

HOUSE OF ASSEMBLY**Tuesday 30 June 2009****ESTIMATES COMMITTEE A****Chair:**

Ms M.G. Thompson

Members:

Hon. G.M. Gunn
Mr T.R. Kenyon
Dr D. McFetridge
Ms L.A. Simmons
Hon. L. Stevens
Mr I.H. Venning

The committee met at 09:00

DEPARTMENT OF THE PREMIER AND CABINET, \$133,840,000
ADMINISTERED ITEMS FOR THE DEPARTMENT OF THE PREMIER AND CABINET,
\$12,160,000

Witness:

Hon. P. Caica, Minister for Agriculture, Food and Fisheries, Minister for Industrial Relations, Minister for Forests, Minister for Regional Development.

Departmental Advisers:

Ms M. Patterson, Executive Director, SafeWork SA, Department of the Premier and Cabinet.

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

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

Mr P. Hampton, Director, Policy and Strategy, SafeWork SA, Department of the Premier and Cabinet.

Mr J. Loulas, Principal Finance Consultant, Department of the Premier and Cabinet.

The CHAIR: We start today's proceedings with the opening remarks, which outline the procedures for estimates. 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. Minister, I have 9 to 9.30, SafeWork SA and Public Sector Workforce Division; 9.30 to 10, WorkCover; 11 to 1, Agriculture, Food and Fisheries; 2 to 3, Agriculture, Food and Fisheries; 3 to 3.30, Minister for Forests; 3.30 to 4.45, Office of Regional Affairs; and 5 to 5.30 we move on to matters relating to minister Lomax-Smith. Is that your understanding of the day's proceedings?

The Hon. P. CAICA: Yes, ma'am, that is my understanding.

The CHAIR: Member for Morphet, is that also your understanding of the time line?

Dr McFETRIDGE: Yes, Madam Chair.

The CHAIR: Changes to committee membership will be notified as they occur. Members should ensure that the chair is provided with a completed request to be discharged form. If the minister undertakes to supply information at a later date, it must be submitted to the committee secretary by no later than Friday 17 July 2009. This year the *Hansard* supplement, which contains all estimate committee responses, will be published on 2 October 2009.

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 assembly *Notice Paper*.

There is no formal capacity 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 the southern galleries.

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

The Hon. P. CAICA: We have decided (and I thank the opposition for its approach to this matter), to waive the opening statement and questions from the government benches during these proceedings, except for a short opening statement when we get to WorkCover.

The CHAIR: The member for Morphett, do you have an opening statement?

Dr McFETRIDGE: No, Madam Chair, I do not have an opening statement. I refer to Budget Paper 4, Volume 1, page 1.40: Public Sector Workforce. Minister, do you agree with the recent statements by the Commissioner for Public Employment, Warren McCann, that there is a need for a new code of conduct to fight corruption in the Public Service? In *The Advertiser* of 24 June he said, 'Most public servants ignore their code of conduct and a new document is needed to fight corruption.'

The Hon. P. CAICA: Madam Chair, do I just proceed to answer?

The CHAIR: I am not sure about the estimates relevance.

The Hon. P. CAICA: What I would say is that, like all people within cabinet and the government (and, I believe, the opposition), I have the utmost respect for the role that our public servants play and, indeed, the integrity of our Public Service and the systems within it and the people who work in those systems. I think that is a question better directed to my colleague, the Hon. Jay Weatherill, who is managing public sector reform.

Dr McFETRIDGE: I was just following on the lines of some of the services that are provided under the public sector workforce, but thank you, minister, for that. Certainly, I am of the opinion that public servants do their very best for the people of South Australia.

I refer to Budget Paper 4, Volume 1, page 1.43, Conciliation and Arbitration, under Performance Commentary, 'the hearing and determination of disputes and offences in workplaces'. This issue has been raised with me by a constituent. Minister, have any issues been raised regarding unintended impacts of the state Long Service Leave Act 1987, in particular, how it discriminates against and financially penalises working mothers who return to work?

The CHAIR: Again, member for Morphett, estimates is not a time for raising individual questions or matters of policy. It is about the administration of the documents that are there. The minister may want to offer something, but my hearing of that question was that it was about a policy decision, not an administrative decision.

Dr McFETRIDGE: Thank you, ma'am. I was raising it under the Performance Commentary where it is stated that the Industrial Relations Commission and the Workers Compensation Tribunal provide the forum for the resolution by agreement and the hearing and determination of disputes and offences, and this was one that was raised with me.

The CHAIR: You might like to repeat the question. The way I heard the question was that it was about policy rather than administration or disputes.

Dr McFETRIDGE: Is the minister clear with the question or does he want me to repeat the it?

The Hon. P. CAICA: Yes, I think I am satisfied with the question, ma'am. I am advised that we have recently received a piece of correspondence from a constituent detailing matters referred to by the honourable member. I have not seen that correspondence yet. I am advised that a response is being prepared for me at this stage for my consideration.

I am aware of some issues associated with the calculation of long service leave. In fact, we will continue to ensure that, through an averaging process, if you like, the exact matter raised by the constituent and the honourable member will be addressed; that is, it is certainly not our intention, in any way, to promote or perpetuate anything that will discriminate against any person or any group of people in respect of the calculation of long service leave and their ability to be able to access that long service leave.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 1, page 1.39, Sub-program 12.1: Advertising. What is the cost to the South Australian taxpayer of the SafeWork SA campaign for educational and promotional initiatives, and has any cost benefit analysis been undertaken?

The Hon. P. CAICA: Specifically, the 2008-09 budget for the Look After Your Workmates campaign—which, I might add, is an outstanding campaign—is \$800,000, and that includes media via publications and operating costs. As at 26 June 2009, total expenditure for media associated with this campaign stood at \$602,230.58. This comprised a variety of monies that went to a host of organisations. Would you like me to read those into *Hansard*?

Dr McFETRIDGE: The total figure will be fine.

The Hon. P. CAICA: Yes, \$602,230.58. The indicative budget for advertising for 2009-10 is \$500,250 appropriation and \$250,000 funding that is provided by WorkCover. That includes media via printing and publications. I thank the member for his question which has enabled me to highlight what is a very good media and education campaign under the broad heading of Look After Your Workmates.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 1, page 1.39, Performance Indicators. Will there be union involvement to achieve the 2009-10 target for occupational health and safety workplace intervention activities and, if so, will any unions be compensated by the government for their participation? As a rider to this question—you can give me an answer either now or later—has SA Unions reported on the \$3 million grant for the work safety program that it was given a few years ago?

The Hon. P. CAICA: There are two separate questions. The question relating to the performance indicator specifically details our inspectorate, and there is no union involvement in respect of the way we operate that particular inspectorate. With regard to the second quite different question in respect of partnering programs, a report has been provided by SA Unions in respect of that particular program. I am advised that the report is not specifically provided by SA Unions; it is provided by the various unions that are provided with support through that particular program.

Dr McFETRIDGE: Are those unions meant to report annually on that, minister?

The Hon. P. CAICA: Yes, I am advised they do report annually.

Dr McFETRIDGE: Have they been reporting annually? It was about three years ago.

The Hon. P. CAICA: I am advised they have been reporting annually.

Dr McFETRIDGE: Are those reports made public?

The Hon. P. CAICA: I am advised they report annually and summaries of that report are on the SafeWork SA website.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 1, page 1.40, Sub-program 12.2, under Performance Commentary, EB negotiations. What is the current status of enterprise agreements between firefighters, salaried medical officers, clinical academics, and plumbing, metal and building trades employees?

The Hon. P. CAICA: I thank the honourable member for his question. I think it is one of the more exciting components of my portfolio responsibility, with respect to public sector work performance negotiations. I am pleased to report to the committee that—and I will not necessarily do it in the order that you have provided there, Duncan; I will just give an overview, if that is acceptable—with respect to the building trades, employees received 6.3 per cent, plumbers received 10.2 per cent and electricians and other metal trades persons received 11.6 per cent from the first full pay period commencing on or after 31 December 2007 as a result of the introduction of

hourly rates of pay in lieu of base wages and allowances. All trades received further increases of 3.5 per cent per annum from the first full pay period on or after 31 December 2008 and 2009.

In regard to salaried medical officers, consultants received increases of up to 34 per cent compounded for the life of the three-year agreement, including a previously proposed 20 per cent consultant-specific allowance and annual increases of 3.5 per cent in April 2009 and 2010. All other salaried medical officers received a revised salary structure and salary increases of up to 17 per cent compounded for the life of the agreement.

