

HOUSE OF ASSEMBLY**Friday 27 June 2008****ESTIMATES COMMITTEE A****Chair:**

Ms. M.G. Thompson

Members:

Ms F.E. Bedford
Hon. R.G. Kerin
Hon. S.W. Key
Dr D. McFetridge
Mr A.S. Pederick
Ms L.A. Simmons

The committee met at 11:00

DEPARTMENT OF THE PREMIER AND CABINET, \$149,901,000
ADMINISTERED ITEMS FOR THE DEPARTMENT OF THE PREMIER AND CABINET,
\$18,780,000

Witness:

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

Departmental Advisers:

Ms R. Read, Director of Corporate Services, Department of the Premier and Cabinet.

Mr D. Harvey, Director, Office for Racing.

Mr T. O'Loughlin, Deputy Chief Executive, Department of the Premier and Cabinet.

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

Mr G. Baynes, Chief of Staff.

Mr A. Bourke, Ministerial Adviser.

Ms M. Griffiths, Manager, Budgets, Department of the Premier and Cabinet.

Ms J. Fulham, Principal Financial Consultant, Department of the Premier and Cabinet.

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. Has there been any change to the timetable?

The Hon. M.J. WRIGHT: There has been one change. This afternoon's session has been brought back to 5 o'clock because we have been advised by the opposition that there will not be any questions relating to Lotteries SA.

The CHAIR: Thank you. Changes to committee membership will be notified as they occur. Members should ensure the chair is provided with a completed request to be discharged form. If the minister undertakes to supply information at a later date, it must be submitted to the committee secretary by no later than Friday 18 July. I propose to allow both the minister and the lead speaker for the opposition to make opening statements of about 10 minutes each. There will be a flexible approach to giving the call for asking questions based on about three questions per member, alternating each side. Supplementary questions will be the exception rather than the rule. A member who is not part of the committee may, at the discretion of the chair, ask a question. Questions must be based on lines of expenditure in the budget papers and must be identifiable or

referenced. Members unable to complete their questions during the proceedings may submit them as questions on notice for inclusion in the House of Assembly *Notice Paper*.

There is no formal facility for the tabling of documents before the committee; however, documents can be supplied to the chair for distribution to the committee. The incorporation of material in *Hansard* is permitted on the same basis as applies in the house, that is, that it is purely statistical and limited to one page in length. All questions are to be directed to the minister, not the minister's advisers. The minister may refer questions to advisers for a response. I also advise that, for the purposes of the committee, television coverage will be allowed for filming from both the northern and southern galleries.

I declare the proposed payments open for examination and refer members to the Portfolio Statement, Volume 1, part 1. Minister, do you have an opening statement?

The Hon. M.J. WRIGHT: Yes.

The CHAIR: Please proceed.

The Hon. M.J. WRIGHT: In May 2008, the government announced a funding package of \$11 million to the state's thoroughbred racing industry. An amount of \$6 million will go towards a major upgrade of the Gawler racecourse, making it South Australia's second metropolitan thoroughbred racing venue and boosting Gawler's presence as the gateway to the Barossa. The funding will go towards the construction of a new racetrack and a multipurpose building to be used as a race-day facility and community function centre.

The multipurpose facility will provide the local community with a convention centre suitable for a variety of events, including business conferences, educational training programs and wedding receptions. The future of the South Australian racing industry is dependent on having two venues capable of hosting metropolitan race meetings. The local industry faces serious financial risk if these demands are not met. Gawler is the preferred location of the Board of Thoroughbred Racing SA to become South Australia's second metropolitan racing venue.

The construction of a newly designed track at Gawler will accommodate more race meetings, allow for more competitive racing and, in turn, lead to greater betting opportunities. The racecourse is conveniently situated between the main road and the railway line and has the potential to draw larger crowds following a significant upgrade.

Additional race meetings, plus making the multipurpose function centre available for other community-based activities, are expected to generate greater investment and economic activity in the region. To ensure Morphettville remains the state's premier racing venue, the state government has granted a further \$5 million for the construction of a second turf track at Allan Scott Park, Morphettville. The 2,100 metre course will be built inside the existing track at Morphettville, with construction scheduled to begin in October of this year. The track is expected to be ready for limited racing by March 2009 and will be capable of holding additional race meetings as it consolidates. A second turf surface at Morphettville and an upgraded facility at Gawler will ease the pressure on the existing track at Morphettville.

In addition, from 1 July this year, the three codes of racing in South Australia—thoroughbreds, harness and greyhounds—will commence to receive the first tranche of South Australian TAB wagering tax receipts amounting to an estimated \$3.5 million in the 2008-09 financial year. The racing codes will progressively receive further allocations until such time as all of the wagering tax revenue is directed to the industry with effect from 2012. This initiative is about increasing prize money, attracting investment and maintaining the viability of the racing industry. The implementation of this initiative was accompanied by a commitment of the industry to restructure its administration so as to establish a predominantly independent system of governance.

The industry responded positively and swiftly to those changes, and I am pleased to acknowledge that now each of the codes of racing has in place controlling authorities comprising experienced and appropriately qualified directors. This structure will provide a platform and opportunity for improved levels of decision-making in an industry which, throughout recent history, has required quick and adaptive responses to the new levels of competition and technological change. The government remains committed to the role of the Office for Racing and to the maintenance of ongoing constructive relationships with key stakeholders within the racing industry.

The Hon. R.G. KERIN: First, with Gawler, I always welcome any additional funding for racing. It is a very important industry and it is always appreciated when it is looked after. Minister, you have stated quite understandably that a newly designed track and improved facilities at Gawler

will accommodate further race meetings. Do you have any expectation of how many extra meets will be held at Gawler?

The Hon. M.J. WRIGHT: I thank the member for his question and for his support of this proposal and funding commitment. At the moment, Gawler has 12 meetings, and the proposal of TRSA—the corporate authority in charge of racing which has the responsibility for placement of meetings—is that they will move up to about 22.

The CHAIR: Member for Frome, before you proceed, I remind you about the need to reference your questions. The minister had no problem with that one, but others may be more obtuse.

The Hon. R.G. KERIN: That's absolutely correct. I refer to Budget Paper 4, Volume 1, page 1.38. The minister mentioned a little bit of the detail of the multipurpose function centre at Gawler Racecourse. One would look good in Victoria Park, actually, but in relation to the one at Gawler, what is his expectation of how that will be managed? I take it that the Gawler Racing Club would take management and run it from there.

The Hon. M.J. WRIGHT: TRSA will project manage the building but then I would imagine at the end of the project they would hand it back to the club to run it on a day-to-day basis.

The Hon. R.G. KERIN: Could the minister give some detail on the consultation process with the SAJC and the industry prior to the announced upgrade of the Gawler Racecourse?

The Hon. M.J. WRIGHT: I think it would be fair to say that the majority of the consultation that we had was with the corporate structure (TRSA), but TRSA obviously in its position had contact with Gawler and the SAJC. They may have also consulted with other parts of the industry—that I am not so sure of—but certainly the consultation that the government held was with TRSA. We would expect that the controlling authority (TRSA) would have consulted broadly with the industry but that is really a matter for TRSA.

Mr PEDERICK: I refer to Budget Paper 4, Volume 1, page 1.37. As to grants going to racing clubs like Morphettville and Gawler, is there any allocation in the budget for the proposed racing development at Murray Bridge?

The Hon. M.J. WRIGHT: No, we do not have any money in our budget for Murray Bridge. As I understand this project, at the moment, it is with the planning minister for zoning and development application. Beyond that, I think it is going to be largely self-funded, but I would need to take advice on that.

The Hon. R.G. KERIN: I refer again to the same page. In relation to the Gawler Harness Racing Club and the need to relocate, what is the minister's latest information and thinking on what direction the Gawler Harness Racing Club is likely to take?

The Hon. M.J. WRIGHT: Are you asking about relocation, Rob?

The Hon. R.G. KERIN: Yes, or the future of the club.

The Hon. M.J. WRIGHT: There are two issues, of course. One is in regard to meetings, where the meetings are going to be placed, but in regard to relocation, I have been advised that there are three options that the committee is looking at. One is a new track, one is to go to Globe Derby and one is to go to Kapunda. The advice I have received is that the committee has not settled on any one of those at this stage.

The Hon. S.W. KEY: I refer to Budget Paper 4, Volume 1, page 1.38. The report of the study into the racing industry recommends that each of the three controlling authorities of racing (thoroughbreds, harness and greyhounds) establish predominantly independent boards. Can the minister advise what the outcome is of this recommendation?

The Hon. M.J. WRIGHT: With respect to the thoroughbred code of racing, the shareholders of Thoroughbred Racing SA (TRSA)—being the SAJC and South Australian Racing Clubs Council—agreed upon a new governance structure involving a revised constitution and a new board whose membership is predominantly independent of sectional interests. All members were appointed in November 2007 and are subject only to eligibility criteria concerning specific qualifications and experience by the industry itself. There are no government appointments to any of the controlling authorities. TRSA now has a board of seven directors, five of whom are independent and two of whom have industry experience at each of the metropolitan and country levels. The TRSA board is focusing its attention on a number of strategic industry initiatives.

With regard to Harness Racing SA, the harness racing code has similarly agreed to a new constitution and board structure, which has resulted in four independent, suitably experienced and qualified directors and two industry experienced directors at each of the metropolitan and country racing levels. The four independent directors are required to be qualified and experienced in financial management, marketing, business and law. Harness Racing SA has expanded its board of directors from five to six members to further enhance the independence of the new administration.

Greyhound Racing SA has maintained its current board structure comprising four independent and suitably qualified members and one member who has experience in the greyhound industry. The greyhound code has in place a director's selection panel that is assisted by a human resource consultant who is required to make recommendations to the panel for each category of director. The structure has and continues to work well.

We can be confident now that we have these independent structures in place. Prior to the Bentley review, Greyhound Racing SA already had an independent structure in place, but harness racing and thoroughbreds have been able to adapt and change their boards as a result of the Bentley review, and they now have independent structures in place.

The Hon. S.W. KEY: I refer to Budget Paper 4, Volume 1, page 1.38. This is with regard to the TAB. Following the government's decision to implement wagering tax reforms in relation to South Australia TAB operations, can the minister advise on the impact that this decision has on stake money returns to racing industry participants?

The Hon. M.J. WRIGHT: In November 2007, the government agreed to TAB tax reform measures to assist the South Australian racing industry. As a result, the racing industry will benefit from millions of dollars in wagering tax reform measures after adopting recommendations contained in the Bentley report. The initial phase of the tax reform will see \$3.5 million allocated to the racing industry from 1 July 2008. This represents 50 per cent of forecast TAB tax receipts in the first year. It is estimated that total tax receipts payable to the industry will be \$8.4 million annually from 2012-13. Thoroughbred Racing SA has announced significant increases in prize money for South Australian racing, and that is to be welcomed.

Standard prize money levels at metropolitan, provincial and country race meetings received increases which came into effect on 1 February 2008. TRSA said the increases represented a major step in the board's development of a three-year strategic prize money plan for the industry. The increases are designed to encourage owners, trainers and breeders to invest in horses in South Australia. This is welcome news for all major industry stakeholders involved in metropolitan, country and provincial racing. They have been most affected by static prize money for four years, rising fuel and feed prices, and the growing disparity in prize money when compared with other states.

These increases will start to redress South Australia's position in thoroughbred racing. Thoroughbred Racing SA has acknowledged that the increases were only achievable due to the state government's wagering tax reforms. The board has reviewed current and projected finances and anticipates that the effect of the government's tax reform will provide a net \$2.37 million next year after factoring in the negative impact that the equine influenza outbreak has had on wagering and its effect on income next year as a result of reduced market share for the thoroughbred code.

In addition, the board will be having discussions with the SAJC about the management of the funds from the sale of Cheltenham Park and part of these funds will supplement the prize money increases announced on 17 January over the next three years.

Harness Racing SA is currently developing a business plan, which, inter alia, will set out its goals in relation to the payment of stake money to its participants. Greyhound Racing SA has announced stake money increases with effect from 1 July 2008. As part of its strategic plan it has targeted the prize money, which will be increased to return a minimum of 60 per cent of SA TAB distribution to industry participants by 2012. The board has also determined that all moneys received from wagering tax reform measures will be allocated to stake money increases.

The Hon. S.W. KEY: I refer the minister to Budget Paper 4, Volume 1, page 1.38. Will the minister please advise the committee of the High Court's decision on the challenge under section 92 of the Constitution by Betfair (the betting exchange operator) against legislation by the Western Australia government to prohibit betting exchange operations?

The Hon. M.J. WRIGHT: This has been a long-running issue for the racing industry. The Full Bench of the High Court handed down its decision in Betfair Pty Ltd and Anor v State of

Western Australia on 27 March 2008. Betfair challenged two elements of the Western Australia legislation that were a key part of the WA policy of prohibiting betting exchange activity involving persons or racing in that state; namely, no person shall bet with a betting exchange and, secondly, no person shall publish any Western Australia race field unless authorised to do so.

The High Court found that the relevant provisions imposed a 'discriminatory burden on interstate trade of a protectionist kind' which is the key to identifying that a legislative scheme or an administrative act contravenes section 92 of the Constitution and is therefore invalid. Section 92 provides that 'trade [and] commerce...amongst the states...shall be absolutely free'.

In reaching that decision the court relied upon traditional market analysis to find that the product market for gambling included fixed odds betting, totalisator betting and the use of a betting exchange, with evidence of cross-elasticity of demand showing that there was close substitution between these products. Betting on all forms of racing, as well as sports betting, at least were included in that market. Because access to that market was available via the internet, the geographic reach of the market was at least Australia-wide and it may have been international.

The majority judgment found, simply, that because the Western Australia legislation precluded Betfair competing for wagering customers with in-state fixed-odds bookmakers and the government-owned totalisator, a discriminatory burden of a protectionist kind was placed on interstate trade. One general conclusion from this decision is to emphasise the importance of the states having uniform regulatory schemes, where the regulation would impact on businesses operating across national economy.

I intend to ask the Crown Solicitor's Office whether there are any avenues available to the state's racing industry that will enable it to be recompensed by wagering providers who use their product.

Dr McFETRIDGE: Now that Morphettville is moving into the electorate of Morphett, I am vitally interested in the future of Morphettville. When I first came back to South Australia, part of my first job as a vet was to teach apprentice jockeys about horse health and anatomy. A lot of that work is being done at present at the Horse Skills Centre at Cheltenham—which is closing. What is happening with that and what is its future?

The Hon. M.J. WRIGHT: It is going to be relocated to Morphettville and TRSA has allocated \$1.3 million for that project.

Dr McFETRIDGE: Will the farrier school be moved back, as well?

The Hon. M.J. WRIGHT: Yes, the whole lot will come together.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 1, page 1.38. Will the minister give an update on what is happening and what his advice is in relation to the SAJC vacating Victoria Park—just the process and the time frame?

The Hon. M.J. WRIGHT: The honourable member would be aware that the SAJC has announced its position—which has become effective. It will no longer race at Victoria Park. It has decided to abandon Victoria Park as a venue, largely because of the ongoing saga with a new grandstand. As I understand it, discussions are currently being held as to when the SAJC will remove some of its buildings—what the time scale for that will be—but those discussions are still progressing.

Dr McFETRIDGE: With respect to the same references, is the minister able to give some information about the cost to the industry in terms of lost revenue and what was given by way of compensation to the horse industry during the equine influenza outbreak?

The Hon. M.J. WRIGHT: Advice to me is that TRSA estimated its loss to be \$3 million. Also, it put a proposal to the government for relief for the same amount, which the government declined, and, in doing that, the government reminded the industry of the TAB wagering tax reform. TRSA has spent \$120,000 on vaccination, but the general policy is no compensation for equine influenza. I am also advised that some breeders did receive some assistance from the federal government.

The CHAIR: According to the agreed timetable, it is now time to move to the Office for Recreation and Sport.

Departmental Advisers:

Mr C. Paul, Manager, Business Services, Office for Recreation and Sport.

