enterprise Fund and the outcome of increased economic generation. What level of funding has been expended from that fund? You might need to take this on notice: which projects have benefited?

**The Hon. K.A. MAYWALD:** I have those details at hand, so I can provide that information to the committee. It stems from a 2002 election commitment. As you would be aware, the enterprise zone was created to assist the region to deliver structural change to the Upper Spencer Gulf and associated outback areas. Following the 2002 election, \$3 million was allocated to the enterprise zone over four years for implementing specific initiatives. Following set up in 2004-05, the first projects were approved and funding was paid in the 2005-06 year. The fund may be accessed by regional development boards, local government (including the Outback Areas Community Development Trust) and other not-for-profit organisations which promote similar outcomes to the above groups in the Upper Spencer Gulf area and the Outback. In 2006-07, four projects were funded through the program, and I supported these projects:

- the Bungala transportable homes project which was \$160 000;
- the Whyalla Foreshore Development which received \$500 000;
- the Royal Flying Doctor Service which received \$250 000; and
- the Gladstone/Laura Community Recovery projects which were \$45 000.

These projects will result in a total investment of approximately \$6.4 million in the region. The intention is to commit the remaining funding of approximately \$1.075 million in 2007-08. The approved projects through the fund include: Port Augusta intermodal, which was a \$25 000 commitment; Port Pirie civic waterfront development project, which was \$150 000 in 2004-05 and 2005-06, and in 2006-07 they received \$360 000, which is a total project of \$510 000; the Port Pirie streetscape project, which was funded between 2004 and 2006, \$250 000; the Southern Flinders Ranges grain value adding project, \$80 000; the Southern Flinders Ranges cycle tourism project, \$60 000 in the first year and \$50 000 in the second year—a total project of \$110 000; Port Augusta

Airport infrastructure upgrade, \$200 000 in the first year and \$150 000 in the second year—the total project funded to the value of \$350 000; and the four in 2006-07 that I have already mentioned, and the unallocated portion of the funds in 2007-08 is \$720 000.

**The Hon. R.G. KERIN:** Thank you, minister. I have one last question. Did the Community Builders Program still operate in this last year and, if so, in which community or communities was it operating?

**The Hon. K.A. MAYWALD:** I will get the detail for you. Madam Chair, I will provide that information on those projects in written format through you to the members of the committee also.

**The CHAIR:** Thank you, minister.

**The Hon. K.A. MAYWALD:** In 2006-07 three programs will complete the Community Builders Program. They include: the Wakefield Regional Council, covering the townships of Hamley Bridge, Balaklava, Snowtown and Lochiel, which you will be happy to know as the local member in that region; the Milang Progress Association provided a Community Builders Program covering Strathalbyn, Mount Compass and Milang; and the Murray Mallee Community Education Network provided a program covering Bowhill, Karoonda, Lamerook, Mannum, East Murray, Pinnaroo and Tintinara. In 2007-08 there will be a call for expressions of interest—it has not quite happened yet; it is about to happen—and the new round of the Community Builders Program will be published shortly in *The Advertiser* and also in regional papers. Applications will be accepted once that call has been received through July and August.

**The CHAIR:** There being no further questions I declare the examination of the proposed payments completed. Thank you to the minister and the various advisers whom we have had during the day, and thank you particularly to the member for Frome for stepping in, and other members of the committee.

**The Hon. K.A. MAYWALD:** I would also like to thank members for their attendance at the committees, and I would particularly like to thank the shadow minister for regional development for his effort. It is obvious that he had undertaken research into the portfolio areas, and his questions were very targeted and useful. Thank you.

#### ADJOURNMENT

At 7.42 p.m. the committee adjourned until Wednesday 4 July at 11 a.m.