Firefighters received three wage increases of 3.5 per cent on 1 January 2009, 1 January 2010 and 1 January 2011, plus an additional 4.5 per cent firefighters-specific increase paid on 1 January 2009 in recognition of the agreed productivity and efficiency improvements for the SA Metropolitan Fire Service.

I think the honourable member mentioned that clinical academics received a flow-on of the outcomes that were achieved by the consultant salaried medical officers that I detailed earlier. I think that adequately answers your question.

Dr McFETRIDGE: Thank you, minister. I refer to Budget Paper 4, Volume 1, page 143, Sub-program 13.2 and also page 140, Sub-program 12.2: Industrial Action Days. How many Public Service industrial action days have been reported for 2008-09 compared to the national average and compared to 2007-08?

The Hon. P. CAICA: I can advise the committee that, in the period 1 July 2008 to 30 May 2009, a total of 644 hours were lost per thousand employees in the South Australian public sector. I believe this is a very important point. Industrial action by education employees in DECS and DFEEST continues to have a significant impact on the total number of hours lost per thousand employees. It impacted upon those 644 hours per thousand employees that I mentioned. DECS and DFEEST employees contributed around 635 hours of that overall industrial action and those hours. We have a State Strategic Plan target—that is, T1.4, Industrial Relations—and, of course, it is our objective, and one that I know the opposition would support, to achieve the lowest number of working days lost per thousand employees of any state in Australia by 2014.

With respect to how we have gone, data in relation to the number of days lost due to industrial action is collected by the public sector workforce relations division of the Department of the Premier and Cabinet. The 644 hours that were lost per thousand employees in the public sector represents nine separate incidents of industrial action. I will not go into that in any great detail.

Regarding specifically the question raised by the honourable member on how that relates to the figures nationally in the context of South Australia, I do not have those figures in front of me. But what I can say is that it is a very volatile figure when you have specifically incorporated within the state figure a dispute, if you like, that causes your numbers to rise significantly, as was the case with the DECS and DFEEST dispute.

I will give the committee an undertaking to get back by 17 July—which I think is the date as required—on the specific figures relating to South Australia's position for days lost in the context of what has occurred nationally.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 1, page 141: Employee Advocacy, employee benefits and costs. Can the minister explain why employee benefits and costs have almost tripled in the current budget? In 2007-08, the actual amount for employee benefits and costs was \$4.8 million, in the 2008-09 budget it went to \$5.371 million, and in this budget it is \$13.428—\$8 million more.

The Hon. P. CAICA: Yes, I can answer that quite simply. That is the advent, the implementation and, indeed, what will be the ongoing costs associated with the establishment of medical panels.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 1, page 1.41. How much greater will employee benefits and costs for this program be under the new federal system and the fair work legislation?

The Hon. P. CAICA: In regard to the national industrial relations system, which I think was the thrust of your question, and the costs or, depending where you sit, the benefits that might arise from our state's agreement to transfer the private sector in its entirety to the national system, I can answer this in several ways. In respect of the national employment standards, if you like, that will arise through the award modernisation process, it is clear that there are different levels of benefits

that arise throughout Australia in relation to the classification that one might hold in the state jurisdiction.

Clearly, what we have advocated here in South Australia is that, where you can get a common employment standard in a timely fashion, that should be done. In other areas, where there is such a distinction between the wages and the entitlements that will accrue, our position (and we have written on behalf and in support of a couple of industry sectors) is that the Australian Industrial Relations Commission, which now has carriage of this, take the full five years for the nation to get to those national employment standards, and that makes sense to me.

As a former trade union official, I have always said that there is no use having the best wages in the world if you do not have a job. It needs to be balanced in the context of how we get to where it is a national employment standard, which I think everyone agrees should occur. In relation to some of the other issues that relate to our participation in the national system, there are still matters that are being worked out with the commonwealth.

In regard to how we use existing resources here in South Australia to the benefit of the system, without continuing to promote what has happened in the past—that is, duplication and replication of service delivery—we are very confident that, in our dealings with the commonwealth to date, whilst those specific details have not yet been finalised, we will see what I think will be not only benefits to the state system, through that proper utilisation, but also possible monetary benefits in regard to what we are engaged to do on behalf of the commonwealth in the context of the national system.

As I said, those discussions are still occurring. However, here I refer specifically to our SafeWork SA inspectorate directorates as well as to our Industrial Relations Commission, so that we have a duality, if you like, of the roles and functions of those two bodies in the context of not only what remains in the state system but also our role and function in the national system.

I say, too, that I think South Australia can be very proud of the role SafeWork SA has played through my senior officers in the discussions and negotiations that have occurred. In fact, without big-noting ourselves, I am very pleased that we played as prominent a role as any state in the transition to and the final decision-making on what will be our national system.

Whilst we have reached fundamental agreement between the commonwealth and South Australia that agencies such as SafeWork SA will provide supplementary services, the same applies to the Industrial Relations Commission. They will include such things as education, compliance and enforcement services through the use of both our regional and metropolitan areas. The regional areas are very important, too, because there was no way in the world that we would agree to a system that would turn South Australia into a backwater. The best way for that to occur was to ensure that we utilised our current resources in both a local and regional context.

We are still working through the finer detail of that in discussions and negotiations with the commonwealth. Certainly, I am very confident that we will produce not only some savings—and I qualify that by saying that those are yet to be determined—but also a level of service that is equal to the very least we provide today. If we do it properly—and I am confident that we will—it will be an even better service than that provided in the past.

Dr McFETRIDGE: Minister, you mentioned the Industrial Relations Commission. I do not know whether you are at liberty to say anything about the changes that may be going on, but will there be a change in the number of commissioners? I understand that those commissioners will be doing both federal and state work. Will they all be doing federal and state work, or will just a number of them do federal work?

The Hon. P. CAICA: There will be some impact upon the Industrial Relations Commission as a result of any referral of industrial powers to the commonwealth. As I mentioned earlier, without pre-empting, it will lead to some further savings or, indeed, additional revenue from the commonwealth, so the same applies; however, as I said earlier, that is still to be worked out, but they cannot be qualified until our present bilateral negotiations conclude.

I think it is important for the committee to note that the IR Commission in South Australia was significantly downsized in 2006, when three members' terms were not renewed in the expectation that the amount of work within the jurisdiction would reduce under the 2006 commonwealth act. Both the IR Court and the commission here in South Australia retain and will continue to retain important functions under the new national system. The IR Court will remain available to deal with matters under both the commonwealth and continuing state laws, and we

anticipate that many parties will use this court rather than the more expensive and in the view of some far less accessible Federal Court.

In terms of the state laws, the court will continue to have a leading role in dealing with OH&S prosecutions and other matters, and most of the judges of the court are members of the Workers Compensation Tribunal.

With respect to the specific question that related to the duality of the role, the negotiations to date will look at dual appointments so that we will ensure that those commissioners are able to operate in either jurisdiction as and when required by Fair Work Australia. Ultimately, while they will be dual appointees, it will be the determination of Fair Work Australia as to whom they use at any particular time.

But it is certainly our objective to expand the role in such a way, and that has been the subject of the bilateral negotiations with the commonwealth to make sure that—and I will reinforce this point—we utilise existing resources in the most effective way to get the best outcome that can possibly be achieved through a cooperative working relationship with the federal system and its relationship with the state system.

Currently—and I know that you are aware of it because you are the opposition's nominated representative to the panel that has been convened to, amongst other things, consider the recommendation that has been made by government for the reappointment of three existing state based industrial commissioners—

Dr McFETRIDGE: Happy to help.

The Hon. P. CAICA: Yes, and I appreciate that because, as I said earlier, there will be a significant and meaningful role for the state based industrial relations commissioners, and that role will be enhanced through the duality of the appointments and the continuing promotion and advancement of cooperative working relationships between both the state and the commonwealth.

The CHAIR: It is now time to change to WorkCover. Thank you to the advisers relating to SafeWork SA and the Public Sector Workforce Division.

Dr McFETRIDGE: I had a nice segue here.

The Hon. P. CAICA: I am happy for you to ask that question but it will mean that we will miss out on a bit of WorkCover time.

Dr McFETRIDGE: No, it is okay. It was about the public sector workforce workers compensation database.

The Hon. P. CAICA: I can fix that because you asked me about that. Was that the question you mentioned earlier? I am happy to take that out of session and fix it for you, if you like.

Dr McFETRIDGE: Yes.

Departmental Advisers:

Ms J. Davison, Chief Executive Officer, WorkCover.

Mr J. Matthews, Deputy Chief Executive Officer, WorkCover.

Mr I. Rhodes, Chief Financial Officer, WorkCover.

Mr B. Sporton, Manager, Policy and Government Relations, WorkCover.