Mr P. Anderson, Executive Director, Office for Recreation and Sport.

Ms J. Hughes, Director, Office for Recreation and Sport.

The CHAIR: Minister, do you have an opening statement?

The Hon. M.J. WRIGHT: Yes, please. The budget for this year and for the following years provides a clear indication of the government's commitment to giving South Australians better opportunities to participate in and enjoy their sport and active recreation. Yesterday, the government announced that it is entering into an agreement with Aqua 43 to build the Marion swimming pool and other facilities in the precinct. This is a landmark development for South Australia. It will cater for the whole range of users, from elite sportspeople right through to Learn to Swim classes. The pool complex will consist of two 50 metre pools, which will be capable of hosting national and international swimming, diving and water polo events.

It means that South Australian aquatic sportspeople can remain in South Australia, training in a facility which matches anything else in Australia. Just as importantly, the Marion pool will be a focal point for the community. Recreation opportunities will be available for a broad cross-section of the community through various leisure water activities, including Learn to Swim. It is also a landmark development because it provides a tangible link between sport and recreation on the one hand and, on the other, the provision of preventative and primary health care services. This is a link which will need to be made more often in the future as Australia tackles the challenge of the need to increase rates of physical activity as a key strategy in delivering better health outcomes.

Parliament would be aware that the Marion pool is the latest instalment in a major program of government support for upgrading the state's sporting infrastructure. The commitment covers a broad range of infrastructure. The budget for this year includes provision for \$2.5 million to each of the Adelaide and Port Adelaide football clubs to upgrade their sporting and community facilities.

Next year's budget provides the second instalment for the purchase of a portable sports floor to be used for indoor sports such as netball. It also provides \$1.5 million for a permanent replay screen to be installed at Hindmarsh stadium. Tactical investments such as these can make a significant difference in our ability to attract international sporting events, drawing larger crowds and generating better financial returns for the sports involved. These returns can then be applied to supporting community-based sporting activities.

Of course, the headline commitment is the government's \$100 million investment into the redevelopment of AAMI Stadium. This is a strategic investment to support a significant project capable of attracting major sporting and cultural events. It complements the government's investing program in transport and urban development which will make Adelaide a better city.

The funds for all these investments are additional to the ongoing financial commitment of the government to supporting recreation and sport at the community level. This support includes five grants programs which allocated approximately \$11.5 million in 2007-08 to more than 500 sporting and active recreation clubs and organisations from grass roots through to peak industry bodies.

The Office for Recreation and Sport also coordinates the implementation of the state's Physical Activity Strategy, which sets the direction towards a more active South Australia and underpins the state government's Be Active initiative. The Be Active media campaign has continued to promote the Be Active brand and the physical activity message, with community involvement on the increase. The Workplace Physical Activity program is focusing on influencing industry leaders to incorporate physical activity initiatives into the work setting to influence labour productivity, work and health safety, and work/life balance outcomes. Funding through these programs plays an integral role in achieving a key component of South Australia's Strategic Plan to exceed the Australian average for participation in sport and physical activity by 2014. We are well on our way to meeting that target. I am confident that our major investments in infrastructure, combined with our ongoing support for sport and recreation at the grass roots level, will accelerate our progress.

The Hon. R.G. KERIN: I have a few opening comments regarding recreation and sport. First, as I said last year, we appreciate the work done by the office. I think it has been able to do everything in a bipartisan way. I know my local area greatly appreciates the Active Club grants, and we cannot underestimate how important they are for all levels of the community, but particularly in country areas where many of our smaller towns battle through just a sheer lack of numbers to be able to fund things such as upgrading tennis courts. It has made a huge difference, and I know

many of the smaller communities in my electorate appreciate the assistance that has been given to them.

I welcome the commitments that have been made to sport this year to the upper echelons of sport, but I remain concerned about, and I think we need to have a good look at, what we do with grass roots sport in South Australia. The Active Club grants are doing a fair bit in regional areas but anecdotally we still hear of teams being rejected from competitions because of a lack of grounds. In other cases, because of the number of teams versus the number of grounds, families have been expected to roll out at strange hours to get hold of a facility. The responsibility for this is based in a cocktail of areas of different levels of government, councils, clubs and schools. It needs some central thinking so that we ensure all people, of any age, who want to play sport have the opportunity and the facilities to allow them to do so.

We talk about obesity and a whole range of other things, and it seems to me that we are getting to the stage where we need several broadacre sporting ground developments across the metropolitan area to cater for that, and I think that is probably about the biggest unmet need at the moment. We need to encourage people to get out and play sport, get fit and enjoy the recreational side of that. Also, if kids are playing sport that is a lot better than some of the other alternatives. I offer that as an area of concern. As I said, I welcome the commitments that have been made to sport but point out that that is one area that we need to do a bit better in.

My first question relates to Budget Paper 4, Volume 1. We all welcome the announcement of the swimming centre. It has been a complex situation to get where we are, and has been a fair while coming. Can the minister give a little more information about what he would feel are the time lines from now to construction and when we will see the pool being used?

The Hon. M.J. WRIGHT: I thank the member for his welcoming comments particularly regarding the Active Club Program, and he is right that it plays a very important role both in the metropolitan and country areas. As members would be aware, there are two rounds per year. We expend \$2.35 million, and it is a way that the Office for Recreation and Sport, working with local members and grass roots clubs, has made a real difference.

With regard to the Marion aquatic centre, the development approval and design will be somewhere between July and September. The commencement of the construction will be in approximately October 2008, and we are targeting the opening of the State Aquatic Centre for the summer of 2009, 2010.

The Hon. R.G. KERIN: That is very welcome news. I have heard about the two metre pools and whatever else. Is the project much the same size as was initially envisaged?

The Hon. M.J. WRIGHT: The advice I have received is that it is similar in size to that which had previously been talked about. We are talking about two FINA compliant swimming pools: one for swimming and one for water polo and diving. We are also looking at other facilities such as learn-to-swim and leisure water facilities. It is a very comprehensive project. The two pools will cater for swimming, water polo and diving, and then the learn-to-swim facilities and the leisure water facilities.

The Hon. R.G. KERIN: I may have missed part of the reporting of it this morning, but what is the current thinking as to the management of the facility? Will it be outsourced to a management company? What governance model are you looking at?

The Hon. M.J. WRIGHT: The advice that I have been given is that Aqua 43 will design, own and construct the State Aquatic Centre. Macquarie Leisure is a member of the consortia and they will operate it.

Ms BEDFORD: My question refers to Budget Paper 3, page 2.8. Will the minister advise the benefits that will be generated for South Australia from the government's grants to the SANFL and the Adelaide and Port Adelaide football clubs?

The Hon. M.J. WRIGHT: I know the member is a big supporter of this program. The government has committed to provide \$100 million to the South Australian National Football League to assist with the redevelopment of AAMI Stadium. The funds will be provided over three years beginning in 2009-10. The stadium is being redeveloped so that it can host not just football but a variety of sporting and recreation events. The project involves a number of elements including:

- enhance the roof for improved comfort for spectators during inclement weather;

- further improve dining, bar and toilet facilities;
- build a new convention centre and western grandstand upgrade;
- improve the stadium entrances;
- build new corporate suites;
- undertake works surrounding the stadium to improve movement, safety and its outlook;
- expand administration offices; and
- provide Port Adelaide Football Club with merchandising and satellite offices.

The government will also be supporting this redevelopment with the investments in transport and urban planning announced in the budget. This improved access and broader use of the stadium will make it truly a stadium for all South Australians.

With the costs of a new stadium estimated by the AFL and others at \$1.5 billion, the government's investment also represents excellent value for money for the community. The funds for the Adelaide Football Club are being applied to assist them to maximise current community involvement programs such as Crows in Schools and Crows in Clubs, and to allow it to embark on new programs such as girls in football, senior citizens' programs, sports trainers courses and education support programs. The government's \$2.5 million contribution to the Port Adelaide Football Club will go towards its community facility development at Alberton Oval. It will include an expansion of community, corporate and administration facilities, along with a refurbishment of the Allan Scott Power Headquarters and a community education facility.

Ms BEDFORD: I refer to Budget Paper 4, Volume 1, page 1.37. What is the government doing for recreation and sport facility development for smaller community organisations?

The Hon. M.J. WRIGHT: The government has approved funding for these organisations through five key programs:

- The Active Club Program (which we have already talked about) has allocated \$1.1 million for the first round of submissions to assist with minor facility projects, equipment, coaching and development and other club related projects.
- The Community Recreation and Support Facilities Program has provided \$1.5 million funding for 20 small organisations for the purpose of facility development.
- The 'Move It' program, which targets inactive populations, has provided \$360,000 to 24 organisations.
- The Inclusive Recreation Inclusive Sport Program, which is designed to assist target population amongst disabled and disadvantaged has funded 43 projects to a total of \$500,000.
- The Statewide Enhancement Program has provided a further \$6.6 million for active recreation and sport program delivery through 178 small sized and state sport and recreational organisations.
- The state organisations support and provide services to small organisations in competition and governance.
- In addition, the Office for Recreation and Sport provides further support and assistance to small organisations through coaching and education, governance support, and volunteer and initiative recognition programs such as Thanks Coach and the Green Shirts Program.

Ms BEDFORD: I refer to Budget Paper 4, Volume 1, page 1.37. What has the government done to support sport and recreation in regional areas during the 2007-08 year?

The Hon. M.J. WRIGHT: I am pleased to advise that the government has made a significant commitment to supporting sport and recreation in regional South Australia in 2007-08. Nine regional Be Active field officers are based in the Murraylands, Eyre Peninsula, the Fleurieu and Kangaroo Island, Riverland, Mid North, Port Augusta/Flinders Ranges, Far North, South-East and Whyalla.

The statewide management and coordination of the field officers is situated in the Physical Activity Branch of the Office for Recreation and Sport. This structure positions the field officers as conduits for helping achieve the Office for Recreation and Sports' strategic plan and the Be Active

strategy as well as the promotion of the Be Active initiative in regional South Australia. This structure also means that there is two-way communication between the regions and the Physical Activity Council. The field officers' role is varied and includes work in the broad areas of program delivery, coordination, planning, developing supportive environments for physical activity, capacity building and promotion and advocacy.

Field officers also work with numerous service providers to develop and deliver programs such as the Monarto Schools Walk involving 250 students and 18 teachers from schools in Murray Bridge. Field officers are the regional conduits in the promotion of physical activity, including promoting the benefits, guidelines for physical activity, opportunities for physical activity in the region and promotion of the Be Active message. The grants include:

- Active Club: 52 grants in 2007-08; that is the first round totalling \$286,290;
- Community Recreation and Sports Facilities Program: seven grants in 2007-08 totalling \$503,293;
- Move It: three grants in 2007-08 totalling \$158,000 over the next three years;
- Inclusive Recreation, Inclusive Sport: 10 grants in 2007-08 totalling \$94,400;
- Statewide Enhancement Program in 2007-08: 11 grants over a three-year period totalling \$1.345 million;

The total contribution to regional areas in 2007-08 is \$1.463083 million.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 1: Facilities. The \$100 million for the footy and certainly the extra for the two clubs is understandable with the numbers who are playing football, but at a Sport SA breakfast this morning I was collared and asked about facilities for other sports such as badminton, table tennis and archery, which are the smaller ones, but I was also asked what is happening with the bigger sports such as hockey and baseball. I would also ask about the future of soccer pitches in South Australia. I have a particular interest in the Bowker Street soccer facilities and the Southern Districts Junior Soccer Club, with Mick Hargreaves and his 3,000 primary school kids there every Saturday; we hear that will be sold off by the government. It is owned by DECS at the moment. Sporting facilities for all these smaller sports are absolutely vital. Will the minister let us know what is happening with them, please?

The Hon. M.J. WRIGHT: I thank the honourable member for his question. Obviously, it is a bit difficult for me to comment on specific areas, but I would imagine, without knowing their specific circumstances, that some of the smaller organisations the honourable member referred to would be eligible for the community recreation and sports facilities fund. A lot of sports, as the honourable member would be aware, do get funded through that program. Since we came to government we increased the maximum they can get to \$300,000. I do not have a list in front of me, but some have done that.

Even though these are the most recent ones, we should not just talk about AAMI Stadium and the new State Aquatic Centre. We have also put in money to the Adelaide Oval for the redevelopment of the western grandstand; we have put in money for the Ramsay rowing course; we have put in money for the upgrade of the Memorial Drive tennis court complex; we have built the Eagle Mountain Bike Park; there has been money for the Hindmarsh stadium; and there have been others as well.

With regard to the bigger cases the honourable member referred to, obviously, we are keen to work with all sporting organisations. That is not to say that we will be able to fund them all at the one stage. We are obviously working away quite successfully at putting in a lot of money for infrastructure. There is a lot that needs to be done but, with regard to baseball and hockey—those two bigger sports the honourable member referred to—I needed to get some confirmation. I have certainly met with those groups and I have told them the importance of good business plans and trying to get partnerships in place. I cannot guarantee money to them or, for that matter, anyone else but, obviously, we are keen to work with them.

The member also asked me about soccer pitches. We are aware that this is an issue. They really need to come to the Office for Recreation and Sport with a plan of action, and we will look to work with them to see what can be progressed in that area.

Dr McFETRIDGE: How is the criterium track going?

The Hon. M.J. WRIGHT: State Sports Park was chosen as the site for a criterium circuit track. It is also the location of the AIS cycling program and the headquarters of the South

Australian Cycling Federation. Since this decision, State Sports Park has now been developed for use by one of the super schools for the northern area. As the schools process is in progress, it is inappropriate to undertake further work on the project until the super school configuration and land use is known.

To protect the funding, a carryover has been approved to enable the best location to be determined. Work will also continue on identifying suitable alternative sites so that an appropriate comparison can be made to deliver a criterium circuit at the best location.

The Hon. R.G. KERIN: I refer to Budget Paper 4, Volume 1, under the heading of Facilities. Last year, the minister discussed the sports facilities Towards 2020 strategy. The minister will be well aware that Sport SA is calling for further funding for grassroots sport. A lot of sporting bodies are concerned by the current state of their facilities. Can the minister please update the committee on where we are with the Towards 2020 strategy at the present time?

The Hon. M.J. WRIGHT: We have certainly been meeting with Sport SA and we understand its concerns. As the member correctly says, Sport SA has raised concerns with regard to grassroots funding, and we look forward to working through some of those issues. The State Sports Facilities Strategy is an evolving document and it will continue to change as projects get funded and government and industry needs are re-evaluated. That is certainly the case in regard to the \$100 million committed to AAMI, the money committed and announced overnight to the State Aquatic Centre, and the ongoing projects that the government has announced.

The Hon. R.G. KERIN: Under the same heading, minister, I recently had a good look at the mixed sporting facilities operating on a Saturday at Albert Park in Melbourne. Given the current shortage of field facilities here, are there any plans for a large area of multi-use ovals and fields to be co-located, such as at Albert Park? Does the minister consider that this would be one way of keeping Victoria Park green and utilised and that it would only require a low profile type of building, which could be a facility that the normal suspects could never call a huge corporate box?

The Hon. M.J. WRIGHT: The advice that I have received in regard to Victoria Park is that the Adelaide City Council is currently developing a new master plan. Once it has completed that, we will make comment on it. That will include, of course, how they are going to use the inner area. We are also working with West Beach Trust and the Federal Airports Corporation in regard to master planning that area for field sports.

Perhaps another good example that I would refer the member to, which I may have mentioned before, is the Community Sport and Recreation Facilities program. Tennis Seniors developed the six additional courts in the South Park Hockey and Tennis Centre for a financial commitment from the government of \$100,000.

Ms BEDFORD: I refer to Budget Paper 4, Volume 1, page 1.37. How is the government assisting the sport and recreation sector through drought funding?

The Hon. M.J. WRIGHT: This is obviously a very important and sensitive topic. The government provides support through its funding programs. In 2007-08, six organisations were funded \$60,834. The office has undertaken to implement several measures to assist the sport and recreation industry to manage the issue of water restrictions. These include:

- development of a water management fact sheet which is located on the Office for Recreation and Sport website;
- advice, facilitated through Sport SA, from the relevant state sporting associations on the informal prioritisation of their sporting grounds across the state;
- provision of \$450,000 in funding since 2004-05 for sustainable water management projects through Office for Recreation and Sport Community Sport and Recreation Facilities and Active Club grants programs;
- partnering Parks and Leisure Australia to deliver 'Managing Sports Fields in a Drought Environment'—a one-day seminar on 29 August 2007;
- partnering Parks and Leisure Australia to deliver five 2½ hour 'Managing Sports Fields in a Drought Environment' seminars statewide, which over 200 people in total attended, representing schools, local government and sporting clubs and organisations; and
- delivery of a seminar called 'Managing Sports Surfaces as a result of Climate Change' at the 'On Top of Your Game' Club Development Conference on 13 April 2008.

The Office for Recreation and Sport is currently developing a discussion paper for the minister on the establishment of a dedicated funding program for sport relating to water management issues. The sport and recreation industry in South Australia also had access to funding for water management related projects at a federal level through the Australian government's Community Water Grants scheme. Round three recently closed. With the recent change of federal government, this program is currently under review.

Ms BEDFORD: I refer to Budget Paper 4, Volume 1, page 1.37. How is the state government engaging with communities around the issue of increasing statewide physical activity levels and are we on track to achieving strategic plan target 2.3?

The Hon. M.J. WRIGHT: The government continues to employ a coordinated, cross-sectoral approach to the planning, delivery and review of initiatives that impact on physical activity in South Australia. The strategy, structure and initiatives put in place have all contributed to improving the level of physical activity being undertaken by South Australians. Data is now indicating that, as a state, we have arrested the alarming decline in physical activity levels and we are starting to see some positive results.

To measure progress against South Australia's strategic plan target 2.3, the national Exercise, Recreation and Sport Survey has been used. It provides details of the national average for participation as well as participation rates of each state. According to the 2006 data, South Australia's participation rate was 79.7 per cent, with the Australian average at 80.5 per cent—a difference of 0.8 per cent.

A large component of achieving the target is raising awareness of the Be Active brand and message. Using Health Monitor surveys to monitor changes, unprompted awareness of Be Active has steadily increased from 3.4 per cent in September 2005 to 5.9 per cent in July 2006, following the initial campaign, to 14.5 per cent in June 2008, following the 2007-08 campaign which included more radio and some television.

The South Australian Physical Activity Survey is also used as a supporting indicator of physical activity levels in South Australia. Preliminary results from the 2007 survey are due to be released shortly and they suggest that adult rates have improved since the last survey undertaken in 2004. The Ministerial Physical Activity Forum, chaired by me, comprises the ministers responsible for recreation and sport, education, health, transport, local government, planning and tourism. Through each of these portfolio areas, the government engages a range of communities, subcommunities and sectors in a variety of ways.

The Physical Activity Council, which is charged with the responsibility of implementing the South Australian Physical Activity Strategy, consists of 14 representatives—seven government advisers, six community members and one local government adviser. The government advisers were nominated by each minister on the Ministerial Physical Activity Forum according to the key strategic positions they hold within their respective agencies. The community representatives are linked to the specific sectors in the community, including older adults, health and fitness, community recreation, education, rural communities, local and professional sport, business and general practice.

The Physical Activity Council has also consolidated formal relationships with the Nunga Network, the Ability Network, the Mature Aged Physical Activity Network and the Youth Affairs Council of South Australia. These groups represent the needs of Aboriginal and Torres Strait Islanders, people with a disability, older adults and youth respectively in regard to physical activity. The governance structure of the MPAF, the PAC and the affiliate networks creates meaningful conduits for engagement between public and private agencies from a diverse array of sectors and interests.

Ms BEDFORD: I refer again to Budget Paper 4, Volume 1, page 1.37. Can the minister provide some details of the expected representation of South Australian athletes at the forthcoming Beijing Olympic and Paralympic Games, and the preparation support provided to them by the state government through the South Australian Sports Institute?

The Hon. M.J. WRIGHT: The South Australian Sports Institute expects to have a strong contingent of athletes competing in the 2008 Beijing Olympic Games and Paralympic Games. SASI has played an important role in the development, preparation and support of most of the athletes who will represent us at the games. Approximately 45 South Australians are currently in the 2008 Australian Olympic team or shadow team for the Beijing Olympic and Paralympic Games. While the final Olympic selection for a number of sports will occur over the next several weeks, a number of SASI athletes have already received official notification that they will be heading to Beijing.

SASI rowers Amber Halliday and Marguerite Houston—the 2007 lightweight women's world champions—are one of Australia's best gold medal prospects. Rowers James McRae and Chris Morgan have also won Olympic selection in the quad scull. Beach volleyball pair, Andrew Schacht (a well-known name) and Josh Slack, will contend for a medal following on from their 2007 world championship bronze medal. SASI trampolinist Ben Wilden secured Australia's only trampoline Olympic spot after a successful performance in the men's individual event at the World Trampoline and Tumbling Championships in Canada.

Table tennis player William Henzel and judo athlete Steven Brown have also booked their spots, as have swimmer Hayden Stoeckel and Paralympic swimmers Matthew Cowdrey, Shelley Rogers and Jay Dohnt. Hannah Davis (who was discovered as a teenager through SASI's talent search program) is also on her way to Beijing in the canoe/kayak event. We hope to hear of more SASI athlete final selections to the Australian Olympic and Paralympic teams in coming weeks.

The Olympic and Paralympic Games provide a key focus and priority for SASI every four years. SASI has worked closely with its Beijing prospect athletes over the past year using an individual case management approach as well as providing targeted performance assistance support. This is additional to the daily coaching, training and sport science support provided by the SASI coaching and support service teams. SASI has recorded a successful year in the lead-up to Beijing. From a comparatively smaller population base, SASI's and this state's output of high achievers is something South Australia can be proud of.

Mr PEDERICK: I refer to Budget Paper 4, Volume 1. Can the minister update the committee on the overall state of SASI at the current time? I take note of his previous answer, but the opposition is keen to know if there have been any funding cuts to SASI because it has been advised that five high performance coaches may lose their positions.

The Hon. M.J. WRIGHT: The advice that I have received is that there are no planned cuts, but, having said that, the budget does need to be finalised and the distribution of the funds is still to occur.

Mr PEDERICK: I refer again to Budget Paper 4, Volume 1. Can the minister update the committee on the status of VACSWIM? We have discussed previously that the number of children attending this important program has decreased in recent years. Has the decline continued, and is the same contractor still running this program?

The Hon. M.J. WRIGHT: My advice is that, roughly speaking, we will have about the same numbers. I can tell the committee that in VACSWIM 2008, 18,922 young people participated at 152 locations across the state. This is an increase from 18,798 who participated in 2007—a marginal increase. If I remember correctly, there was a period prior to that where the numbers were down a bit. That is probably what the member is referring to. We expect the numbers to be roughly the same. Is the same contractor still running it? My advice is that LeisureCo will run the whole contract.

Mr PEDERICK: I refer to Budget Paper 4, Volume 1, page 1.37. I appreciate that this may be a question on notice. Could the minister provide a list of clubs and community groups that received grants in 2007-08?

The Hon. M.J. WRIGHT: We could give that information now, but it would take longer than the time we have available so we will get the information to the honourable member. I will give a snapshot so that the honourable member is at least aware of what we are looking at.

The advice I have been given is that approved grants for active recreation and sporting organisations for the 2007-08 financial year across all programs are as follows:

- Active Club Program: 187 approved in the first round for an amount of \$1,083,815;
- Community Recreation and Sports Facilities Program (to which I have referred a couple of times during the course of the morning): 20 approved for an amount of \$1,496,293.50;
- Move It: 24 approved for an amount of \$359,057;
- Inclusive Recreation Inclusive Sport—Top Up: six approved for an amount of \$100,000;
- Inclusive Recreation Inclusive Sport—Minor Projects: 19 approved for an amount of \$65,248;
- Inclusive Recreation Inclusive Sport—Major Projects: 18 approved for an amount of \$334,752;

- Statewide Enhancement Program—Stream 1: 80 approved for an amount of \$4,017,000;
- Statewide Enhancement Program—Stream 2: 74 approved for an amount of \$1,184,800;
- Statewide Enhancement Program—Stream 3: 21 approved for an amount of \$1,403,800;
- Statewide Enhancement Program—Emergency Funding: three approved for an amount of \$12,000.

In total 452 were approved for \$8,972,950. We will get the breakdown for the member.

Ms BEDFORD: I refer Budget Paper 4, Volume 1, page 1.37. Could the minister tell us what the state government is doing to attract major cycling events to South Australia?

The Hon. M.J. WRIGHT: I know the honourable member is a keen cyclist. The government is putting a lot of work into attracting major cycling events. The Tour Down Under has put South Australia on the international cycling map. The state government recently announced it will boost funding for the Tour Down Under by \$14.6 million over four years. South Australia's world-class cycling infrastructure, in facilities such as the Adelaide Superdrome at State Sports Park and Eagle Mountain Bike Park in the Adelaide Hills, plays a big role in attracting major events while also engaging the South Australian community in physical activity.

The Adelaide Superdrome, which is managed by the state government's Office for Recreation and Sport, is home to the Australian Institute of Sport's cycling program. I am pleased to confirm my announcement of major events secured for the Superdrome.

- 13 to 15 November 2008—the Oceania Track Championships.
- 3 to 8 February 2009—Australian Track Championships, including Under 23s and para athletes.
- 19 to 22 March 2009—Australian Junior Track Championships.

The Superdrome is a popular destination for international teams looking for a top quality venue for training camps. Recently, it has hosted teams from Spain and Italy.

Eagle Mountain Bike Park is a relatively new facility that has already attracted a number of major events to South Australia. A round for the National Mountain Bike Series was held at Eagle Mountain Bike Park last November and it was the first time South Australia hosted the event. Also, the park has hosted events for the World Police and Fire Games and the Australian Masters Games. Eagle Mountain Bike Park is not only a fantastic venue but also a terrific community facility which caters for mountain bike riders of all levels and which encourages people to enjoy physical activity.

The state government provides significant infrastructure for recreational cycling within the state's trail network, including the Kidman, Riesling and Mawson trails, as well as a commitment to safer cycling as outlined in 'Safety in Numbers—a cycling strategy for South Australia'.

In conclusion, the state government has and will continue to put a strong focus on cycling events, infrastructure and participation in South Australia and boost our state's fast-growing reputation as the cycling capital of Australia.

The CHAIR: The time agreed for examination of this section having expired, the sitting of the committee is suspended until 1.30pm.

[Sitting suspended from 12:30 to 13:30]

Membership:

Mrs Geraghty substituted for Hon. S.W.Key.

Departmental Advisers:

Mr E. Brooks, Executive Director, Public Sector Workforce Division.

Ms M. Patterson, Executive Director, SafeWork SA.

Mr T. O'Loughlin, Deputy Chief Executive, Sustainability and Workforce Management, Department of the Premier and Cabinet.

Mr G. Salter, Director, Public Sector Workforce Division.

Mr P. Hampton, Director, Policy and Strategy, Safework SA.

Mr A. Katic, Ministerial Adviser.

The CHAIR: We now proceed to the Minister for Industrial Relations. Minister, do you have an opening statement?

The Hon. M.J. WRIGHT: Yes, I do. The government is committed to ensuring that all South Australians enjoy safe, fair and productive working lives through the efforts of our workplace safety and industrial relations agencies. These goals are enshrined in South Australia's Strategic Plan through targets on industrial relations, work/life balance and greater safety at work. Starting with the latter, we are making substantial progress towards our goal of a 40 per cent reduction in work-related injury by 2012. The early indications are very positive for our centrepiece initiative, the Industry Improvement Program, a three-year project targeting small, medium, large and self-insured businesses.

This is in conjunction with other activities by occupational health and safety inspectors targeting safety issues in industries as diverse as construction, manufacturing, hospitality and health care. Other initiatives within SafeWork SA's occupational health and safety strategic framework, include:

- funding for occupational health and safety research;
- programs to educate and assist young workers; and
- the advertising campaign entitled Look After Your Workmates.

On 1 January 2008, the Occupational Health, Safety and Welfare (Penalties) Amendment Act 2007 came into effect, tripling the penalties for OH&S breaches in the workplace. Along with safety, fairness at work is a cornerstone of a modern, decent society. While the former Howard government's WorkChoices legislation dramatically changed the industrial landscape, SafeWork SA's industrial inspectorate and other staff have been active in a number of sectors where it has jurisdiction, including:

- a recent audit and review of the hospitality industry recovered \$115,000 in underpaid wages;
- a check of long service leave provisions for trolley collectors saw seven companies reported to the Federal Workplace Ombudsman; and
- clothing companies using outworkers will be audited to ensure they comply with a new code of practice regarding pay and conditions.

The balance between work and life has grown in prominence in the public debate, and, through SafeWork SA, the government has addressed this key issue with a dedicated project. Since establishing the Work/Life Balance Project in 2007, SafeWork SA has collaborated with key stakeholders across the public and private sectors to develop a work/life balance action agenda, as well as assistance towards an index to properly measure work/life balance. The government recognises the needs of employers who provide the jobs that generate wealth for the community. That is why SafeWork SA has also been actively reviewing the costs and processes of compliance for business to see how much red tape can be slashed without compromising workplace safety standards.

This government is confident that initiatives such as a review of the occupational health safety and welfare regulations, licence reforms and business education campaigns will provide a more friendly business environment whilst contributing to SafeWork SA's mission of providing safe, fair and productive working lives for all.

In relation to public sector workforce management, the Public Sector Workforce Division (through the workforce relations and wellbeing functions) has implemented a range of initiatives and programs during 2007-08 to support the South Australian public sector workforce, including:

- negotiating enterprise agreements, including major agreements for ambulance officers, nurses and police;
- overseeing the successful implementation of the Safety in the Public Sector 2007-10 Strategy across the public sector; and

- delivering competency-based qualifications for injury prevention and injury management in the public sector, with 77 injury prevention and 80 injury management practitioners obtaining a certificate or diploma level qualification.

Finally, I mention the ongoing role of the Industrial Relations Commission of South Australia. The government commends the valuable work of our Industrial Relations Commission as it enters a new period of industrial relations reform in Australia. We look forward to our commission being actively engaged in a future Fair Work Australia. The government is working with the commonwealth government in the spirit of cooperative federalism to ensure that all states and territories have a fair and equitable system of industrial relations for all employers and employees. This government is proud of the wealth of experience and knowledge that our state Industrial Relations Commission could provide to the new Fair Work Australia.

Dr McFETRIDGE: I thank the minister for his cooperation: whilst I have had this shadow portfolio he has always been quite open to speak to and allowed me to speak to his officers, who have done a very good job in keeping the opposition informed whenever we have needed to be.

The issue of industrial relations in South Australia is often, unfortunately, on the front page of the newspaper, and it will be interesting to see how the new Labor government handles industrial relations, both federally and on a state basis. I note the appointment of another industrial relations commissioner, and I hope this is not an indication that there will be more industrial relations disputes that need the commission to oversee them.

The compliance costs of occupational health and safety legislation are complained about by a number of people. However, putting a worker's safety as a paramount objective when providing a workplace is something that I certainly wholeheartedly support, and the balanced approach that has been shown with the implementation of occupational health and safety legislation certainly is supported by the opposition. It will do everything it can to ensure that workers in South Australia go to work each day and not be put in any jeopardy. After all, no-one goes to work expecting to get injured.

We all know that work-related injury is devastating, not only for the individual but also for their families, and very costly for the community. It is necessary in the industrial relations area not only to ensure that people are being paid adequately for their effort but also that they are being given social rewards. I do not think there is such a thing as a work/life balance in parliament. If there is ever a work/life balance in parliament it will be easy to see in every other place, because I know how hard ministers work, and how hard shadow ministers and staff work, particularly at estimates times.

My first question relates to Budget Paper 4, Volume 1, page 1.32, SafeWork performance indicators, under 'Inspectors'. How many inspectors were employed in 2006-07, and how many are currently employed in 2007-08?