The Hon. P. CAICA: I have a brief opening statement. The WorkCover scheme was established to provide for the effective rehabilitation of injured workers and to facilitate their return to work to provide fair compensation for employment related disabilities, to minimise the impact of employment related injury on the South Australian community and to ensure that employers' costs are contained within reasonable limits.

While successful return to work is the scheme's primary focus, there will always be a small proportion of workers who, as a result of the severity of their injuries, will never be able to return to work. The scheme will be there to support this group for the long term with income replacement and rehabilitation services that help them to return to their family and the community.

Nevertheless, for the vast majority of injured workers, the scheme is there to provide short-term support and to facilitate a safe and rapid return to work. In addition, the WorkCover scheme is

designed to offer employees a fair, equitable and affordable system that reduces disputation and minimises the impact of workplace injury on business.

The reality is that, for a number of years now, the South Australian scheme has been failing to return injured workers successfully to meaningful work. Our scheme has had the lowest rate of return to work in the country and the associated costs to the scheme have resulted in an unacceptable unfunded liability.

A comprehensive review of the scheme, completed in December 2007, noted that previous legislation did not provide adequate incentive to all scheme participants to get injured workers back to work. Clayton and Walsh noted in their report that the system—and, importantly, the culture built around the scheme's operation—had also failed injured workers and employers, with case management too often adopting more of an insurance mentality.

In response, this government took decisive action to address the scheme's deficiencies. Twelve months ago, the South Australian parliament passed legislation to amend South Australia's WorkCover scheme significantly. In introducing this legislation, the government made a tough but necessary decision to ensure the sustainability of our workers rehabilitation and compensation system. It was a decision taken in the long-term best interests of our state workers and businesses.

In addition to the legislative reforms, which continue to be implemented, a program of other reforms has also been instigated. We are now in the final stages of implementing the most significant reforms ever made to the WorkCover scheme in this state. The government is confident that, over time, these reforms will address the key areas of underperformance in the scheme.

The current global financial crisis has presented major challenges to WorkCover, as it has for similar organisations in other jurisdictions. Historically, the WorkCover scheme has been supported by strong investment returns. However, the collapse in investment markets and decreases in interest rates in recent times have had a significant effect on WorkCover's finances. This impact is reflected in WorkCover's midyear results released in March this year.

Despite the challenges brought about by events on world financial markets, WorkCover's mid-year results have provided some encouraging signs. The last two actuarial valuations show that claims management performance has contributed to a claims liability reduction of approximately \$68 million in June 2008 and \$51 million in December 2008, compared to projections. This indicates that improved case management, fundamental to future improvements in the scheme's performance, is beginning to have some impact; yet, there is still a long way to go and a lot of work still to be done.

The scheme now provides a stronger incentive for injured workers to maximise their return to work efforts. WorkCover has established a rehabilitation and return to work inspectorate to provide information to employers and ensure that they comply with their obligations in the return to work process. Indeed, it is an obligation on all who are involved in the system, whether that is our employers, injured workers, or the system that manages injured workers. We all have a role to play in ensuring that that specific and collective obligation is focused on the return to work process.

WorkCover is currently in the process of training up to 2,000 rehabilitation return to work coordinators across the state. Rehabilitation and return to work coordinators will be based at their own workplace, and they will have a key role in supporting their injured colleagues to return to work. In addition, the WorkCover board has so far approved seven projects for support through the \$15 million Return to Work Fund, with each project having a strong focus on retraining and workforce participation.

The government (and the opposition, through the role that it played during the passage of the legislation) is committed to improving the scheme in the best long-term interests of injured workers, businesses and the South Australian community as a whole.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 1, page 1.40, Performance Commentary. The obvious question is: what is the expected trend in the outstanding workers compensation liability?

The Hon. P. CAICA: Quite frankly—and I think I said this in my brief opening statement—notwithstanding some of the difficulties associated with the global financial crisis and the impact that it has had upon our investments, through the legislative changes that we have put in place and in light of the trends that were identified in both December and May, we would expect the legislative change to have a positive impact on the unfunded liability as we go forward.

I reinforce the point that—and I did state that there is still work to be done—the preliminary trends have been good. Notwithstanding that, the significant increase in the unfunded liability at the last actuarial valuation can be identified largely as a result of the impact of the economic crisis on the funds that we have under investment within the WorkCover system.

Of course, as we go forward—I certainly cannot; I am sure that there are people who can, but I do not think they are doing as good a job as they might like—we cannot predict the impact of the economic factors on investment markets. However, it is our objective to make sure that we distinguish between components of the unfunded liability so that we are aware of the improvements that are made to that unfunded liability through the legislative changes that have been put in place.

Dr McFETRIDGE: Has the provisional liability added to the total liability; and, if so, to what extent?

The Hon. P. CAICA: I am advised not in any material way.

Dr McFETRIDGE: In that case, is it necessary to introduce legislation or regulation to amend the provisional liability provisions? The opposition understands that the government intends to introduce either legislation or regulation.

The Hon. P. CAICA: Provisional liability was introduced as part of the recent legislative reforms and commenced operation on 1 January 2009. Changes to the system will commence on 1 July 2009. I have asked my department and everyone else who is a stakeholder within the system to have good look at not only the legislative changes that were made but where things can subsequently be improved or clarified. That is something that we will aim for in 2010.

You are aware that there is a system review. It was always the case that we would review implementation six months on, and that will occur in 2010. If it is identified through that review that we need to open up the act to ensure that the system can be more effective than it is under the legislation that exists at the moment, we will. I am not suggesting that to be the case, but you know that the WorkCover system has an enormous number of stakeholders involved in it.

Since I have been the minister, I have continued to ensure that we engage stakeholders in a variety of ways, and that can only be a good thing; we get feedback from them. If there is a requirement to open up the act and address some matters—not least of which might be provisional liability; I am not saying it is—that is what we will do, and we have an obligation to do so.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 1, page 1.44, WorkCover Ombudsman—fair and effective operation. During the changes to the legislation, there was a government amendment to reduce the then mooted cap of 15 per cent on levies back to 7.5 per cent. The minister at the time said that the scheme would be no better off with a higher cap.

The issue of cross-subsidisation is always raised between large employers and some of the smaller employers and also those employers who are employing in safer industries. Is anything being done to try to reduce that cross-subsidisation?

The Hon. P. CAICA: Could I ask for some clarification? You commenced the question by talking about the Employee Ombudsman, and I am having—

Dr McFETRIDGE: It is under the fair and effective operation. He is looking at the whole act there and this will be a part of it, I would imagine, that he will be getting complaints about, involving such things as exit fees and cross-subsidisation. I was wondering what the government's position is with claims that cross-subsidisation is a real issue still, and I am well aware that exit fees are a real issue for people wanting to become self-insured.

The Hon. P. CAICA: I am advised, and I am sure I would know about it if it was the case, that we have not received any inquiries, or complaints, if you like, about the exit fees or, indeed, cross-subsidisation.

Dr McFETRIDGE: None about exit fees? I think you might have.

The Hon. P. CAICA: With respect to exit fees, we have.

Dr McFETRIDGE: I think Robin Shaw might have spoken to you once or twice.

The Hon. P. CAICA: I apologise for almost misleading the committee.

Dr McFETRIDGE: No, I know what you mean.

The Hon. P. CAICA: How do I say this in a nice way? Generally, no-one likes paying money, and there are always complaints that will be received by organisations that have a

requirement and a responsibility to pay some money, and that does not matter whether it be a big employer, a small employer, or people who at the end of the week have a tax component taken out of their wages.

Dr McFETRIDGE: I understand where the minister is coming from there, but exit fees have been a real issue for people wanting to become self-insured—it has become prohibitive. I understand that there are some companies that will not invest in South Australian companies because if they do want to become self-insured then it is costing them so much.

The Hon. P. CAICA: I have not had any contact with companies wishing to locate to South Australia that are not doing so because of the perceived costs involved with—

Dr McFETRIDGE: I thought one of the chicken processors had real issues—they were going to invest in South Australia, but they decided—

The Hon. P. CAICA: The biggest chicken processor in Australia is Inghams, and they have located here in South Australia, with significant operations in our northern suburbs. Again, whilst it is our objective to ensure that the WorkCover system is competitive in the context of its operations here locally compared to what happens interstate, our primary responsibility is to the scheme and the injured workers within the system and the scheme.

I am yet to have any information brought to my attention about businesses outside of this state not locating to South Australia because of the costs incurred by that company should it operate within our WorkCover system here. I would be very keen to have any of those companies brought to my attention if that is the case.