The Hon. M.J. WRIGHT: The advice I have received is that in 2007-08 there are 119 inspectors and, of those 119, 89 are inspectors in occupational health and safety and 30 in the IR area. In 2006-07 there were nine more inspectors and they were in the IR area. So the advice I have received is that for 2006-07 we had 128, and that 128 was made up of 89 in the occupational health and safety area and 39 in the IR inspectorate.

Dr McFETRIDGE: Under the same budget reference, how many inspections for OH&S and investigations for IR were undertaken, and how many prosecutions were proceeded with?

The Hon. M.J. WRIGHT: The advice I have received is that the estimated result for OH&S workplace inspection visits is 19,000; and for the same period for convictions, covering OH&S and IR, 53 convictions. In regard to industrial relations investigations, the estimated result is 1,120.

Dr McFETRIDGE: Under the same budget reference, the performance indicators, can the minister advise the committee of some advantage of SafeWork being a separate organisation from WorkCover? I know that in some other states it will be under the WorkCover banner. While SafeWork SA is certainly working very hard on its own, would there be any benefits in combining those organisations?

The CHAIR: That is more a question for the House of Assembly but I will see whether the minister wishes to answer it.

The Hon. M.J. WRIGHT: I suppose I can go into a fair bit of detail, but rather than unduly occupy the time of the committee, in relation to SafeWork SA, it would be more than fair to say that their role is prevention, whereas WorkCover deals with something after the event; that is,

compensation. SafeWork SA is about prevention, whereas WorkCover is more about the payment of compensation after an injury has occurred. SafeWork SA is about focusing on prevention and building a culture of prevention. Obviously that is the best approach.

Mrs GERAGHTY: I refer to Budget Paper 4, Volume 1, page 1.31. Will the minister report on the progress of South Australia's involvement in the national harmonisation process for occupational health, safety and welfare legislation?

The Hon. M.J. WRIGHT: I know the member for Torrens has a very strong interest in this area, and it is a very important area. At the last Workplace Relations Ministers Council meeting held on 23 May 2008, I confirmed South Australia's commitment to an intergovernmental agreement that will progress the national harmonisation process for occupational health, safety and welfare legislation. The agreement contains the following elements:

- a commitment to adopt national model OHS laws in each jurisdiction following approval by WRMC;
- the replacement of the Australian Safety and Compensation Council (a creation of the former Howard government) with a new independent body comprised of representatives from all participating jurisdictions and employer and employee bodies; and
- confirms the pivotal role WRMC has in approving the model OHS laws and the operational and budgetary plans for the new national body.

The independent body to replace the ASCC will have a significant role in facilitating the establishment and operation of a nationally harmonised OHS system.

South Australia, along with the commonwealth and all states and territories, will jointly fund the new ASCC replacement body. The intergovernmental agreement to which South Australia is committed will:

- provide the necessary structure and commitments to ensure that harmonisation occurs without undue delay;
- commit each jurisdiction to adopt model OHS legislation, regulations and codes of practice when approved by WRMC; and
- provide significant reductions in business red tape, particularly for those operating across state borders.

The terms of the agreement are consistent with the approach taken by South Australia during negotiations with the commonwealth, states and territories, including in relation to the adoption of model OHS laws and uniform enforcement mechanisms.

I expect the intergovernmental agreement to be finalised in the near future. An independent panel commissioned by the commonwealth government, with the support of state ministers, is already conducting a review to recommend model OHS laws which, ultimately, will be considered by WRMC. SafeWork SA is currently developing a comprehensive submission on behalf of the government and, in doing so, is consulting with the SafeWork SA Advisory Committee. I welcome the progress that has been made on this matter by the commonwealth, state and territories, and I will continue to ensure that this government plays a leading role in pursuing the interests of South Australian workplaces during these significant national developments.

Mrs GERAGHTY: My question again relates to Budget Paper 4, Volume 1, page 1.31. Will the minister report on what efforts are being undertaken to encourage appropriate work/life balance among employers and employees?

The Hon. M.J. WRIGHT: I note that the shadow also referred to work/life balance during his presentation. Work/life balance has a core role to play in modernising South Australia's workforce participation now and into the future. The government's recognition of this has already been articulated under target 2.12 of South Australia's Strategic Plan, with a commitment to achieve improved work/life balance outcomes across the state. Work/life balance arrangements in workplaces deliver benefits to employers, employees and the wider community. However, realising what is to be gained involves showcasing how work/life balance genuinely creates advantage. This is why, over 12 months ago, SafeWork SA was charged with developing a work/life balance strategy, with the aim of harnessing a comprehensive range of initiatives to drive the promotion of effective work/life balance practices.

Along with the development of promotional materials and useful resources, the strategy features a strong emphasis on setting a foundation of alliances with a range of key industrial and human resource agencies. Already, Business SA, SA Unions, the Equal Opportunity Commission and the Committee for Economic Development Australia have partnered with the government to widely promote work/life balance arrangements and successful case studies. In March, I launched the first of a series of seminars about work/life balance, which are being jointly run by the Committee for Economic Development Australia and SafeWork SA. The government is actively building on these forums through staging similar events in the near future with other partner organisations and their networks.

It is imperative that we encourage stakeholders, workplaces and the community to see how work/life balance provisions can positively feature in the way work is organised. This is the key to making progress in increasing workforce participation while also supporting healthy lifestyles. Most importantly, the strategy developed by SafeWork SA includes a potential measurement tool against which we can assess the evidence of improvements in our community over the long term. This work is being undertaken by the University of South Australia's Centre for Work and Life, which is overseen by Professor Barbara Pocock. I also note that Professor Pocock has recently been appointed to the Public Sector Performance Commission, and obviously I pass on my congratulations.

On the matter of work/life balance I also wish to acknowledge the outstanding work of the Parliamentary Select Committee on Balancing Work and Life Responsibilities which, as members will recall, tabled a report in May of this year. I commend the efforts of the committee and especially wish to congratulate its chair, the member for Hartley, Ms Grace Portolesi, for championing this extensive examination of the work/life balance issue. Following the release of this report I requested that SafeWork SA consider how its recommendations could broaden and strengthen the existing strategy on work/life balance. In the coming weeks I will outline the government's formal response to the recommendations within the report. I look forward to continuing to support the momentum behind the strategy as it presents employers and employees with avenues to grasp a smarter, modern and more balanced approach to the organisation of work.

Mrs GERAGHTY: I refer to the same budget paper reference and something I have had a longstanding interest in. Will the minister report to the committee about SafeWork SA's efforts to assist young workers and the progress on improving child labour protections?

The Hon. M.J. WRIGHT: The honourable member has certainly done a lot of work in this area, which I commend her for. I am pleased to draw to the committee's attention SafeWork SA's achievements in engaging with young workers to assess the best means of protecting them in the workplace. Over the past month SafeWork SA has been conducting an online youth survey from its website which asks young people a series of questions about their working conditions and health and safety. The results of this will be used to direct the development of a new website that will be dedicated to the specific needs of young workers. In just four weeks the survey has attracted over 700 responses from young people across the state, and they have been generated by SafeWork SA's own promotional activities.

With this promising momentum, SafeWork SA is aiming to have well over 1,000 responses by the close of the survey on 31 July. We want this site to be an eye-catching, interactive hub where young workers can quickly access information that equips them with knowledge about how to be safe and fairly treated at work, for example, to understand their right to receive correct wages, have appropriate breaks and work free from bullying, and for this to be presented in a way that appeals to their learning style. In support of the survey, a special team at SafeWork SA has also been meeting with groups of school students and youth advisory councils in regional and metropolitan areas.

These visits are enabling young people to ask questions about their working conditions and safety while also providing input about the new website. I am advised that over 180 students have been reached through these visits, and their ideas about how to develop greater and more specific resources have been put forward with great enthusiasm. In addition, a major forum with representatives from key youth organisations, including the Office for Youth, Youth Affairs Council of SA, Young Workers Legal Service and the Equal Opportunity Commission, will be held before the end of July. This event will conclude the process of consultation. The new website is set to go online later this year and will strengthen this government's resolve to protect young employees which will be enshrined in the introduction of new child labour legislation in this state.

On this matter, SafeWork SA will very shortly release a detailed discussion paper, which will be subject to formal public consultation with key stakeholders. This will outline the likely nature

and scope of the legislation. SafeWork SA will subsequently assess key stakeholder comments and provide recommendations to me regarding the drafting of a formal consultation bill later this year. I encourage all parties with an interest in the development of these new laws to work together with SafeWork SA to ensure that we achieve suitable and effective provisions for child employees in South Australia.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 1, page 1.7 under Highlights 2007-08. The South Australian Executive Service was established. Will the minister give the committee detail of the rationale for establishing that but also the members of that executive service, details of their roles and classifications and departments in which they are based and who has organisational responsibility for the service?

The Hon. M.J. WRIGHT: That does not really fall within my ministerial responsibility.

The CHAIR: The other day that was clearly the responsibility of the Minister Assisting the Premier in Public Sector Management. The clue is 'workforce management' as opened to 'workforce'. This minister deals with workforce: Mr Weatherill deals with workforce management. Is that a correct summary, minister?

The Hon. M.J. WRIGHT: Yes.

Dr McFETRIDGE: Okay; we will go back to our previous budget reference, then. That is not a problem; we have plenty here.

The CHAIR: As the minister and I agree, there is a good chance we are right.

Dr McFETRIDGE: I am always guided by you, Madam Chair; you have been very good to me in the past, and I rely on your knowledgeable guidance. I refer to Budget Paper 4, Volume 1, page 1.32. Within the public sector workforce, how many workers compensation claims were submitted in 2007-08, and what is the expectation for 2008-09?

The Hon. M.J. WRIGHT: I thank the honourable member for his question. I am advised that, from the four months to the March 2008 quarter, there were 4,838 new claims, 158 fewer than at the same time last year. The long-term trend in the quarterly numbers continues its general decline from 1,374 in the March 2004 quarter to 1,118 this quarter, representing an average reduction of 17 claims per quarter.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 1, page 1.32. Can the minister provide the committee with the cost of implementing the whole-of-government workers compensation claims management database system and can he give the committee an outline of what that system will achieve?

The Hon. M.J. WRIGHT: The annual cost for IDEAS 2007-08 is \$686,000, but I think the member was asking more about the total cost. The total cost of the new system will be \$5.4 million over 10 years, funded from the budgeted annual funding for IDEAS. The estimated savings of the IDEAS system cost over the 10-year period is \$2.7 million.

Dr McFETRIDGE: I again refer to Budget Paper 4, Volume 1, page 1.32. How many employees within the public sector are expected to retire over the next five, 10 and 15 years? Given the opportunities within the public sector, how will the government ensure that workforce development strategies are in place to provide a secure workforce in future years?

The Hon. M.J. WRIGHT: I do not want to disappoint the shadow minister, because he is a jolly good fellow when it is all said and done. I am sorry but, once again, that is for minister Weatherill.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 1, page 1.32: Public-Sector Workforce, competency based qualifications. What is the cost of delivering competency-based qualifications to injury management and injury prevention practitioners in the public sector for 2007-08 and 2008-09?

The Hon. M.J. WRIGHT: I do not have that detail with me, so I will take that on notice and get an answer for the member.

Mrs GERAGHTY: I refer to Budget Paper 4, Volume 1, page 1.31. Can the minister report on what has been done to assist small businesses to confidently manage their workplace safety obligations?

The Hon. M.J. WRIGHT: The success of small businesses in South Australia is essential. They account for just over 90 per cent of all employers in the state. Making sure that these

businesses—which employ up to 20 workers—are aware and capable of managing workplace safety is critical to them remaining productive, competitive and profitable. A single injury or fatality within any business has a devastating effect, but within a small business the impact is amplified.

Tackling the issue of preventing injuries and fatalities within small business is now at the forefront of SafeWork SA's major Industry Improvement Program. Its small business strategy is now in full swing with the first of a series of free Safe Business is Good Business information sessions having taken place on 28 May and 18 June.

The focus of these first two information sessions was on providing assistance to those in the construction industry. These are now being evaluated to ensure the effectiveness of further information sessions planned for other industries throughout the remainder of the year. I am drawing attention to these information sessions today because I am encouraging as many small business operators as possible to take advantage of this opportunity.

Through these information sessions, SafeWork SA is ready to provide simple information and guidance to participants about effectively and confidently managing workplace safety in a straightforward manner. For example, participants are provided with assistance in building a safety management system which is tailored to the needs of the business.

Businesses that register for the information sessions receive a free Serious about Safe Business kit that contains simple methods and tools to identify problem areas and suggestions for improvements to safety in the workplace. I am very confident that small businesses will find this new resource useful and practical.

Over the next 12 months, a large number of employers representing almost 50 per cent of small businesses across South Australia will be invited by SafeWork SA to attend an industry-specific information session. These will cover industries such as: hospitality; farming; transport and storage; metal products manufacturers; automotive retail; wood, board and furniture manufacturers; and fruit and vegetable growing industries. Small businesses that are keen to find out more about future information sessions should contact SafeWork SA.

Mrs GERAGHTY: I refer to the same budget paper reference. Can the minister report on what communications initiatives are being implemented to raise awareness of occupational health, safety and welfare across South Australian workplaces?

The Hon. M.J. WRIGHT: Increasing safety culture in South Australian workplaces is a high priority for this government, and effective communication initiatives are vital to achieving this. To ensure the benefits of safe work, as well as consequences of safety failures being promoted to the widest possible audience, SafeWork SA has in place a comprehensive and proactive communications strategy. Through SafeWork SA's engagement with metropolitan and regional news media, the community has remained informed about a number of important issues. Over the last year, some of these have included:

- proactive inspection of amusement rides;
- large-scale industry improvement programs;
- nationwide safety campaigns to prevent falls in the construction industry and prevent stressing in the hospital sector;
- major policy announcements such as the trebling of penalties from 1 January;
- prestigious events such as the International Association of Labour Inspection conference and the National Conference on Major Hazard Facilities, both held in March;
- results of convictions and penalties in court;
- issues and warnings on general workplace safety;
- industrial relations issues such as increases to the minimum wage;
- SafeWork SA's recovery of \$1.2 million in wages and entitlements over a 12 month period; and
- work/life balance initiatives.

The well-established Look after Your Workmates campaign has entered its second phase with the advertising now targeted directly at workplaces. This involves large signage placed on temporary work sheds, billboards at sites across greater Adelaide and even posters in lunch rooms. An

ongoing evaluation of the campaign has shown that recall of the key message 'look after your workmates' is increasing. There have been steady increases in the numbers of people who have seen or heard something about workplace safety, as well as those who have recently seen safety changes in their workplace.

As part of the campaign's evaluation, four surveys have been conducted in total; 1,600 randomly selected members of the public have participated in the survey. To date, the evaluation has also shown that awareness of SafeWork SA itself has increased from 59 per cent to 81 per cent amongst those surveyed. These evaluations will continue throughout the campaign assessing all facets of its impact and effectiveness. Adding to this, SafeWork SA has strengthened its community alliances with a series of successful sponsorships. These include the Messenger Newspapers' Local Business Awards, the Safe Work System Trainer of the Year category at the Housing Industry Association's Apprentice and Trade Contractor Awards, and the 2008 Self-Insurers of South Australia Awards.

The SafeWork SA website meanwhile is expected to receive approximately two million hits again this financial year from people actively seeking information about workplace safety and industrial relations. Workplace safety is not just about inspections and audits: it is about an ongoing dialogue with members of the public through a variety of means to keep the issues prominently in their minds. SafeWork SA's communications initiatives such as news releases, advertising events and sponsorship are the means by which this government is continuing to build the dialogue.

Mrs GERAGHTY: At the same reference, can the minister inform the committee about preparations for the government's major workplace safety event Safe Work 2008?

The Hon. M.J. WRIGHT: Yes, I can and I look forward to members being there. It gives me great delight to inform the committee that South Australia's premier occupational health and safety event is going from strength to strength. Safe Work 2008 will be groundbreaking in every respect and is poised to take information, advice and a positive message on workplace safety to more South Australians than ever before.

Planning has been well underway for several months now on an expanded format with Safe Work 2008 set to run over four weeks this year. Safe Work Month, as it will be known, will begin on Monday 13 October and will culminate with the Safe Work Awards dinner on Friday 7 November, and that is what you will all get invited to. A full week of workshops will be dedicated to each of three South Australian regional districts: the West, the North/North-East and the South-East. The last week of the event will concentrate on metropolitan Adelaide.

The workshop topics will be tailored to meet the needs of each region or district. For example, workshops around Port Lincoln will address safety requirements in the aquaculture industry. Workshops around the forestry industry are likely to be held in Mount Gambier while wine industry seminars will be offered in the Barossa Valley and other relevant locations. The expanded regional focus will provide vital information on workplace safety to employers and workers in the growing industries of mining, aquaculture, winemaking and the like, which are predominantly regionally based.

It is my welcome duty to inform the committee that a keynote speaker at this year's event will be world-renowned workplace safety advocate, Mr Paul Kells. Mr Kells is the founder of Canada's Safe Communities Foundation. After the death of his 19 year old son, Sean, in a workplace explosion in 1994, Mr Kells began in a community-based movement to improve workplace safety in Canada. Safe Communities Canada has since helped give rise to similar national organisations in Australia, New Zealand and the United States.

We know first hand of Mr Kells' work through the Passport to Safety program. This is a hugely successful program, which we have now trialled amongst approximately 7,000 secondary school students, which is designed to equip them with knowledge about OH&S before they enter work. Young workers are among the most vulnerable groups when it comes to harm in the workplace. However, Passport to Safety is addressing their vulnerability by positively arming them with an understanding of their rights and responsibilities when it comes to safety.

Having Mr Kells as a special guest for Safe Work 2008 will be a highlight that can only add further prestige to this event. However, the climax of Safe Work 2008 will be the presentation of the Safe Work Awards to recognise outstanding achievements by South Australians in occupational health and safety.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 1, page 1.32 regarding enterprise bargaining. Minister, you were talking before about building dialogue and this is one where I think a

lot of building of trust and good dialogue needs to be ensured. How many staff are assigned to working on enterprise bargaining agreements?

The Hon. M.J. WRIGHT: The advice I have received is that we have, in workplace relations, 16 full-time equivalents. In that particular area, there are people who are working on enterprise bargaining but, at any given time, it is not necessarily the case that all 16 of them would be working on enterprise bargaining. It would obviously depend upon the circumstances at the time with regard to the nature of how many negotiations were in place. To give the shadow minister an illustration; I have received further advice that, at the moment, there could be 10 to a dozen people who would be working on enterprise bargaining.

Dr McFETRIDGE: Which EBs are currently on the table and what are we expecting on the table shortly? I think, the firefighters have theirs coming up soon.

The Hon. M.J. WRIGHT: The advice that I have received—some of this, of course, the honourable member would be well aware of, as would be others—is that enterprise bargaining negotiations are currently occurring for the teachers, TAFE and the doctors. They are about to become more intense with regard to the firefighters, although, as I have been advised, we do not have a lot of claims at this stage, and we are also in the process of negotiating federal trades. Some of the others that will be coming up over the next 12 months—this might not be a complete list, but it gives the shadow minister a bit of an illustration—include visiting medical specialists, South Australian government weekly paid wages parity, South Australian government salaried enterprise agreement and, in 2010, it looks like nurses and police are coming up. That list that I just read out is for 2009-10.

Dr McFETRIDGE: I take this opportunity to read in the omnibus questions.

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 resources, 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 expenditure on consultants and contractors in 2007-08 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 there will be at 30 June 2008, 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 financial year 2006-07 for all departments and agencies reporting to the minister, what underspending on projects and programs was not approved by cabinet for carryover expenditure in 2007-08?

5. For all departments and agencies reporting to the minister, what is the estimated level of under expenditure for 2007-08 and has cabinet already approved any carryover expenditure into 2008-09? If so, how much?

6. (i) What was the total number of employees with a total employment cost of \$100,000 or more per employee, and also as a sub-category 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 2008; and

(ii) Between 30 June 2007 and 30 June 2008, will the minister list job title and total employment cost of each position (with a total estimated cost of \$100,000 or more):

(a) which has been abolished; and

(b) which has been created?

7. For the years 2006-07 and 2007-08 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 and the purpose of the grants 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, list the total amounts spent to date on each project.

I have one further question, and I refer to Budget Paper 4, Volume 1, page 1.31: Awareness Campaigns. How much has been spent on the awareness campaigns to date, and what will the total expenditure be on this in the 2008-09 budget? Also, could you give some outline as to what the awareness campaigns exactly are?

The Hon. M.J. WRIGHT: The advice that I have received is that from 1 March 2007 to 30 June 2008 total expenditure was \$886,025.59. As you would glean, that is about 1¼ years. For 2008-09 and subsequent years it is expected that the expenditure will be approximately \$500,000 for each financial year. It is a three-year program, so in 2008-09 it is about \$500,000 and in 2009-10 about \$500,000.

Dr McFETRIDGE: I have a lot of accounting questions which I am happy to put on notice.

Departmental Advisers:

Ms J. Davison, Chief Executive Officer, WorkCover Corporation.

Mr I. Rhodes, Chief Financial Officer, WorkCover Corporation.

Mr B. Sporton, Team Leader, Policy, WorkCover Corporation.

Mr. T. O'Loughlin, Deputy Chief Executive, Sustainability and Workforce Management, Department of the Premier and Cabinet.

Mr E. Brooks, Executive Director, Public Sector Workforce Division, Department of the Premier and Cabinet.

Ms T. Bowe, Manager, Injury Prevention and Management, Public Sector Workforce Division, Department of the Premier and Cabinet.

Mr P. Hoppo, Ministerial Adviser.

The CHAIR: We will now proceed to WorkCover. The line is already open. I will not go through all the opening remarks but, as we have a changeover in advisers, I will raise a couple of issues. If the minister undertakes to supply information at a later date, it must be submitted to the committee secretary by no later than Friday 18 July. Questions must be based on lines of expenditure in the budget papers and must be identifiable or researched. If there are problems identifying them, please let the minister know.

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. Incorporation of material in *Hansard* is permitted on the same basis as applies in the house; that is, purely statistical and limited to one page in length. All questions must be directed to the minister, not the minister's advisers. The minister may refer questions to the advisers for a response, which then occurs through the chair. There may be some television coverage which is allowed from both the northern and southern galleries. Minister, do you have an opening statement?

The Hon. M.J. WRIGHT: The WorkCover scheme is an essential safety net on which injured workers can rely and remains (as was the case in 1987 when the scheme was established) a critical part of the state's social infrastructure. The WorkCover scheme also assists South Australian employers in protecting and supporting injured workers and in providing an indemnity against the potential significant financial risk of workplace injury.

The founding objectives of the WorkCover scheme sought to fairly balance these social and economic objectives. The scheme was established to rehabilitate and return injured workers to work and to provide fair financial compensation while they were being restored to health. The scheme was also established to protect employers from liability and to keep costs under control. The government has demonstrated its commitment to restoring the balance. The government has taken decisive steps to ensure that injured workers and employers will be provided with a balanced and sustainable rehabilitation and compensation scheme which will again deliver on the objectives set down by the original architects of this important social system. The importance of the WorkCover scheme to South Australians is unquestionable.

The importance of the scheme has demanded a robust approach be taken to address the current challenges. The government accepted that challenge and engaged an expert, independent review to provide the best available advice on how to make the necessary improvements. The terms of reference set for the review made clear the government's objectives. The review was tasked with delivering recommendations for a scheme that would deliver:

- fair and equitable financial and other support delivered efficiently and equitably to enable the earliest possible return to work;
- reduce costs for employers with a reduced average levy rate between 2.25 and 2.75; and
- a fully-funded scheme as soon as practicable.

The review consulted widely across South Australia with stakeholders, employers, injured workers, lawyers and medical providers, amongst others. The review received over 70 submissions and conducted in excess of 25 consultation meetings. The government accepted the independent, expert advice, listened to stakeholders and developed a package of responsible and balanced reforms. Based on expert advice, the amendment acts recently passed by the parliament represent the best legislative response to address the current challenges whilst remaining true to the founding objectives of the scheme.

The expert advice on which the amendments have been based has made it clear that, if the full range of the recommendations of the review are implemented, South Australia will retain its position as having the fairest workers compensation scheme. These amendments will significantly enhance the compensation and support available for the most seriously injured workers. The reforms will deliver significant change to strengthen return-to-work incentives to ensure that the right levers and incentives are in place to encourage early and safe return to work as a critical part of an injured worker's recovery.

Working in collaboration with enhanced systems of injury and case management, these changes will ensure that less seriously injured workers return to the workplace sooner and are protected from the detrimental physical and social impacts of long-term compensation. We know that people on schemes of this nature have worse health outcomes than people with similar conditions in a non-compensable setting. In addition to strengthening return-to-work incentives to improve the rate at which injured workers return to work, this package of reform will significantly reduce employer costs and will set the course for the scheme's return to full funding.

Based on projected cost savings, the Clayton Walsh review concluded that adopting the recommendations would be expected to achieve full funding within six to seven years. The package of reform delivers significant benefits for all those associated with the scheme, including:

- the introduction of provisional liability so that payments start earlier and the focus is on recovery not liability;
- significantly increased compensation for non-economic loss weighted to the most seriously injured workers;
- significantly increased compensation for families of people who are killed at work and, for the first time, the availability of counselling services;
- the creation of rehabilitation and return-to-work coordinators to emphasise the critical role of employers in the workplace in getting people back to work;
- the introduction of the Office of the WorkCover Ombudsman;
- the regulation of a code of workers' rights to set out the values and treatment that injured workers can expect from WorkCover, its agent or self-insurers;
- increased penalties applicable to employers who fail to meet their obligation to provide suitable employment;
- the establishment of a \$15 million return-to-work fund, which will have a key focus on retraining;
- red tape reduction for small business through removing the need to register for up to 14,000 employers; and
- encouraging skills development through exempting employers from paying a levy on the wages paid to trainees and apprentices.

Having an improved and more robust legislative framework is important, but it is ultimately worth little if it is not implemented sensitively and with great diligence. Many of the changes to the legislation will commence on 1 July 2008, with others commencing in 2009. The implementation plans developed by WorkCover and the government are robust and will be keenly monitored by government. Strengthened governance arrangements made through changes to the WorkCover Corporation Act will assist with this. The government's steadfast commitment to getting this right

and delivering legislative and non-legislative reform elements has been conveyed to WorkCover and Employers Mutual in very clear terms.

It is equally important to ensure that there is sound understanding of the changes made and how that is likely to impact on individuals. The government has committed to a sensitive and comprehensive information campaign about the changes prior to the commencement on 1 July 2008. To achieve this commitment, WorkCover has developed and is delivering a comprehensive communications strategy to inform metropolitan and regional South Australians of the changes to the scheme.

These are significant and critical changes. However, delivering improved results for injured workers and employers is not just about legislation. Strong and continuing efforts are being made by WorkCover and Employers Mutual to improve injury and case management, and these efforts will continue as the legislation is implemented.

Dr McFETRIDGE: A lot has been said about the changes to WorkCover over the last few months in this place. I want to thank Ben for his assistance in helping me with the legislation. I was new to the portfolio, and it has been a very steep learning curve. I hope beyond hope that all the advice the government has been given is correct, because I find it personally distressing to get emails inviting me to homes and hospitals to visit people who are on suicide watch as a result of changes to WorkCover. I will be very disturbed if we do not get the promised results from the changes to WorkCover.

I still struggle with the fact that the self-insured organisations and many government departments are able to work under the previous legislation, not incur large debts and not have a lot of difficulty in managing the workforce, return to work and, most importantly, the workers rehabilitation, because that is what the scheme is about—workers rehabilitation, not just compensation.

People say it is comparing apples and oranges when you compare the government departments that are self-insured with those under the WorkCover Corporation. I do not believe that is the case. I think there was good legislation there. The fact is that the unfunded liability was down—and that was acknowledged by Clayton in his report—in the early 2000s. The reasons for it escalating are debatable; but the government has the legislation it wants, it has the case managers it wants, and I hope it works. I will be interested to see how the WorkCover Ombudsman works, how the return-to-work fund is organised, and how the return-to-work coordinators are working, because the last thing we need is more red tape for business in these trying industrial times.

My first question relates to Budget Paper 4, Volume 1, page 1.32: Sub-program, Public Sector Workforce. What is the current figure for the state government's WorkCover liability, and what is the state government projecting the liability to be after the changes to the compensation legislation?

The Hon. M.J. WRIGHT: The advice I have received is that the public sector's outstanding liability is \$358.2 million as at 30 June 2007. In regard to the other question, it is expected that that liability will reduce but the extent and the timing are uncertain. The reason for that is that we will need to rely on the actuary, and he will make his assessment based on the evidence that occurs, so it will be some time down the track before we know what that figure might be.

Dr McFETRIDGE: Under the same budget reference, how is WorkCover/EML dealing with the redemptions prior to the legislation coming into effect on 1 July?

The CHAIR: I will give some guidance to the committee, because I recognise that there is not a budget line for WorkCover so it is therefore very difficult for people to have reference for questions and have the normal estimates questions. In relation to that question, I was interested that the minister went to his WorkCover advisers rather than his public sector employee advisers. I recognise that this is an important topic and it affords an opportunity for people to get detailed answers about issues in the legislation. I will accept questions as being in order if they are about the implementation of the new scheme. If they are a rehearsal of the second reading speech and the general debate on the WorkCover bill, I will rule them out of order. That question was in order.

The Hon. M.J. WRIGHT: The advice I have received is that there is no change to the policy on redemptions prior to 1 July and therefore we will be continuing to redeem appropriate cases. Obviously that will change on 1 July.

Dr McFETRIDGE: In the discussion and debate about the new legislation, one of the big pluses was that we were expecting levies to decrease. However, in the recent *Government Gazette* they have increased. For example, it has increased by 10 per cent for religious organisations, yet it

has decreased for casinos. Real estate agents have stayed the same, but legal services have increased. Looking through the many changes, I cannot see many reductions but certainly many have gone up to maintain that 3 per cent, which is an ominous sign if we are looking for decreases under the legislation.

The Hon. M.J. WRIGHT: I am doing this from memory, but I think I will get it very close to the mark, but if I do not, I am sure my advisers will advise accordingly. A bit of confusion (whether by accident or deliberate) has been peddled as a result of a recent gazettal about the industry rate. We should go back a step. The headline figure about which we often talk regarding the WorkCover levy rate is the average levy rate. The average levy rate is set by the board. It does so in March of each year. It is totally independent of government. The board has the responsibility to set the average levy rate.

However, in addition to the average levy rate, you also have what was gazetted the other day, that is, the industry levy rate. Between March and May each year, WorkCover has the responsibility of giving levy rates to industries. I think there are some 500 industries. Obviously they look at their previous 12 months performance, and if your risk factor increases and you are having more accidents at work, it may be that your industry levy rate increases or decreases. It may well be that, if you improve in respect of the number of accidents you have on the shop floor, your industry levy rate decreases. I am doing this from memory, but in the most recent list that was gazetted over 200 increased, over 200 stayed the same and a small number, about 15 or 20, decreased.

The average levy rate is currently 3 per cent. The review of the industry levy rates resulted in an increase in levy rate for 242 and a decrease in levy rate for 26, with 244 remaining unchanged. Let us not forget how you get that. The industry levy rate is done by WorkCover. It is done between March and May, and it is done as a result of your previous 12 months performance. The riskier your industry is, the more likely that it could increase. You have the average levy rate at 3 per cent. It has been at 3 per cent, I think, since 2003. Industry levy rates, depending upon the risk factor of your industry, are looked at between March and May of each year. You also have the third component, that is, the bonus penalty scheme, which is applied to the individual employer. That needs to be taken into account.