In the scheme of things, it is our objective to ensure that we bring down the cost of the scheme. I mentioned earlier that while we have no ability to influence what happens globally with respect to financial matters that are affecting investments at the moment, our objective is to make sure that our scheme is as competitive as that anywhere in Australia. We do that by not only the legislative framework that we put in place, but its orientation towards returning people back to work.

Again, it is a stated objective in going forward, whilst we have a primary responsibility to our scheme, to ensure that the costs incurred by employers are reduced over time. I do not know of any self-insured applicant who has advised us that they have withdrawn from the process solely because of the exit fee.

Dr McFETRIDGE: I suppose then you have to ask about the levies that are being charged, and they have stayed at 3 per cent. Looking at the last gazettal it seemed to me that, okay, mining and some of the big industrials have gone down marginally, but a lot of them—to keep it to the average—have gone up and they seem to be the softer targets, as I would call them—everything from the supermarkets to the car dealers to shoe manufacturers to dairy producers. Have they, all of a sudden, become dangerous industries to work in? I could not help but draw the conclusion that those increases would then flow on to mums and dads.

The Hon. P. CAICA: The amount that employers pay is based on the average cost for the industry. That is reviewed on an annual basis and is a very transparent process. It is as simple as that: we review it annually.

Dr McFETRIDGE: Budget Paper 4, Volume 1, page 1.44, the WorkCover Ombudsman's job of making sure it is a fair and effective system. How does WorkCover actually define and measure return to work, and how will the WorkCover Ombudsman then be able to do this?

The Hon. P. CAICA: It is not the WorkCover Ombudsman's role to measure the return to work. The responsibility of the WorkCover Ombudsman is a little bit more narrow than that. It is actually WorkCover's role to measure the success of return to work. I will be, again, up front, as I always am, with the committee. Quite clearly, when I became minister I was not satisfied with respect to the way by which WorkCover measured—or, if you like, did not effectively measure—the return-to-work process.

If we have, as I have said, a focus of this system—quite rightly—on returning people to work, then we need to be able to measure that. We have implemented, in the first instance, a new measure, and that is based on a survey of individuals within the system. In July this year WorkCover will conduct its next return-to-work survey which will be the first measure against the baseline return-to-work survey that was conducted in January 2009.

McGregor Tan Research Adelaide will conduct the survey on behalf of WorkCover. The survey will question workers from two cohorts: those less than one year from injury and those greater than one year from injury. I am very keen also, as we go forward, to analyse the data

because we do want to see improvements but, also, quite frankly, I do not want to have those figures inflated in any way. For example, as a vet, if you slice your finger you put in a claim form and you may have that afternoon off to get stitches (if you did not do it yourself) but you are back at work the next day.

Dr McFETRIDGE: Stitch yourself up, that's right!

The Hon. P. CAICA: Yes, that is right.

Dr McFETRIDGE: I would show you the scars but you can't see them!

The Hon. P. CAICA: Because you have done such a good job?

Dr McFETRIDGE: That's right.

The Hon. P. CAICA: What I am saying is that we want meaningful figures because if the focus of the system, quite rightly, is to have a WorkCover system that is in the best interests of injured workers and in the best interests of employers, we need to measure the success. We will be judged on our success in returning people to work, so we need meaningful data. In addition to that, the single major issue, with respect to the unfunded liability and seeing that head in a positive direction, is returning people to work.

Dr McFETRIDGE: Thank you, minister. I refer to Budget Paper 4, Volume 1, page 1.44, Project Harry. Why has WorkCover demanded an increase in self-insurers' levies to help pay for 19 per cent of the corporation's new computer system known as Project Harry? My new grandson is called Harry, and he is going to be a real project and a half!

The Hon. P. CAICA: I hope the honourable member's grandson is well and healthy. I must admit that I asked WorkCover the question: how on earth did you come up with this name? I cannot tell you what they said because the answer was not satisfactory. However, it is as good a name as any, and good enough for your grandson to have that name.

The Workers Rehabilitation and Compensation Act require self-insurers to make a fair contribution towards WorkCover's administrative costs. That is because WorkCover's administrative costs include the specific costs of running self-insurance operations and the costs of running the broader scheme in general. Self Insurers South Australia and WorkCover have worked together and mutually supported an independent methodology to determine how the fair contribution is calculated. In recent years, this methodology has included the use of a figure of 19 per cent to set self-insurers' contribution to the general scheme costs. On this basis, self-insurers are expected to make a contribution to the costs of replacing the scheme's legacy computer application.

The existing computer system, known as IDEAS, has reached its use-by date and simply needs to be replaced. The replacement system supports the whole scheme and includes, among other things, the housing of claims data. It is only fair that all employers, registered or self-insured, contribute to its cost.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 1, page 1.44, medical panels. I am a bit concerned about how the medical panels will work. If an injured worker has had vocational rehabilitation removed because it is deemed by the case manager not to be effective, can the injured worker be sent to a medical panel or will the whole process of vocational rehabilitation (including vocational assessment, retraining and job placement) need to be attempted first?

The Hon. P. CAICA: If it is a medical question it will be sent to the medical panel. If it is another issue, it will be determined by and through, in the first instance, the relationship between the case manager and the injured worker. Subsequent to that, it will then be referred to the tribunal if, indeed, it is not a medical matter.

Dr McFETRIDGE: I might talk to you about that a bit later. The medical panel doctors are getting paid well but they are obviously being expected to work quite hard, as well. In that same program (page 1.44) I think there have been 85 doctors appointed to the medical panel who are medical specialists. How many cases will the panel be expected to review per day, per month, per year or whatever?

The Hon. P. CAICA: That is a difficult question to answer. We have appointed 85 and there is the objective to appoint another 30. You made reference to the costs involved with the doctors sitting on the panels. Certainly, I think they get reasonable pay for the work that is required of them. However, I will also say that the fee charged by the doctors has been worked out through

a very detailed and methodical process to ensure that the rate they are being paid is reflective of the work that those doctors do in their day-to-day business.

The other point is that we need to ensure that we have specialists who are experts in their area in order to determine a medical question. You may recall that what we had, historically, on matters of a medical issue, would be almost what I would define as a medical shoot-off. There would be the employer's doctors on one side, the injured worker's doctors on the other side and, ultimately, it was a shoot-out that often resulted in what we would call a Mexican stand-off because no determination could be made.

The idea of the medical panels (which is based on the situation that has occurred in Victoria) is to come up with a definitive decision with respect to a person's capacity to be able to deal with a medical issue. I think that is a very sensible thing to do, and that is why we have introduced the legislation to establish the medical panels. With respect to how many they might do, it will depend on what is referred to them in regard to medical issues.

The Hon. G.M. GUNN: Minister, you earlier indicated that you are very keen to see work carried out to make sure that injured workers return to the workforce as soon as possible. What effect are alcohol and drugs having on the general claims that WorkCover has to process? A number of employers in my constituency have a low tolerance with respect to the effects of alcohol and drugs. Has WorkCover conducted any studies to examine the effect of people who over-indulge in either of those substances with respect to accidents in the workforce?

The Hon. P. CAICA: I thank the honourable member for his question, and I commend those constituents who have a very low tolerance in regard to employers and, specifically, employees who might front at work suffering from the effects of drugs and alcohol. Total claims have decreased over most recent times. I do not have the specific information with respect to claims that relate to the impact of drugs and alcohol in the workplace, but it is a very good question from you, Graham, as always, and it is going to promote more discussion with my WorkCover people subsequent to this hearing.

The CHAIR: There being no further questions for the Minister for Industrial Relations, I advise that the examination of the proposed payments is completed.

DEPARTMENT OF PRIMARY INDUSTRIES AND RESOURCES, \$135,931,000
ADMINISTERED ITEMS FOR THE DEPARTMENT OF PRIMARY INDUSTRIES AND
RESOURCES, \$3,291,000

Membership:

Mr Pederick substituted for Dr McFetridge.

Witness:

Hon. P. Caica, Minister for Agriculture, Food and Fisheries, Minister for Industrial Relations, Minister for Forests, Minister for Regional Development.

Departmental Advisers:

Mr G. Knight, Chief Executive Officer, Department of Primary Industries and Resources SA.

Mr S. Archer, Deputy Chief Executive, Governance and Performance, Department of Primary Industries and Resources SA.

Dr D. Plowman, Deputy Chief Executive, Primary Industries and Biosecurity, Department of Primary Industries and Resources SA.

Mr W. Zacharin, Executive Director, Fisheries, Department of Primary Industries and Resources SA.

Mr T. Brumfield, Director, Finance and Business Services, Department of Primary Industries and Resources SA.

Ms H. Montgomerie, Acting Executive Director, Aquaculture, Department of Primary Industries and Resources SA.

Mr M. Williams, Manager, Budget Strategy, Department of Primary Industries and Resources SA.