The reason for going into that detail is to make the point strongly that the average levy rate has not increased. The average levy rate, which was determined by the board in March of this year was 3 per cent, just as it has been since 2003. Yes, there have been some increases in the industry levy rate and that has occurred because those industries have done worse over the past 12 months than what they had previously. The other thing that you need to take into account is that we want the average levy rate and the unfunded liability to go down. We are hopeful and confident that the legislation will see the unfunded liability go down. We have said consistently—and I said it as far back as 2007—that it will not be the government that sets the average levy rate: it will be the board.

With regard to the package of legislation, we believe it will set the scene for better return to work and the unfunded liability going down, and therefore create an environment where, in 2009, the board will reduce the average levy rate. It will not happen tomorrow. I would not expect that it will happen next year, although, once again, that is a decision for the board. There is some confusion out there (whether by accident or deliberate) about the difference between the average levy rate and the industry levy rate. We have said consistently that the levy rate will decrease as a result of the unfunded liability coming down. This will occur because we have a package of legislation which will better ensure we get people back to work quicker.

Ms SIMMONS: I refer to Budget Paper 3, chapter 5, page 5.4 Will the minister advise what are the expected benefits of the recent changes in the legislation and when these are expected to be realised?

The Hon. M.J. WRIGHT: Can I modify what I said in my last answer? I referred to the previous 12 months. It is modified and it can occur over a few years. As members would be aware, in announcing the Clayton Walsh review the government set some strong expectations within the terms of reference. The fundamental criteria was to recommend changes that ensured the WorkCover scheme provided fair compensation to injured workers while they undertake rehabilitation and get back to work at a cost that is affordable to South Australian employers. The terms of reference provided the review with the objective of achieving a levy rate of between 2.25 and 2.75 by 2009-10 and the earliest possible return to full funding.

The key to achieving these financial objectives is to improve the return-to-work rates for people injured at work in South Australia. The legislative changes recently passed by the parliament will be an important part in improving return-to-work rates in South Australia.

I have, however, been very clear with the WorkCover Board about the importance of the quick and effective implementation of the non-legislative reforms as well. The report of the Clayton Walsh review advised that it expected that, if the reforms it proposed were implemented in full, the scheme could achieve full funding within five to six years. As members would be aware, the government made some changes to the scheme proposed by the review and, as a result of those changes, Mr Walsh has advised that it is likely that the scheme can achieve full funding within six to seven years. It is also expected that the legislative changes that have recently been passed will lead to a reduction in both the number and duration of disputes in the WorkCover scheme.

Members would know that disputes prevent a focus on return to work. The bill has introduced a number of new measures that will hopefully reduce disputation in some areas such as determination of average weekly earnings and assessment of non-economic loss. The introduction of provisional liability is also expected to reduce disputation in the scheme. The introduction of medical panels and the removal of the arbitration process should also ensure that, when they do occur, disputes can be resolved more quickly than at present.

The key to achieving the benefits of the recommendations of the Clayton review is their successful implementation. This is why the government also sought amendments to the WorkCover Corporation Act to include a charter and performance statement for WorkCover as well as improving the power of ministerial direction to ensure there is strong accountability in the effective implementation of these reforms. I have every confidence that these important reforms will be implemented expeditiously and that the anticipated benefits to the scheme will be realised in coming years.

In conclusion, with regard to the legislative reform, some areas will commence on 1 July this year, and some of the more complicated areas will occur next year, some early in the year and some in April. So, it is quite deliberately a staged process, and we look forward to these measures that are coming into effect on 1 July doing so smoothly. Members might have noted that the government has appointed a temporary ombudsman. This ombudsman will be in place for up to 12 months. I do not imagine it will be that long, but the person will get the office up and running, start it functioning with staff from 1 July and, obviously, during the remainder of the year we will be consulting widely on who the permanent WorkCover Ombudsman should be.

Ms SIMMONS: I refer the minister to Budget Paper 3, chapter 5, page 5.4. Will the minister advise the committee of the steps being taken to ensure the successful implementation of the recent legislative changes and also provide the committee with information about the benefits that injured workers and employers will see once the new provisions commence?

The Hon. M.J. WRIGHT: As I outlined in my opening statement to the committee, we are at a very important juncture in the life of the WorkCover scheme. This parliament has recently passed the most significant legislative reforms since the scheme was created. We appreciate that not everything was necessarily agreed to and that, both in and out of the parliament, it was obviously a fairly delicate debate. The passage of the legislation alone will not address the current problems with the scheme. Fixing these problems will take a sensitive, focused and robust implementation of the new laws, and the government and the WorkCover Board are steadfast in their commitment to ensure that this occurs.

I have had a series of meetings since the legislation went through with both Ms Julia Davison, who is with us today, and also with Bruce Carter, the chair of WorkCover, and we are having regular meetings in regard to the progress of this legislation. In planning for implementation of the reforms, WorkCover management has undertaken an extensive review to ensure the implementation time line developed strikes a balance between delivering the changes as quickly as possible and the need to manage implementation risk. There is nothing to be gained by doing this quickly if it is not done right.

A number of the reform elements, both legislative and non-legislative, can be implemented and/or commenced from 1 July 2008; however, some important package elements require a later implementation date to improve the quality of implementation and thus maximise the likelihood of achieving the social and financial benefits of the overall reforms. Significant work has been undertaken to implement the reforms targeted for a 1 July commencement. This work has included training of case managers, rewriting of procedures and policies and preparation of information

outlining the changes for stakeholders. This is in keeping with my commitment that there will be a comprehensive and sensitive information campaign across the community.

Information sessions will be provided to stakeholders progressively during the coming months to outline the nature of the changes and the detail of what the employers and injured workers need to know and do. An extensive consultation process on how many of the reforms will be implemented will commence shortly and will provide representatives of trade unions, employer associations and health providers. I am confident that everything is being done to implement these changes successfully. Some of the changes have been received unfavourably by some sectors of the community, and we understand that. It is important to again state that this is a balanced package of reform that will deliver many advantages to workers and employers.

There are a number of aspects of the reforms that will benefit injured workers and their families. Some of these include the establishment of provisional liability through which payments of income and medical expenses can commence immediately; significant increases in the lump sums available for permanent impairment, benefiting the most seriously injured; significant increases in compensation paid to dependants in the event of a workplace death; the establishment of rehabilitation and return-to-work coordinators to emphasise the importance of the workplace in facilitating a return to work; the development of a code of claimants' rights; the establishment of the Office of the WorkCover Ombudsman; and the establishment of a \$15 million return-to-work fund to, amongst other things, strengthen the focus on retraining injured workers.

There are a number of aspects in the reforms that will benefit employers, including reducing red tape by removing the requirement for small employers to register remuneration of less than \$10,000 per annum; encouraging skills development by excluding wages paid to apprentices and trainees; anticipated scheme cost savings which, over time, will deliver lower levy rates; and a fully funded scheme within six to seven years. These are critical changes for the scheme. Every effort is being made to ensure that these reforms are implemented responsibly.

Ms SIMMONS: My third question refers to Budget Paper 3, chapter 5, page 5.4. Can the minister advise the committee how the introduction of provisional liability will affect the South Australian WorkCover scheme?

The Hon. M.J. WRIGHT: Provisional liability is an important reform that we have introduced. I am pleased to inform the committee that a very important element of the current reform to the workers compensation scheme is provisional liability. It will be introduced into the South Australian workers compensation scheme on the commencement of the recently passed Workers Rehabilitation and Compensation Scheme Amendment Act.

The model of provisional liability has been based closely on the approach taken in New South Wales. A key component of the reforms in 2001 is that provisional liability has been a significant contributor to the turnaround in that scheme's performance. Earlier this decade, the New South Wales scheme was more than \$3 billion unfunded. It has been returned to full funding.

The act recently passed by this parliament has established that provisional weekly payments of compensation are to commence within seven days of initial notification of injury. Provisional weekly payments will be made for up to 13 weeks, and WorkCover will also be enabled, under section 32, to provisionally accept liability for medical expenses up to \$5,000. This will mean that payments to injured workers will not be delayed while their claim is determined, which will prevent unnecessary financial hardship and an unnecessary and unproductive focus on liability determination.

It is likely that receipt of provisional payments will assist the injured worker in the rehabilitation and return-to-work process, rather than have them anxiously focusing on the determination of their claim. Provisional liability will also benefit medical providers through guaranteeing payment of their bills, rather than holding payments until the claim is determined.

The introduction of provisional liability in interstate jurisdictions has resulted in speedier recognition, resolution and closing of claims. In New South Wales, in particular, employer associations were initially sceptical of provisional liability but are now fully supportive of the legislative approach due to the significant reduction of disputes and legal costs associated with the determination of claims. As Alan Clayton commented in the recent review of the WorkCover SA scheme:

In most cases the injured worker is able to establish entitlement to benefits, and in the meantime the time and effort expended on resolving the so-called liability issue lead to the claim becoming far more protracted and difficult than would otherwise have been the case, and the injured worker being compromised with respect to return

to work potential. While there are some claims where liability is rightly denied or reduced, these are far outweighed by the many where the dispute does not succeed.

Mr HANNA: In relation to the impact of the legislative changes coming into effect on 1 July, can the minister advise on the change in redemption policy, and a related issue of whether there is a time frame for reassessment of long-term injured workers who have been in the system for 2½ years or more? In other words, will it start at workers who are 10 years in the system and moving back to more than eight years, more than six years, and so on?

The Hon. M.J. WRIGHT: I think we have the gist of both parts of the member's question but, if we do not, please let me know. The advice I have received is that these legislative provisions become effective on 1 July 2009. From that date, the new restrictions will apply to all claims with an injury date on or after 1 July 2006. From 1 July 2010, the new restrictions on redemptions will apply to all claims. In anticipation of these changes, from 1 July 2008 the WorkCover redemption policy will be revised so that all claims with an injury date on or after 1 July 2006 will be subject to the new redemption restrictions unless negotiations have already commenced. This policy applies to registered employers only. In regard to the other part of the question, from 1 April 2009 work capacity reviews will be introduced.

Mr HANNA: As a supplementary question: in relation to the redemption restrictions to which the minister referred, can they be specified—that is, are they publicly available? Secondly, in relation to the re-assessments to which the minister referred, is WorkCover going to start from the end of the tail so to speak and work backwards or is there some other approach to it?

The Hon. M.J. WRIGHT: In answer to the two questions, firstly, the one about the restrictions on redemptions: this is in the legislation but I will quickly refer the member to it. The worker has returned to work but has an ongoing entitlement to a small top up of \$30 per week or less and the redemption will remove the administrative cost of the claim remaining open for WorkCover and the worker. Secondly, the worker is 55 years of age or older and has no current work capacity. Thirdly, exceptional circumstances apply where there is an overwhelming social interest in finalising the matter as determined by the Workers Compensation Tribunal.

In regard to the second question, it will not be a matter of looking at the end of the tail or anything like that: it will be a matter of looking at each claim and each claim will be reviewed in its own right, then obviously assessments will be made accordingly.

Dr McFETRIDGE: Regarding section 76AA of the new legislation concerning exit fees for self-insurers, minister, are you aware of the existence of a report by Trowbridge Deloitte (nowadays I think they are Finity Consulting) dated February 2004 that was requested by the WorkCover board entitled 'Exempt employers: financial effects on the scheme' where their advice on page 25 was:

We therefore conclude that the practices surrounding the transfer of liabilities to successful applicants—and that is for successful applicants for self-insurance—under section 10 of the Code of Conduct does not adversely affect the Compensation Fund.

The claim by the self-insurers is that this will cost them hundreds of thousands of dollars—even millions of dollars, they have told me—under the new legislation to exit.

The Hon. M.J. WRIGHT: There is a report of this kind that, from memory, was done in 2004. Obviously, at the time, WorkCover would have taken account of it but if there is something specific in the report that the member is asking about, asking of or is alleging—and I do not think he is alleging anything—we would probably need to take that on notice because neither myself nor my colleagues at the table here have viewed it for some time, as I have been advised.

Dr McFETRIDGE: Minister, are you confident that the implementation of exit fees is not going to adversely affect the investment outcomes in South Australia? I understand that, because some companies look like having to pay exit fees when they buy companies that are under the WorkCover scheme here, they now will be reconsidering their investment decisions.

The Hon. M.J. WRIGHT: Yes, I am confident and, if I was not confident of that, I would not have introduced, on behalf of the government, the legislative changes that we introduced.

The CHAIR: There being no further questions to the Minister for Industrial Relations, I advise that the proposed payments for the Department of the Premier and Cabinet and administered items for the Department of the Premier and Cabinet stand adjourned to this committee on Monday 30 June 2008.

Membership:

Mr Griffiths substituted for Hon. R.G. Kerin.

DEPARTMENT OF TREASURY AND FINANCE, \$102,968,000
ADMINISTERED ITEMS FOR THE DEPARTMENT OF TREASURY AND FINANCE,
\$1,393,139,000
DEPARTMENT OF TRADE AND ECONOMIC DEVELOPMENT, \$59,925,000

Witness:

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

Departmental Advisers:

Mr J. Wright, Under Treasurer, Department of Treasury and Finance.
Mr G. Goddard, Deputy Under Treasurer, Department of Treasury and Finance.
Mr D. Bourke, Executive Director, Shared Services SA.
Mr J. Damin, Shared Services SA.
Mr P. Summerton, Ministerial Adviser.
Mr J. Hallion, Chief Executive, Department of Transport, Energy and Infrastructure.
Mr M. Grillo, Executive Director, Service SA.
Mr P. Welling, Director, Service SA.
Mr M. Palm, Service SA.

The CHAIR: I declare the proposed payment open for examination and refer members to the Budget Statement, in particular, Appendix C, and the Portfolio Statement, Volume 1, part 3. Minister, do you have an opening statement?

The Hon. M.J. WRIGHT: Yes, I do. The finance portfolio covers a variety of responsibilities which include the South Australian government shared services reform, Service SA, as well as state procurement and support operations. With regard to the government's shared services initiative, the 2006-07 state budget announced this across government reform aimed at providing significant savings for redirection into the government's priority policy areas such as health, education and community safety. Shared services reform brings together corporate and business service back office functions into a single organisation whose business is to provide customer focused service as efficiently and effectively as possible.

The Shared Services Reform Office was established within the Department of Treasury and Finance to manage the development and implementation of the reform agenda. The Shared Services Reform Office undertook a comprehensive across government data collection exercise in early 2007. The data collection was one of the largest undertaken across the South Australian public sector and collected some 300,000 data items covering the volumes of activity, their cost and the number of employees involved.

A robust governance and consultation framework was then established to help guide the reform and to ensure that all stakeholders were appropriately consulted. Following analysis of the data collected, the in-scope corporate services functions most suitable for reform in a shared services environment were identified as finance, human resources (including payroll), information and communication technology services, and procurement processes.

In October 2007 the government approved a shared services model with a single shared services organisation being established to replace the reform office. The new organisation Shared Services SA remains within the Department of Treasury and Finance. The model includes the transfer of services to Shared Services SA on an as-is basis and then their subsequent reform to achieve efficiencies and improved service delivery outcomes.

Shared Services SA will operate on a full cost recovery basis, with its pricing reflecting the cost of service provision. Shared Services SA has adopted a staged approach for the transition to new shared services arrangements, with in-scope corporate functions being divided into three tranches. The transition of tranche 1 services—accounts payable, accounts receivable, and payroll services and their supporting ICT—were identified as priority services for transfer to Shared Services SA and are scheduled for completion by the end of calendar year 2008.

The first transition of corporate and business services and staff from agencies to Shared Services SA was successfully undertaken with effect from 31 March 2008. Service delivery performance since transition has met the service continuity assurances given to client agencies and is meeting expectations. Tranche 2 services comprise HR reporting and administration, ICT infrastructure and network support, and general accounting services, with this transition to Shared Services SA scheduled for 2009. Tranche 3 services comprise fixed assets, accounting, tax compliance, procurement consultancies and ICT user support, with preliminary planning for the transition of these services to Shared Services SA in 2009.