The CHAIR: I declare the proposed payment open for examination and refer members to the Budget Statement, page 2.12, and the Portfolio Statement, Volume 1, Part 5. Minister, do you have an opening statement?

The Hon. P. CAICA: Indeed, I do. PIRSA is faced with numerous and various challenges as it seeks to maintain support for our primary industries and rural and regional communities. The clear objective for the agency is to support the sustainable development of our state's natural primary resources in order to create a level of prosperity that will enhance the quality of life and level of resilience in our communities.

Many of those challenges have been intensified by the prolonged period of drought, increasing climate variability and, more recently, by the global financial situation. Nevertheless, South Australians can be confident that these challenges will be met through a combination of hard work, innovative thinking and the great strength that I believe resides in most PIRSA staff, that is, a connectedness to industry and its needs and an empathy for the needs of rural and regional communities.

I would make this point. I have been involved with several portfolio responsibilities since being given the privilege of being a minister in this government and I can say that, of all the agencies I have dealt with, it is quite clear to me that PIRSA and its staff are highly respected out in the field. The level of service that they provide to the people requiring that service is something that as a minister I am proud of and something that as a state we should all be proud of.

The mineral resources responsibilities under minister Paul Holloway aside, PIRSA's other responsibilities and undertakings cover a diverse range of activities, including agriculture and the provision of commercial agricultural services, food, wine, forestry, fisheries, aquaculture, the coordination of key commercial investment projects and, importantly, collaborations on the sustainable use of valuable resources such as water.

PIRSA has become an organisation with a strong economic orientation and is making a significant contribution to the achievement of economic development goals in our State Strategic Plan. In many aspects of primary industries, South Australia is, indeed, a national leader. For example, our state is recognised as the leading jurisdiction in aquaculture and in several critically important areas of research and development.

The government sees PIRSA as having a crucial role in value adding to the efforts of its industry partners. Some notable achievements in 2008 and 2009 include: the continuation of an extensive and effective drought support program; the establishment of the South Australian Food Centre at TAFE SA's Regency Park campus; completion of the potable water pipeline and commencement of the water supply pipeline to the Langhorne Creek area; the release of 215 hectares of new aquaculture sites in Outer Arno Bay, Louth Bay and Anxious Bay; the success of the Fishcare Volunteer program, which contributed over 6,000 volunteer hours, with about 26,000 recreational fishers across our state having been contacted; the development of the national research, development and extension framework for the grape and wine industry; and the progression of arrangements for leading the seafood research program across South Australia and Victoria.

While the challenges remain, PIRSA, like most other public and private organisations during these difficult global financial times, needs to contribute savings and to capture any appropriate efficiencies. In doing this, PIRSA has reviewed its business support services and is moving towards the adoption of a more integrated and efficient model of business support.

It is aligning research priorities with the national reform agenda under the auspices of the Primary Industries Ministerial Council and examining ways to integrate its regional office network with a view to adopting the state's new regional boundaries and moving to contemporary information management technologies for service delivery. In doing so, the government is acutely aware of the need to balance the achievement of successful savings outcomes with the need to maintain appropriate types and levels of government support to industries and communities.

Another important driver of change in the way that PIRSA has traditionally operated is the opportunity to integrate and coordinate government service delivery. To this end, PIRSA is working closely with the regional development boards (soon to be regional development Australia boards),

natural resources management boards, industry skills boards and others responsible for workforce development, and organisations involved in emergency management services.

South Australia has experienced one of the worst drought periods on record. Since the 2002-03 growing season we have had a series of years where the rainfall has been well below average, and for several of these years it has been the lowest on record. I am very pleased to report, after talking to the honourable member, our friend Graham Gunn, that he has had six inches of rain in his area in the month of June, and that is a good thing. We certainly hope that that good result is replicated across South Australia as we go forward.

Notwithstanding the wonderful weather we have had in most recent times, again we have had a series of years where rainfall has been well below average. The impacts on our broadacre farmers and irrigators have been profound, and these impacts have also touched many of our rural communities on a wider scale. That is why the government has decided to continue to provide drought support to primary producers and their communities during 2009-10.

It is vitally important that PIRSA maintains its ability to attract the highest quality research leaders. Recently, I was pleased to welcome the appointment of Professor Mehdi Doroudi as the Executive Director of Aquaculture. Mehdi is well known in his current role as Chief of Aquatic Sciences at SARDI and brings with him a depth and breadth of national and international leadership to the role, spanning more than 20 years, including in the areas of scientific innovation, policy advice and commercial operations. I also highlight the outstanding role played by Heather Montgomerie as the acting executive director in that area in the time she has been there and even before that in her many years in the aquaculture area.

I conclude this opening statement by reiterating that the government will maintain its support for measures that assist our primary industries and rural communities to flourish by being able to respond quickly and strategically to changing circumstances. The contribution that our primary industries make to the prosperity of our state remains significant, as does the role played by PIRSA. I expect that, at some point today, I will have the opportunity to inform the committee further about several interesting initiatives being undertaken to achieve these goals.

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

Mr PEDERICK: No. I refer to Budget Paper 4, Volume 1, page 5.6, Agriculture, Food and Fisheries targets 2009-10, dot point nine. How will the new demerit point system under the Fisheries Management Act 2007 (which is about to be implemented) be policed?

The Hon. P. CAICA: This question gives me the opportunity to talk about the innovative system that we have put in place, with the support of industry, I might add, in respect of the demerit point regulations. Under the Fisheries Management Act 2007, we have established a demerit point scheme where points are assigned to a person or company in the event of being convicted of an offence or paying an expiation notice. Disqualification—and this is important—and cancellation provisions apply if a person accrues 200 points in five years.

Regulations are scheduled to come into effect on 1 January 2009 to establish the points for each offence under the act and regulations. I do note—and I am sure the committee does also—the positive comments from the industry in respect of this scheme. I also add that, certainly in my dealings with Fisheries to date and those people employed in the industry, they understand the importance of abiding by and following the rules and regulations so that they continue to have a sustainable fishery going forward.

Recreational fishers do not accrue points if they are convicted of an offence but pay an expiation fee. However, there are two potential consequences for recreational fishers if they accrue 200 points. First, they will be disqualified from holding a rock lobster pot or recreational net registration. Secondly, they will not be eligible to become a commercial licence holder or a registered master on a commercial fishing boat. The regulations have been developed in accordance with guidelines that were finalised through a public consultation process (as I mentioned) with key industry groups.

The guidelines provide that deterrence is the primary goal of the demerit points system. I stand to be corrected, as I might have said that they commence on 1 January. I do not want to be accused of misleading the committee: in fact, they commence on 1 July 2009. I apologise for that mistake. The focus is deterrence and it is the primary goal of the demerit point system.

Point value should reflect the relative seriousness of the offence. Offences relating to key sustainability measures in a fishery, quite rightly, are to be treated as the most serious of offences. Offences relating to regulatory, administrative or economic efficiency arrangements are important

but of lesser importance than key sustainability measures. Two serious offences within five years should attract the cancellation and disqualification provisions for an authority under the act. Minor regulatory or administrative offences should not lead to the loss of an authority.

However, points for offences should apply so that repeated non-compliance accumulates enough points to provide an incentive to comply with regulatory or administrative requirements. For example, provisions in relation to the submission of logbooks are important for fisheries management purposes, and ongoing or systemic failure to submit returns should be discouraged. Demerit points will apply to natural persons and corporate bodies equally. Expiations should attract fewer points than a finding of guilt by a court. All points for expiations are set at one-fifth of the number of points for the full offence. This is to provide an incentive to deal with the matter via expiation, if appropriate.

I could go on because this is a matter that is near and dear to my heart, but to conclude my response, PIRSA will hold a data system in Fisheries that will ensure that we are up to speed with demerit points that are accrued by any person at any point in time. In addition, we will use our existing and very effective compliance system to enforce this demerit point scheme.

Mr PEDERICK: You did mention major and minor offences, minister. Referring to the same budget line, what is the scale of offences under the act and what are the fines attached to each?

The Hon. P. CAICA: A significant number of offences can be committed in this area and I have seen that, and that was part of the regulations that went through. Again, a major offence is anything that impacts upon the sustainability of the fisheries, and it is the most serious of those particular offences. Literally, there are hundreds under the regulations. I do not have those with me, but I am quite happy to share those with you. I would refer you to the regulations that hang under the act. I was quite surprised when I saw the total number of offences that could accrue. I reinforce this point for the benefit of the committee: the most serious of those offences are those that have a direct impact on the ongoing sustainability of the fishery.

Mr PEDERICK: I refer to the same budget line. Has the amount of offending been estimated in terms of the potential return in the form of fines?