Shared Services SA has implemented a tailored communication plan to support the transition process in order to give agencies and the in-scope employees information on transition activities and to ensure the seamless delivery of services post transition. Consultation on workforce issues continues with the Public Service Association through the workforce consultative group (which meets on a monthly basis) and also through regular meetings with the Under Treasurer, the Deputy Under Treasurer and Executive Director of Shared Services SA.

The government is required to authorise the transfer of people, budgets and assets associated with the transition of services from agencies to Shared Services SA. Consultation with chief executives and agencies has occurred in order to develop the methodology used to calculate agency budget adjustments prior to formal consideration. Once transition to Shared Services SA has occurred, the services, systems and resources will be transformed through a simplification, standardisation and rationalisation to gain efficiencies and improve effectiveness, including service delivery standards.

With regard to Service SA, it provides the South Australian community with a one-stop contact point for government information product and services through an integrated network of shop, call centre and online delivery channels.

Throughout 2007-08 Service SA has continued to strengthen this integrated network and improve access to government services and information for customers—both citizens and business—in South Australia.

As Minister for Finance I also have responsibility for Fleet SA, contract services, business support services, ICT support services and the corporation functions which were transferred to the State Procurement and Support Operations Branch of the Department of Treasury and Finance from 1 January 2007.

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

Mr GRIFFITHS: I would like to proceed straight to questions. I refer to Budget Paper 3, page 2.3—and the minister alluded to this in opening comments. In the 2006-07 budget papers there was an indication that shared services savings measures in the vicinity of \$130 million were to be created, but it would involve costs up to \$60 million. In reviewing the 2007-08 and the 2008-09 budgets, I cannot identify any updated figure on the savings. Page 2.3 of this year's Budget Paper 3 states only that 'savings measures announced in the 2006-07 budget and 2007-08 are proceeding'. Is the minister able to quantify the progress that is being made regarding that and the level of savings being achieved? Are they meeting budget expectations as announced in 2006-07?

The Hon. M.J. WRIGHT: The government estimated annual savings in the order of \$25 million in 2007-08, \$45 million in 2008-09 and \$60 million from 2009-10 onwards. These savings targets relate to future ICT procurement reform and shared services. The figures quoted relate to savings from both future ICT and the shared services reform. Future ICT delivered savings of \$25 million in 2007-08 and these savings are expected to grow slightly in later years.

As part of the planning for the transition of employees more detailed information was collected from agencies with a focus on detailed implementation issues. This works suggests that the targeted savings will emerge over a long time frame than originally estimated. Further work needs to be done before a revised estimate of savings can be made available.

The government recognised that shared services reform is a major undertaking and that there are challenges associated with its implementation. For this reason, the government set aside a contingency in the 2006-07 budget to cover the possibility of any shortfall in savings in these targets. This is typical of the prudent financial approach this government has adopted, with this contingency being sufficient to cover any temporary shortfall from the shared services reform.

Mr GRIFFITHS: In relation to that information, the minister said that it is having to be stretched out before the full level of savings is achieved. Is the minister able to identify whether the target for 2007-08 has definitely been met and will 2008-09 be on track to achieve those savings?

The Hon. M.J. WRIGHT: The 2008 figure was definitely realised. In 2008-09 we will get \$25 million from future ICT. We doubt whether we will get all of the \$20 million in that time frame.

Mr GRIFFITHS: The minister referred to 2006-07, that a contingency fund was placed there in case there was some delay and recognising that \$20 million must be achieved in the 2008-09 financial year. Minister, you are unable to meet the full \$20 million, what do you anticipate as a best guess the shortfall will be in 2008-09?

The Hon. M.J. WRIGHT: My advice is that we do not have any new estimates. The reason is that we are doing detailed discovery, and as a consequence of that detailed discovery we learn things all the time. As we go through each tranche we will learn more.

Mr GRIFFITHS: I refer to Budget Paper 4, Volume 1, page 3.19. I am aware that leasing arrangements have been put in place for the accommodation needs of shared services. Will the minister provide me with the details of these arrangements?

The Hon. M.J. WRIGHT: The implementation of the shared services reform is at a crucial stage with the transition of tranche 1 services (approximately 1,300 staff) due for completion in December 2008. In regard to accommodation for tranche 1 services, a five-year lease of levels 3 to 11 at 91 King William Street (that is the old Westpac House) has been secured to accommodate the accounts payable and accounts receivable functions. Minor modifications to the existing fit-out have been completed to provide accommodation for up to 680 employees. In addition, Wakefield House is being progressively occupied by Shared Services SA which, when combined with Westpac House, will provide enough seats to cater for all tranche 1 services.

To cater for the implementation of tranches 2 and 3 services, it has been estimated that additional accommodation will be required for up to 1,000 staff progressively from 1 July 2009. Given the significant lead times associated with commissioning office accommodation, Shared Services SA is in the process of committing to appropriate accommodation now in order to meet the July 2009 implementation time frame. Negotiations are currently underway to finalise a 10-year lease of 77 Grenfell Street to accommodate the balance of tranches 2 and 3 services, which will provide an additional 1,000 seats for service delivery staff.

This building is the only available option that will provide the necessary number of seats in the required time frame. A number of other development proposals were considered, but terms were less favourable and completion dates did not meet the needs of transition time frames. It is anticipated that, as the reform process nears completion, Shared Services SA will be able to relinquish the lease at Westpac House and consolidate into 77 Grenfell Street and Wakefield House.

Mr GRIFFITHS: Is the cost of the accommodation fit-outs \$28.4 million over the forward estimates?

The Hon. M.J. WRIGHT: We are still negotiating that figure, but I can point the member to Budget Paper 3 at page 2.13, and there are some figures in regard to rental payments and also the capitalised refit.

Mr GRIFFITHS: I have identified that line also where it says 'Shared Services accommodation', but my question is: is that a total of the leasing costs and the fit-out costs?

The Hon. M.J. WRIGHT: Yes, that is correct.

Mr GRIFFITHS: I understand there is still some negotiation, but are you able to identify within those costs, because they are quite specific, as to which is which? How much is the lease cost and how much is the fit-out cost?

The Hon. M.J. WRIGHT: That is part of the negotiation, I am advised.

The CHAIR: Member for Goyder, I have let you explore that line far enough. Members on my right are rioting. The member for Morialta.

Ms SIMMONS: I refer to Budget Paper 4, Volume 1, page 3.17. What shared services model has been adopted by the South Australian government?

The Hon. M.J. WRIGHT: The use of shared services in all sectors of government and the private sector worldwide is growing, delivering benefits of efficiency and improved service standards. In developing the proposed shared services model for the South Australian government, lessons learned from other Australian jurisdictions and private sector organisations that have implemented or are implementing shared services were incorporated.

On 15 October 2007, the South Australian government approved a shared services model and a staged approach to the implementation of the reform agenda. A new single shared services organisation, called Shared Services SA within the Department of Treasury and Finance, was established in October 2007. All general government sector agencies, including entities receiving corporate services from in-scope general government sector agencies, are mandated to receive services from Shared Services SA. The shared services model will deliver a range of services in the functional areas of ICT, human resources, finance and procurement.

A staged transition of in-scope functions will occur:

- Tranche 1: Accounts payable; accounts receivable; and payroll and their supporting ICT.
- Tranche 2: HR reporting and administration; ICT infrastructure and network support; and general accounting services.
- Tranche 3: Fixed asset accounting; tax compliance; procurement consultancy; and ICT user support.

Services are transitioned from agencies to Shared Services SA on an as-is basis so there is no interruption to service delivery and to ensure business continuity. Once transitioned to Shared Services SA, the services, resources and systems will be reformed through simplification, standardisation and rationalisation to improve efficiencies and effectiveness. Shared Services SA will operate on a full cost recovery basis, with pricing reflecting the cost of service provision.

Ms SIMMONS: Again I refer Budget Paper 4, Volume 1, page 3.17. What was the outcome of the initial transfer of services from agencies (group 1A) to Shared Services SA?

The Hon. M.J. WRIGHT: The first transition of corporate and business services and staff from agencies to Shared Services SA was successfully undertaken with effect on 31 March 2008. This transition consisted of approximately 75 staff providing accounts payable, accounts receivable, payroll and other financial services that were previously located within the Department of Treasury and Finance's Corporate Services and State Procurement and Support Operations sections.

The transition involved planning for the required changes in a number of areas, including accommodation, records management and ICT, finance, communications, and client and query management, whilst ensuring continuity of service provision to agencies. The transition was successful, with no material service issues identified. It was completed on schedule and to required quality, with staff able to be fully operational on the morning of 31 March. Staff have since been involved in a comprehensive induction program that was aimed at providing employees with an opportunity to meet other new employees, hear a consistent message and learn about their new environment. The program has been evaluated and the feedback overall was very positive. A 'lessons learned' process has also been undertaken to determine where opportunities for improvement may exist. Where appropriate, findings from this process have been incorporated into future transitional planning.

Ms SIMMONS: On the same about budget line, have stakeholders and unions been engaged in the shared services reform process?

The Hon. M.J. WRIGHT: Most definitely. The governance and consultation framework for the shared services reform was established early in the reform program. Four governance and consultation groups were formed:

- Chief Executive Shared Services Steering Committee;
- Shared Services Reference Group;
- Workforce Strategy Group; and
- Workforce Consultative Group.

The Chief Executive Shared Services Steering Committee meets regularly and assists the Under Treasurer in the implementation of the shared services reform and will provide guidance until the initiative is fully implemented.

Members of this committee include: Mr Jim Wright, Mr Jim Hallion, Ms Sue Vardon, Mr Tony Sherbon, Mr Jerome Maguire, Mr Gary Goddard and Mr Damian Bourke. The shared services reference group meets monthly and is the primary consultative interface with agencies, comprising senior corporate services, representatives from all portfolio agencies and the government's chief information officer.

The Workforce Strategy Group was established in March 2007. This group provides a forum for considering the workforce strategy issues associated with the establishment and ongoing operation of the shared services organisation. The Workforce Consultative Group meets monthly and acts as a consultative forum for employee related issues associated with the transition to Shared Services SA. The workforce consultative group includes representatives from Shared Services SA, portfolio agencies and the Public Service Association.

The PSA also attends meetings on a regular basis with the Under Treasurer, Deputy Under Treasurer and Executive Director of Shared Services SA at which workforce related matters are discussed. Representatives from the Public Service Association have also been invited to attend a range of other forums such as agency briefings and employee briefing sessions that are being held for transitioning employees. Consultation with other stakeholder groups continues to occur throughout the reform process.

Mr GRIFFITHS: I must admit that my understanding, based on some discussions, was that some different arrangements would take place this afternoon. I refer to Budget Paper 4, Volume 1, page 3.17. Will the minister confirm what was the total number of FTEs within the shared services reform office at 1 July 2007 and 30 June 2008?

The Hon. M.J. WRIGHT: The advice I have received is as follows. The increase from the 2007-08 budget to the 2007-08 estimated result of \$2.911 million is due to an increase in salaries for sub-program 3.1, shared services reform of \$1.635 million, as a result of a budget reclassification from supplies and services to employee costs of \$850,000 and a corporate overhead allocation of \$785,000; and an increase in salaries for sub-program 3.2, shared services operations of \$1.276 million for the transfer of ex-state procurement and support operations, business support staff, ex-SPSOE procurement staff, and tranche 1 Department of Treasury and Finance staff. Therefore, the 2007-08 budget was based on 51 full-time equivalents, whereas the estimated result is based on 161.3 full-time equivalents, which includes the 74.8 full-time equivalents transferred to Shared Services SA as part of transition group 1A.

Mr GRIFFITHS: Again I refer to the same reference at page 3.17. I try to scan through *The Advertiser* on Saturdays regularly to look at the job opportunities which exist across the state because employment is one of my shadow portfolios. I have noticed that, from time to time, positions have been advertised within Shared Services. It has been some time since I have looked intently, but were these positions within the shared services reform office or were these positions within Shared Services to perform duties that are part of Shared Services?

The Hon. M.J. WRIGHT: I am advised that they are in both, but predominantly in the reform.

Mr GRIFFITHS: Does that indicate then that the take-up rate of people transferring into Shared Services has not been 100 per cent and that it is has been necessary to employ people from outside to fulfil roles?

The Hon. M.J. WRIGHT: I will give an overview and then ask Mr Bourke to reply in more detail. The predominant recruitment has been for transition and reform positions, and that will continue. Perhaps Mr Bourke can add to that.

Mr BOURKE: As we have a transition schedule laid out before us, then we are looking to bring sufficient project managers, subject matter experts, etcetera to support that initiative, and they will come on board as that transition planning dictates. In terms of roles you may have seen advertised to fill those positions, the predominance would be in that sort of area.

However, there have been a number of recruitment requirements for our in-production roles, that is, the people who have transitioned to Shared Services to provide services. However, those requirements are not a reflection of the take-up rate of people coming from the agencies, because those people who are in scope in the metropolitan area come to us with the job; there is not a lot of option there for them, so those ads would have been just for natural attrition.

Mr GRIFFITHS: I have a copy of the Shared Services SA transition timetable. This is taken from the website and is dated 20 February 2008. Is there a later version of it? I note that there are certainly references to groups 1A, 1B, 2 and 3 and tranches 1 and 2, but the minister has mentioned in some of his comments today tranche 3. Am I out of date on this?

The Hon. M.J. WRIGHT: I cannot comment on what is on the website. We can check that for you, but there is a tranche 3, which is fixed asset accounting, tax compliance, procurement consultancy and ICT user support.

Mr GRIFFITHS: Is the minister prepared to confer with me at a later opportunity as to whether the details on the website are the most accurate?

The Hon. M.J. WRIGHT: Yes; we will check that for you, and I will come back to the shadow minister.

Mr GRIFFITHS: Thank you. Again, I refer to page 3.17. Will the minister confirm the total number of full-time equivalents and individual persons who are part of the Shared Services reforms initiative across all tranches?

The Hon. M.J. WRIGHT: As the honourable member may be aware, we initially thought it would be 2,500. We do not think it will be that many. We cannot provide the number, because it is still part of the voyage of discovery, but if we do have any figures I can come back to the shadow minister on that.

Mr GRIFFITHS: To continue that line of questioning, I understand there is uncertainty as to the number, but a specific figure has been out there about the number of people in regional South Australia who will be affected by Shared Services, and as a regional MP I am particularly keen to identify that. Is it still 256 full-time equivalents within the regions?

The Hon. M.J. WRIGHT: From the original discovery process, that is the advice I get. We are still talking about a number of 256 FTEs. That may move as we do the more detailed discovery.

Mr GRIFFITHS: Up or down, minister?

The Hon. M.J. WRIGHT: I am advised it is more likely to be down.

Mr GRIFFITHS: Is the minister able to confirm that therefore those 256—or potentially a lower figure—are all to transition during the first tranche?

The Hon. M.J. WRIGHT: The advice I have received is that it would be approximately 80 full-time equivalents in 2008 and then more in 2009.

Mr GRIFFITHS: I refer to page 3.18 this time. As I understand it, the development of the strategy and detailed design for the second tranche of services will comment in 2008-09. Will the minister provide details of what the strategy and design will entail? What is included in that? I would like some information on that.

The Hon. M.J. WRIGHT: I will get Mr Bourke to elaborate. Tranche 2 involves HR reporting and administration, ICT infrastructure and network support, and general accounting services. Mr Bourke will give a further description.

Mr BOURKE: With those headline level activities or processes that are in scope, we then undertake a detailed process with the various agencies to get down to a low level of activity-based service design. Once we have undertaken that work, and we have agreed what services at that level are in scope, then we also look to understand the level of effort and cost associated with delivering those services in the agency's pre-transition. That work will commence in the second half of this year.

Mr GRIFFITHS: Given that group 1A is the only group, as of today, that has actually made the transition, can you provide me with the details on the take-up rate? What is the number of people involved and the number of people who have transferred over? If possible, could the answer relate to physical persons, not full-time equivalent details?