The Hon. P. CAICA: The point I made earlier was that the thrust of the demerit scheme is about deterrence. Of course, what we would like within Fisheries is for no-one ever to accrue a fine or, indeed, a demerit point; however, we know that is not going to happen but, again, it is about ensuring that this is a deterrent. Without naming any individual, I think that point was highlighted by prominent South-East fisheries people in regard to them and their support of this demerit system because, again, it is in their best interest to have this in place.

At this time, no estimate has been made with respect to offending. I reinforce the point that its thrust is deterrence. We would like never to issue an expiation notice, and I am sure that the people sitting behind me would like that to be the case as well. There is no estimate of offending. The dollars go to Treasury, which is similar to what happens in the courts in regard to the demerit system for speeding offences.

Ms SIMMONS: I refer to Budget Paper 4, Volume 1, Sub-program 2.2, page 5.15. What is the status of cost recovery negotiations between PIRSA and the aquaculture industry? What have been the impacts of the oyster industry's revised fees, and what changes are likely for future years?

The Hon. P. CAICA: I thank the honourable member for her question. I note that she is trying to trick me, but I will do my best to answer it. PIRSA Aquaculture's cost recovery process was based on the principles established by the Productivity Commission's report, Cost Recovery by Government Agencies 2001.

PIRSA Aquaculture previously negotiated cost recovery in 2005. At that time, the minister agreed to set fees for a three year period (1 July 2005 to 30 June 2008) to provide certainty to industry. During this time, fees have remained largely unchanged, except for consumer price index increases.

PIRSA Aquaculture has undertaken a comprehensive analysis of activities and determined that there was little difference in the cost of the division administering a lease or license dependent on the size of the site or the type of farming activity being undertaken. Aquaculture annual lease and licence fees were previously charged on a per hectare basis. As a result of the analysis of the division's activities, a per site proposal was adopted.

An independent auditor was engaged to validate PIRSA Aquaculture's cost recovery process, and the auditors, Ernst and Young, considered that the model used by the division was consistent with activity-based costing, which is widely used in government and commercial settings. The audit considered that, as the products the division delivers are lease and licences, it is appropriate to align costs on a per site basis.

The oyster industry, Madam Chair, as you would be aware, has objected to the fee structure. Using the per site approach, the oyster industry, by virtue of the fact that it holds approximately 65 per cent of the sites, bears approximately 65 per cent of the amount attributed to the industry.

In response to the oyster industry's concerns (I have had several meetings with representatives of the oyster industry), revised regulations were brought into effect from 7 May 2009 to limit the total increase in fees across the oyster industry to a maximum of 100 per cent over the 2007-08 fees. These regulations are an interim measure pending future negotiations. The amended regulations have resulted in a significantly reduced revenue for the aquaculture division, resulting in work being deferred.

PIRSA Aquaculture has attempted to contain costs, primarily by not filling vacant positions. However, this position cannot be maintained into the future due to the demands and complexity of the work undertaken by the aquaculture division. PIRSA remains committed to full recovery of attributable costs across all aquaculture sectors, and quite rightly so. The aquaculture division has internally commenced a process to review and renegotiate cost recovery for future years, with industry consultations expected to commence in July. I thank the member for her question.

Mr KENYON: I refer to Budget Paper 4, Volume 1, Sub-program 2.1, page 5.14. What is the state government doing to assist rural primary producers and communities to manage the current drought conditions?

The Hon. P. CAICA: I thank the honourable member for his question, and I note his concern in regard to the circumstances that regrettably have prevailed in our regional areas through the unprecedented drought this state has experienced.

Following a ministerial statement in parliament on 19 September 2006 by the then minister for agriculture, food and fisheries, the state committed to a staged and measured response to the needs of the rural sector through a series of funded assistance measures. Phase 9 of state drought support measures was announced on 8 January 2009 to allow for the continuation of the program until 30 June 2009.

This package continues the current range of support measures, including a continuation of the Planning for Recovery program, which provides grants to producers in receipt of Exceptional Circumstances interest rate subsidies to engage a business planning consultant and to carry out priority works on farms. The program provides support of up to \$14,000 to businesses within the Exceptional Circumstances declared areas of South Australia who are currently in receipt of interest rate subsidy.

There are three steps to the support: step 1, a business planning grant of up to \$4,000, which enables eligible businesses to access expert support for the preparation of a business plan that incorporates economic production, natural resource management and family issues and, step 2, a business recovery grant of up to \$10,000 in the need for a timely response to accelerated recovery upon the completion of a business plan. Upon that completion, these businesses will be able to expect that activities that could be included within the completed business plan to work on those particular activities. On completion and approval of the business plan consistent with the program template, the business will be able to access the remainder of the grant to undertake actions that support the implementation of projects that were identified in the business plan.

Total expenditure for the program since its inception in 2008-09 is \$14.912 million, of which \$9.132 million has been provided in 2008-09 to 31 May 2009. The point that I would make, too—and I will be upfront with you as I am with all committee members—is that we have identified through the stepped program that, whilst it is not a significant number, it is enough to warrant a change in that stepped order. It is certainly our view that, before extra money is given, the requirements of putting together a plan need to be met. We have identified a small number of people who did not complete the requirements initially to develop a plan. So, we say that the money that ought to go upfront is for the specific purpose of developing that particular plan, and we are rearranging the stepped order in relation to what we will be doing in future.

Mr KENYON: What happens to those people?

The Hon. P. CAICA: We will recover that cost. I can tell the committee that only as late as last week, I received assurances from my department that we have provided every opportunity for that money to be recovered to date, and it certainly remains our intention, quite rightly, to recover that money. I believe there is a small handful of people who have not met the requirements.

The other point that I would make is that—and I am sure that the members for Hammond and Schubert would verify this—the practical measures that we have put in place through the Drought Support Program have been very well received by those people in our regional areas, hence the very sound decision to continue with those support packages during these very uncertain times, not only in a financial sense but also relating to climate variability. So, it has been very well received. As I mentioned, the total expenditure for the program since its inception is \$14.912 million, of which \$9.132 million has been provided in 2008-2009, to 31 May 2009. Over 1,000 farming businesses completed the process, and a third tranche of the program is fully subscribed.

In regard to regional drought coordinators, they are supporting the Eyre Peninsula rangelands, northern Yorke Peninsula and River Murray corridor communities, under the direction of the Regional Drought Task Force, to link services and support mechanisms and provide intelligence to assist in prioritising support and resources for government.

The Premier's special adviser on drought—the Hon. Dean Brown, the former premier of this state—is also providing a valuable link between industry, community and the state. Again, as our colleagues in the opposition would verify, he is doing an outstanding job in making the links that are required.

There is also the health and wellbeing support component of this package, which provides counselling and outreach support, access to psychiatric services, preventative clinical interventions and peer networking support to people in drought-affected communities. Rural community councillors offer one-to-one counselling and a first referral point for people seeking health services, community development, capacity and resilience building. Psychiatric services provide preventative clinical interventions in recognition of more acute level of need requiring specialist service intervention.

The peer support program raises awareness and knowledge of important life skills, particularly for male farmers. Two additional rural community councillors have been employed for Eyre Peninsula and the Mid North, and a psychiatric registrar has been appointed to work in the Riverland and Eyre Peninsula. For the previous six months, there have been 1,133 client contacts, predominantly concerning anxiety, stress, depression and family relationships.

We also have the community support grants that provide community groups with access to small grants of up to \$5,000 to assist in building wellbeing and resilience. Again, these have been an extremely successful component of the package in developing a sense of government support for communities and have been highlighted by the Premier's special adviser as a priority program for drought-affected communities.

As I mentioned earlier, there were 116 applications totalling about \$431,000 of grant funding that has been approved to date, with 14 applications totalling \$54,919 in 2008-09. A lot of the components of this support package are practical assistance that can be provided. Again, whilst we wish we did not have to do it, the circumstances are such in regional areas that assistance is needed; hence the continuation of this suite of initiatives, because of the success experienced to date in their implementation. I will continue to reinforce the point that practical measures provide practical support for people who are doing it hard.

There is also farm debt mediation that provides grants of up to \$2,500 per farm business to assist with the cost of engaging a mediator to facilitate discussion and negotiation with financiers. Five applications have been approved, with \$2,000 funding per applicant. Feedback to date has been very positive, and there is a potential for a growing number of applications as farm businesses are now experiencing a third year of negative income.