The Hon. M.J. WRIGHT: Group 1A, comprising 75 staff (not full-time equivalents as was asked by the shadow) currently within the Department of Treasury and Finance's Corporate Services and State Procurement and Support Operations sections, were successfully transitioned to Shared Services SA on 31 March 2008. The transition involved planning for the required changes in a number of areas, including accommodation, records management, ICT, finance, communications, and client and query management whilst ensuring continuity of service provision to agencies.

The transition was successful. The take-up rate was 100 per cent with no material service issues identified. It was completed on schedule and to required quality with staff able to be fully operational early on the morning of 31 March. Staff have since been involved in a comprehensive induction program that was aimed at providing employees with an opportunity to meet other new employees, hear a consistent message and learn about their new work environment. The program has been evaluated and the feedback overall was very positive. A 'lessons learned' process has also been undertaken to determine where opportunities for improvement may exist. Where appropriate, findings from this process have been incorporated into future transition planning.

Mr GRIFFITHS: At the same reference, I understand that there are enormous challenges out there to try to get everybody to make the transitional arrangements and for it to work successfully. The main part of my question that I am about to phrase relates to the people in regional South Australia—the 256 full-time equivalents. It would be my assumption—and I know it is impossible to give an accurate answer because it has not occurred yet—that some people will just not make that transition. They would choose to decline the opportunity and to stay within their localities and within their work environments. Can you provide me with some information about what occurs to those people? Do they stay employed on the current tenure which they possess within those departments and localities?

The Hon. M.J. WRIGHT: The shadow minister talks about some not making the transition, and that is probably true. I have been to some country regions and met with people to assure them that people will not be forced to Adelaide. I will get Mr Bourke to give further details from a hands-on experience point of view. The government has adopted a position that regional employees who do not wish to relocate to Adelaide will not be required to move with their positions to Shared Services SA.

Part of the reason for my country visits three or four months ago, although it might have been a bit longer, was that we wanted to assure people of that and we also wanted to ensure that that communication gets out to people in regional areas, and we expect our employers to do that on our behalf. Shared Services SA has established regional working parties to minimise the number of regional employees displaced by the shared services initiative and to reduce the government's financial liabilities associated with regional development.

The regional working groups have adopted a cooperative approach with working party representation from across government agencies. Assistance in finding alternative work will be provided to regional employees who are declared excess as a result of their position's relocating to Shared Services SA. These excess employees will be managed in accordance with the applicable government redeployment processes. Interestingly, we found some people in the regions who are not in scope who actually want to come to Adelaide. Probably there is a bit of this happening both ways. We appreciate that we have to work delicately with these people. Mr Bourke will talk about some of the hands-on experience.

Mr BOURKE: That is right. As the minister has just stated, once we know the roles that are in scope, we will look at opportunities of identifying individuals in those roles who are not wishing to relocate, and the processes that the minister has outlined will ensue for them. However, there are other individuals within the agencies who are indicating their preference to relocate, and where that is the case then the agencies are working with those people to train them sufficiently such that that can be facilitated.

The other proactive step that we are taking is that we have created the regional liaison work group and that houses representatives from all agencies that deliver services into regional South Australia and a number of initiatives, such as where vacancies in those regions become known (a prior step to publishing those in the *Notice of Vacancies*, etc.), are coming through that regional working group to identify where in-scope people, who are not wishing to relocate, may be given some prior notice of those and consideration for them. There are a number of initiatives of that nature that we are employing as proactive measures to mitigate the impact.

Mr GRIFFITHS: Given that the minister has previously lived in Kadina, Yorke Peninsula I believe—and won three Mail medals I think it is—it really does concern me, and I want to ensure that I get this fully understood. I understand, yes, some people will be declared excess and there are opportunities for retraining and where skill sets and opportunities do not match up. Is the tenure with which that person currently holds their position (even if the position moves), does that person still retain that tenure? If there is not an opportunity for an alternative skill set development to take on a role that someone else may have vacated, will that person be retained within that organisation, or is there a maximum time upon which some form of opportunity elsewhere has to be found, or will redundancy packages be offered? I want some security to this.

The Hon. M.J. WRIGHT: This is clearly a delicate and an important area and it is where we need to work closely with people in the country to ensure that we get this right. People cannot be sacked, so they have still got their job. They are not guaranteed, however, to stay in the same position. So what we would need to do is to work with the individual to try to find other suitable positions. Initially, that would be perhaps in the same department, in the same location. We would need to have that ongoing work that would occur. We are not intending at this stage to offer any TVSPs.

Mr GRIFFITHS: I indicate I am going to go on to Service SA questions now.

The CHAIR: Do you have any comments, minister?

The Hon. M.J. WRIGHT: I will make a very quick comment. I have some information that I am sure will be welcomed by all members, but particularly by the shadow, which is that in 2007-08, we had 62 staff in regional customer service centres; and in 2008-09, 71 staff in regional customer services. So, plus 10 staff employed in our new regional call centres; that is 19 positions that have been created in Service SA in the region. That is a welcome piece of information for the committee.

The CHAIR: I understand that the member for Mitchell wants to ask a question.

Mr HANNA: My question relates to pages 6.51 and 6.52. Which government services are available through the rural transaction centres on the APY lands? Is there any proposal for increased services through those centres for this year?

The Hon. M.J. WRIGHT: I have a list of services which will be of interest to the member. Service SA's rural agencies deliver a range of state government services on behalf of Service SA from their existing community outlets on a fee-for-service basis. The range of services currently delivered in the centres includes: provision of South Australian government informational services, government publishing subscription service, government publishing standing order update service, aquaculture lease/licence renewal, recreational rock lobster registration, commercial fishing licence fees, PIRSA corporate finance invoices, driver licence theory test, sale of driver's handbook, boat operator licence theory test, sale of power of attorney kit, sale of power of guardianship kit, sale of 'Now you are a guardian' and SA Water payments.

In the APY lands the following services are provided: driver's licence renewal, learner's permit renewal, application of learner's permit, replacement driver's licence/learner's permit, sale of driver's handbook, vehicle registration renewal, new registrations, notice of disposal, transfer of registration, notice of fine payments, reminder notice payments, order of enforcement payments, notice of cancelled relief and order of enforcement, applications for births, deaths and marriages certificates, expiation payments, firearms renewal, firearms new application, firearms duplicate and variation, and non-financial informational services.

Mr HANNA: I have a supplementary question. The minister first read an exhaustive list. I want to ensure that they are applicable through the rural transaction centres on the APY lands.

The Hon. M.J. WRIGHT: The first list was rural and the second list was APY.

Mr GRIFFITHS: I refer to Budget Paper 4, Volume 2, page 6.52. I notice that Service SA has implemented a credit card option for registration renewal at around 300 Australia Post and 270 Bill Express outlets in South Australia. Will the minister confirm what commission per transaction is paid to Australia Post and Bill Express?

The Hon. M.J. WRIGHT: It is the same merchant fee across whole of government for all credit card transactions. It is negotiated by the Treasurer. We do not have that fee with us, but we will get it for you.

Mr GRIFFITHS: Within Australia Post, Bill Express and other centres, is there a maximum amount that can be paid on an account balance?

The Hon. M.J. WRIGHT: The advice I have received is that there is no maximum used by the government.

Mr GRIFFITHS: I refer to page 6.52. Will the minister give details on the existing wait time of inbound calls before a call is answered at the Service SA Customer and Contact Centre? Is there a maximum limit that the service tries to put upon itself?

The Hon. M.J. WRIGHT: Our target is for 90 per cent of calls to be answered in less than five minutes. The average answer speed last Friday was two minutes and 19 seconds. That is the advice I have received.

Mr GRIFFITHS: From a regional basis, if someone rings the number on the presumption that it will take them through to the closest centre and the waiting time goes beyond that, is the call diverted to the nearest possible service centre somewhere else?

The Hon. M.J. WRIGHT: My advice is that Service SA is implementing a regional call centre strategy to improve call waiting times for customers ringing 131 084. Virtual call centre technology is being utilised to allow Service SA to have a flexible and scalable call centre model which can be physically located potentially anywhere but which is managed centrally. The technology allows for a review of both the individual operators as well as the call centre's overall performance, including the monitoring of calls for quality assurance purposes as if all agents were in the one call centre.

The regional call centres reduce or eliminate regional calls being diverted to CBD call centres by answering the calls regionally as the first priority, but with the ability to efficiently overflow calls to other points as required, that is, other regional centres in South Australia.

Mr GRIFFITHS: I refer to page 6.18. This will be an easy one for the minister because it is one of his highlights for 2007-08. Will the minister provide information on the customer service centre queue management solutions which were implemented across the nine metropolitan centres? Part of the reason for asking this question (and the member for Morphett has mentioned to me that when he has had to use these facilities he has had to wait up to 40 minutes) is that my daughter had to get both learner and P permits and she had to wait for some time, too. Will the minister give me some information about that?

The Hon. M.J. WRIGHT: In January 2008 Service SA commenced the implementation of a customer service centre queue management solution in the nine metropolitan motor registration and driver licensing shops as part of the transition to Service SA customer service centres. Queue management systems have now been successfully implemented in all nine customer service centres: Mitcham, Prospect, Elizabeth, Christies Beach, Port Adelaide, Modbury, Tranmere, Regency Park and Marion. Exit interviews have been conducted with customers at eight of these centres. Positive feedback has been received and customers indicate that service has greatly improved.

The queue management system assists with queue management, rostering staff to meet workloads and reporting on performance, including queue waiting times and transaction processing times. It allows customers to take a ticket and take a seat rather than stand in a single queue whilst allowing the centres to group similar transaction types to improve work flow and reduce queue waiting times. Other service improvements within customer service centres include the implementation of customer reception officers to speak with customers upon their arrival and to assist them with their service needs.

The customer reception officers assess customer needs, including making sure customer forms are correct and completed prior to entering the queue and ensuring that customers have all the information they require to complete their transactions. I am advised that these activities have greatly improved customer satisfaction. Metropolitan motor registration and licensing centres are being transitioned to Service SA customer service centres during 2008. The transition to Service SA customer service centres will offer customers a broader range of government services and information. As part of the transition, additional seating and upgraded audio-visual displays will be installed in the centres, providing improved customer service centres for all clients.

Four customer service centres have been transitioned to Service SA to date: Mitcham, 18 February 2008; Prospect, 14 April 2008; Christies Beach, 12 May 2008; and, Port Adelaide (the land of the living), 23 June 2008. It is planned that the following customer service centres be transitioned by the end of 2008: Modbury, 21 July; Regency Park, 18 August; Elizabeth, 15 September; Tranmere, 20 October; and Marion, 17 November.

Mr GRIFFITHS: That last detail was a question that I had but decided not to ask, and I am grateful for the information. I indicate that is the end of my question line for Service SA and am prepared to move on to State Procurement and Support Operations.

Departmental Advisers:

Mr G. Goddard, Deputy Under Treasurer.

Ms G. Casey, Director, Fleet SA.

Ms R. Ince, Director, Contract Services.

Mr P. Summerton, Adviser.

The Hon. M.J. WRIGHT: I have no opening statement.

Mr GRIFFITHS: I refer to Budget Paper 4, Volume 1, page 3.21. In 2007-08 the number of contracts managed by Contract and Procurement Services is estimated to finish at 48, with a total value of \$492 million. The target for 2007-08 was 70, with a value of \$964 million. Can the minister give me some information as to why that target has not been met?

The Hon. M.J. WRIGHT: The advice that I have received is that we understand that there is one head agreement which is running behind schedule which would involve 19 individual contracts, and that explains, in a large part, the difference in the numbers and the gap.

Mr GRIFFITHS: So the 22 gap predominantly will be filled by those 19?

The Hon. M.J. WRIGHT: Yes.

Mr GRIFFITHS: I note, also, that the government has a target to purchase 20 per cent of its energy from green energy, and that was to commence on 1 January 2008. Can the minister confirm whether the cost of that green energy is more expensive than traditional forms of supply?

The Hon. M.J. WRIGHT: The advice that I have received is that the cost of renewable energy is more than general energy.

Mr GRIFFITHS: I understand that it is more expensive and I would not have asked the question if I did not know that, but I am interested to know whether you have information available that would indicate the additional dollar cost in purchasing green energy for 20 per cent of the government's requirements?

The Hon. M.J. WRIGHT: I do not have those figures available, but obviously I am happy to get the detail for the shadow minister and will supply to that him as soon as possible.

Mr GRIFFITHS: I refer to Budget Paper 4, Volume 1, page 3.22 and Subprogram 4.2: Light Motor Vehicle Fleet. I note in the performance indicators that the target for 2007-08 was an average fleet management vehicle cost per annum of \$240 but the estimated result is \$252, which is \$12 more, which is 5 per cent. Given that 275,000 new vehicles alone are purchased in the year, will the minister provide a reason why the fleet maintenance cost increased by 5 per cent above the target rate?

The Hon. M.J. WRIGHT: I will take that question on notice and obtain an answer for the shadow minister.

Mr GRIFFITHS: Referring to the same reference and as an extension to that question, will the minister indicate why the percentage of vehicles ordered were not delivered within the agreed time frame and why the agreed time frame was less than the target? The target was 85 per cent but the estimated result was 79.

The Hon. M.J. WRIGHT: The advice I have received is that the delay was not through the ordering process, but rather through delays with manufacturers being able to supply the particular vehicle in the specified time frame. I will ask Mr Goddard to supplement my answer.

Mr GODDARD: The delay is with the manufacturers being able to supply particular vehicle specs that are requested by agencies within the allotted time frame. The fault is not so much with our ordering process but being able to get the vehicles delivered from the manufacturers to meet the particular specs that agencies might require.

Mr GRIFFITHS: I am presuming that agencies and individuals who are ordering these cars are doing it some time in advance. I know that, with the vehicle I have through Fleet SA, I gave two, three months' notice. What sort of time frame should be involved to ensure delivery within a required time frame?

The Hon. M.J. WRIGHT: The advice I have received is that Fleet SA is of the view that it may be more appropriate if it was six months notice and that would avoid some of the problems that are being experienced.

Mr GRIFFITHS: That would represent a problem for some people who travel exceptional distances. I have had excellent service from Fleet SA, too. I have always been very pleased. They are very punctual in responding to issues. I had a small delay the first time round, but it has been fixed since then, so I thank the staff. I refer to Budget Paper 4, Volume 1, page 3.47 on the income

statement. It relates to Supply SA operations and the decision to cease those. Will the minister provide an explanation why a decision was made to cease Supply SA operations?

The Hon. M.J. WRIGHT: The advice I have received is that the total cost of the operation relative to the benefits received did not warrant its continuance. It did not pass a cost benefit assessment of the alternative arrangement of going direct to the market.

Mr GRIFFITHS: Did the people employed by Supply SA have their positions terminated, were they offered redundancy packages or were they redeployed in other government departments?

The Hon. M.J. WRIGHT: I will ask Mr Goddard to respond to that question.

Mr GODDARD: The answer is a bit complex, but I will endeavour to answer it. In the normal course of events what would happen is that, when those positions are no longer required, the occupants of those positions would become redeployees and alternative jobs would be found for them within government.

As part of the process of winding down the Supply SA warehouse we conducted a call for an expression of interest within government for other departments that might want to use the facility. The Department of Health came forward, offered to take over the facility and also offered to take up a number of those people who would have fallen into redeployment. As part of the deal that was struck with Treasury, 19 of the weekly paid staff, that is, the store-persons, were taken over, and two of the Public Service Act people have been taken.

Since that time, health have actually taken some further people. I would not want to be specific on the numbers, because I do not have them in front of me, but the outcome has been a good one for the staff at Camden Park in particular. We still have two redeployees from the Whyalla warehouse, which was also closed down but, in terms of the metropolitan employees, the transfer of that operation to health under a deal struck with Treasury has been a good employment outcome. Some staff will go to redeployment, but not as many as originally anticipated.

The CHAIR: There being no further questions I declare the examination of the proposed payments to the Department of Treasury and Finance and Administered Items to the Department of Treasury and Finance completed; and proposed payments to the Department of Trade and Economic Development are adjourned until 1 July.

At 17:02 the committee adjourned until Monday 30 June at 11:00.