Such is my passion for this subject, I could go on and on about the benefits that have accrued through this. Without detailing them, I will just highlight that we have as a component of this package the labour market transition that has assisted employees in drought-affected businesses to retrain for employment in the mining and transport industries. The Apprenticeship Retention Scheme, with which I had some dealings in my former capacity as the further education and training minister, has assisted primary producers and small businesses to retain apprentices and trainees in drought-affected areas. I will just quickly highlight a couple of the other services: the

Rural Financial Counselling Service, the School Bus Moratorium and the School Card drought criteria.

I will finish by saying that the 2009-10 budget provides an additional \$10.505 million to continue the package of support measures with some slight modifications aimed at maintaining support and responding to the challenge of community and industry conditions. As a result, the total state drought support funding for 2009-10 amounts to \$14.568 million. I think this is excellent news for all those primary producers and members of rural communities who are dealing with these drought conditions. It is yet another clear demonstration of this government's commitment to supporting regional South Australia during these difficult times.

Ms SIMMONS: I refer to Budget Paper 4, Volume 1, Sub-program 2.4, page 5.16. Can the minister advise what benefits the state has achieved from the government's investment in the Marine Innovation SA (MISA) initiative?

The Hon. P. CAICA: I am delighted to answer this question. The government recognises the high level of research that underpins the success of our valuable primary industries. The state's fisheries and aquaculture industries are noted for their quality products and contribution to our economic development, including significant export derived income. In particular, these industries deliver a vital contribution to the state's coastal regional communities.

I note the specific thrust of the question, but I cannot go past the opportunity to highlight the fact that only last Thursday we launched at that outstanding institution, SARDI, the agreement that has been reached between the government, the aquaculture sector and Euro-Toques to highlight on the menus of those outstanding chefs (up to 400 chefs in Europe) the outstanding seafood that we have to offer here in South Australia that is produced through aquaculture.

We have product that is the equal of anywhere in the world, grown in the most pristine waters found anywhere in the world and underpinned by some of the most outstanding research that exists in regard to fisheries and aquaculture anywhere in the world. It provides us with a great opportunity going forward to ensure that we expand our reach into the world in regard to not only showcasing our seafood but the purchase and distribution of that outstanding seafood.

As I told the people last week in respect of this particular agreement, first, we take Paris, then from Paris the rest of Europe, and from there we spring to the rest of the world in highlighting the great seafood we have to offer. Getting back to the specific question asked by the honourable member, our fisheries and aquaculture are noted for their quality.

In 2004-05, the state government committed \$13.7 million over five years to establish Marine Innovation SA. This investment in MISA supports the ecological sustainable development of the state's fisheries, aquaculture and marine ecotourism industries. MISA was given a target of delivering at least \$27 million worth of research and development through fund leveraging over the five years. I am proud to announce that MISA has achieved this leverage target only after 3½ years.

MISA brought together, for the first time, South Australia's marine research and educational institutions—SARDI, Flinders University, Adelaide University and the South Australian Museum—the seafood industry and the Port Lincoln community. I mentioned earlier—and I am sure this will come up when we talk about research and development—that the best way for us to advance the very good work that we do in research and development is to make sure that we partner with like organisations to add value to the research that we are undertaking.

It is great to be excellent at what you do, but it is even better to ensure that, through partnerships, we become even more excellent (if there is such terminology) as we go forward. So, MISA brought together these institutions that also included the seafood industry and the Port Lincoln community, and we are value-adding to the research that is being undertaken through that partnership.

MISA is a marine related cluster of the agriculture, food and wine alliance of the government's Constellation SA initiative. I note, too, that the honourable member for Hammond joined me in Port Lincoln—

Mr Pederick: A bit of raw tuna.

The Hon. P. CAICA: Yes, I had the raw kingfish, and I can commend those to your mum. They are a very tasty fish.

Mr VENNING: Raw.

The Hon. P. CAICA: It won't hurt you, Ivan. I know you are from the country and you reckon everything has to be cooked, but on this occasion—

An honourable member interjecting:

The Hon. P. CAICA: Yes; that's it. The fish is very good. I know that the member for Hammond was there and he, like I, was mightily impressed by the research being undertaken at MISA. The major achievements of MISA to date are the expansion of the Lincoln Marine Science Centre in Port Lincoln, launched by the Deputy Premier in March this year, which the member for Hammond and I attended. The state government invested \$4.49 million and Flinders University invested \$2.1 million in this world class centre for marine science education and industry development, providing greater regional education opportunity and industry focused research and development.

It established South Australia as the major provider of fisheries and aquaculture research across southern Australia, leveraging funding from agencies such as the Fisheries Research and Development Corporation, as well as being commissioned by the private sector to undertake specific research projects. MISA currently supports 34 scientists across the key research areas of aquaculture innovation, product quality and value-adding, the marine ecosystem and biosecurity.

Access to the key collective and collaborative capability of MISA was a key element in the recent successful negotiation of a collaborative MOU between the Victorian Department of Primary Industries and SARDI. It goes to show that, if you try to do business well, you can do it with Victoria, notwithstanding some of the difficulties we have experienced in the past. That was a result of recent successful negotiations between the Victorian Department of Primary Industries and SARDI to jointly undertake research and development activities that support key southern Australian fisheries on a common stock rather than on a state basis. It makes absolute sense.

MISA was also a key element in positioning South Australia as a strong participant in the \$50 million national Integrated Marine Observing System (IMOS). I have been very lucky in my time as a minister, because I had an involvement with that as the minister for science, and now I have a greater responsibility as the minister concerned. IMOS and the South Australian-based node of IMOS (SAIMOS) bring together the collective major Australian physical oceanographic capabilities and platforms linked to a national data management system.

In particular, SAIMOS has been a direct recipient of funding for sophisticated HF coastal radar systems being located at the bottom of Eyre and Yorke Peninsula, a number of deepwater moorings, a national reference station equipped to capture comprehensive data on our continental shelf marine systems, and autonomous ocean vehicles that can probe the water masses to depths of 2,000 metres for up to 40 days, reporting via satellite and sophisticated acoustic probe rays for real-time in situ monitoring of tagged fish.

Again, I am not quite sure whether the member for Hammond is aware, but I think he might have seen the use of seals to get data that shows upwellings. I understood that Defence SA might have been rather interested in this. Certainly, they collect data for us, which shows the temperature of the water and upwellings, and it provides us with the opportunity to understand the future implications of the variabilities of water and the impact on the marine environment, in particular, the fisheries, which I am responsible for. It is quite fascinating, and I would be delighted to take the honourable member there at some stage.

Mr KENYON: Diving?

The Hon. P. CAICA: We can go diving with the seals; I would be delighted to do so. The results to date demonstrate that the government's commitment to support MISA has proved beneficial to South Australia's economic development. This is confirmed by the South Australian fishing industry. It is reflected in the following quote from Mr Neil MacDonald, General Manager of the industry's peak body, Wildcatch Fisheries, speaking at the commissioning of the extension of the Lincoln Marine Centre. He states:

The ability to have a facility that enables South Australia to attract world-class researchers, particularly in what have been the non-traditional areas of industry development, adds significantly to our industry's capacity in a global context in one of the most competitive food segments in world trade. To be competitive South Australia needs innovative producers and support sectors to ensure we can compete with producers in other countries with natural market advantages.

I take this opportunity on behalf of the state's seafood industry to thank Flinders University, SARDI and MISA collaborative for their commitment to the state's seafood industry and to Port Lincoln, the seafood capital of Australia.

That says it all.

Mr PEDERICK: I certainly acknowledge all the work that is conducted in Port Lincoln. It was an excellent day. All the bodies concerned do excellent work. I refer to Budget Paper 4, Volume 1, page 5.6, Agriculture, Food and Fisheries targets, 2009-10. In regard to the demerit points system, what amount has been budgeted for policing undertaken by fisheries officers, and is there a separate budget line for policing the new system?

The Hon. P. CAICA: There is no additional money, it is within the existing budget. We will utilise the very effective existing resources we have for compliance and enforcement.

Mr PEDERICK: What is that budget? Can you enlarge upon that?

The Hon. P. CAICA: The cost recovery budget that underpins the commercial fisheries sector is around \$11.3 million per year, but that is broken down into a variety of factors, including research and development and compliance and enforcement. I do not have the exact figure with me at this point. I presume the question is: what component of that \$11.3 million is for enforcement and compliance?

Mr PEDERICK: Yes.

The Hon. P. CAICA: I will take that on notice and get back to you.

Mr PEDERICK: I refer to the same budget line. What amount has been budgeted for managing and policing marine parks?

The Hon. P. CAICA: There is still a lot of water to go under the bridge in regard to certain aspects of this matter. Marine parks are essentially the responsibility of my colleague the Hon. Jay Weatherill. Whatever the outcome in regard to the specifics of your question, it is the subject of a service level agreement between my department and minister Weatherill's department. The marine parks program is being led by the Department for Environment and Heritage as the centrepiece of its Coast and Marine Conservation Program. Approximately \$4.9 million of state-commonwealth funding was attributable to the marine parks component of the Coast and Marine Parks Conservation Program.

Specifically, the 19 marine parks are aimed at maximising ecological outcomes. My department is working through, as are sections of the industry, dialogue with the lead minister. Specific matters that you raise, should they arise, will be the subject of a service level agreement between me, my department and minister Weatherill's department.

Mr PEDERICK: I refer to Budget Paper 4, Volume 1, page 5.6, Agriculture, Food and Fisheries targets, 2009-10. What are the value-added post harvest solutions for the seafood industry that are intended to underpin targeted industry revenue growth?

The Hon. P. CAICA: I will commence by saying that certainly as it relates to aquaculture and seafood being no different than what we are experiencing in a whole host of primary industry areas, for us to continue to grow in those particular areas means to ensure that we are maximising the value of that product, that we are actually value-adding to that product.

A fine example of that is, and you will bear with me here because I might get the figures wrong—I was privileged enough as a backbencher to attend a presentation by Fergusons. I know the member is familiar with Fergusons in regard to its role, if you like, in the crayfish industry. In round figures—again, I stand to be corrected; I will not be held to them—if, for example, Fergusons at one stage were getting \$30 a kilo, if you like, for their produce, that being crayfish, since that time and through a value-adding process by way of utilising all aspects of that particular crayfish—you have seen the oil they produce and the various spreads, utilising every part that can possibly be used of a crayfish—I understand that it is almost up to \$130 or \$140 per kilo.

I use that only by way of example of value-adding. It is a fine example of what can be done. It is a matter, I think, from our department's perspective, as much as anything else, of providing the assistance that we can provide to industry to be able to maximise the benefits that will accrue through value-adding. Another example was last week—and you were not at the launch last week, were you? Did I invite you?

Mr PEDERICK: Well, I did not see it.

The Hon. P. CAICA: If I did not, I apologise, and you know that I am a better person than that.

Mr PEDERICK: I do.

The Hon. P. CAICA: I apologise here on the record that you were not there.

Mr PEDERICK: Fully accepted.

The Hon. P. CAICA: We were given the example of Hiramasa kingfish, which is used for sashimi, its presentation, the way it is packaged, the way it gets out there. It is another example of value-adding and it maximises the economic return for that product by doing things differently in such a way that it adds value to that product.

In regard to the specific answer, it is very difficult for me to answer because we have to work with industry, and industry itself has to understand the advantages of doing this. I know you have been to the Food Centre at Regency Park where we have, I think, up to 200 businesses that have been contacted and made contact with the Food Centre. Part of it is innovative packaging, partnerships with industry, and Fergusons, which I have just mentioned.

You have seen the mussels industry and the way they are now preparing their food in such a way that is not only advantaged through packaging, but with ready to cook food. So, it is hard for me to put a dollar figure on that. What we would be hoping is that we will have in place various mechanisms by which we can measure what the value of that is.

In regard to our input there, the programs that we have put in at the Food Centre, with in-house expertise, include two food technologists, three seafood and aquaculture product experts (including a seafood processing engineer), and two post-harvest handling experts. So, there have been over 100 technically related projects that have been assisted since the program commenced in mid-2008, and these projects have been evenly divided between the new product development process improvement and quality system improvement.

I would finish off by saying this, that we have here in South Australia—and I mentioned this earlier—the equal of any seafood available anywhere in the world, grown, harvested and caught in the most pristine waters that exist anywhere in the world, underpinned by some of the best research and development that exists anywhere in the world. That is not to say that we cannot do things better, because I do not think that we should rest on our laurels.

Another important component going forward is how we maximise, through value-adding, the return on that product. That is our objective and we have set up the Food Centre with, amongst other objectives, that specific objective, to work with industry and help industry in such a way that it can maximise its returns and, hence, benefit, on that economic return, the state of South Australia.

Ms SIMMONS: I refer to Budget Paper 4, Volume 1, Sub-program 2.3, page 5.15. How has the national system for the prevention and management of marine pest incursions progressed in South Australia?

The Hon. P. CAICA: I thank the honourable member for her question. She is certainly displaying, with these questions, an extensive knowledge of the seafood industry. I am happy to report that—

Ms SIMMONS: Seafood is my favourite food, minister, that is why.

The Hon. P. CAICA: Well, you must join us for lunch. I can tell you right now that I do not think there are any crayfish sandwiches up there. I think there might be little pies and pasties, but we can make out when we get out there.

Mr PEDERICK: That is disgraceful.

The Hon. P. CAICA: I know. It is outrageous. We do things differently in government than you guys did. I am happy to report that the national system has recently gone live through the national website at www.marinepests.gov.au. South Australia has played a leading role, through PIRSA Fisheries, via our representation on the National Introduced Marine Pests Coordination Group, and has been active in all the working groups which have developed the various elements of the system.

Our leadership in this area has contributed to nationally approved guidelines for the management of every relevant marine industry, including commercial shipping, non-trading vessels, petroleum ports, fisheries, aquaculture, the aquarium trade and recreational boating. South Australia is up to date with regards to its national system obligations, after completing a marine pest survey of the Port of Adelaide.

During the survey seven targeted marine pests were identified. All these species were known to be present in the port location from previous surveys. I am pleased to report that there

were no new marine pest species identified in this survey and, therefore, no further response actions were required.

The commonwealth's legislation needed to manage the marine pest risks from commercial shipping ballast water is outstanding. However, South Australia's work in this area has been imperative in the development of the national system and well positioned for implementation once the commonwealth legislation is finalised.

Mr KENYON: I refer to Budget Paper 4, Volume 1, sub-program 2.3, page 5.15. How is the Gulf St Vincent prawn fishery performing on its stock recovery plans?

The Hon. P. CAICA: I am pleased to report that, whilst I do not go fishing as much as I would like, from the beach off Henley and Grange this year there were significant numbers of yellow fin, sand whiting and mullet and, indeed, excellent and sufficient numbers of crabs as well. That is a point which people do not realise about Gulf St Vincent: whilst we need to continue to be very diligent about what we do, it is still quite amazing that in a state like South Australia with the population that we have here in Adelaide—and, indeed, the amount of people who undertake recreational fishing—the reality is that just on your doorstep you can go and get a feed of fish that are living in very clean waters and are available for the community to enjoy.

In regard to the specifics of your question about how the Gulf St Vincent prawn fishery is performing on its stock recovery plan, I can tell you that I do not catch any prawns off the beach, and, of course, it would be highly inappropriate for me or anyone else to do so. The Gulf St Vincent prawn fishery has been operating under a harvest strategy designed to promote recovery of the stock which was previously classified as overfished.

Prawn trawl survey results suggest that the biomass of prawns in Gulf St Vincent has increased again during 2008-09, which is the fourth year in succession. As a result, the commercial catch from the fishery has also sustainably increased. The commercial catch during 2008-09 was approximately 260 tonnes, which is 13 per cent higher than 2007-08, which stood at 229 tonnes, and 50 per cent higher than 2005-06, which stood at 175 tonnes, when stock rebuilding began.

Other trends that reinforce these positive outcomes are that catch rates have increased at commensurate levels as the total catch has increased. In addition, recruitment of small prawns has increased substantially each year during this period, providing confidence that the conservative harvest strategy is providing measurable and sustainable recovery.

I make the point that it does not apply only to the Gulf St Vincent. What I have found in my short time as minister is that we have, I think, an approach to the sustainability of our fisheries that is first class and equal to anywhere in Australia, which would make it the equal of anywhere in the world. It is about ensuring the sustainability of those fisheries because we want future generations to be employed within this industry, we want future generations to be able to do what I described earlier, from a recreational fishermen's perspective, but also to ensure that this state is able to reap the economic wealth which will arise through having a sustainable fishery in this state.

Mr PEDERICK: I refer again to Budget Paper 4, Volume 1, page 5.6, under Agriculture, Food and Fisheries Targets 2009-10, dot point 12. What is the current industry annual revenue both within aquaculture and wild catch, and what is the targeted revenue growth?

The Hon. P. CAICA: I specifically request that I take that question on notice because I do not have those figures to hand. We can talk about the strategic plan targets and the challenge in relation to how we expect it to build over a period of time but I do not have those answers here in front of me. I can talk a little bit about the aquaculture component of it.

Aquaculture continues to be the fastest-growing primary industry in the country and is greatly contributing to South Australia's economic growth and regional development. For the state as a whole, the industry was estimated to have a farm gate value of \$263.6 million, with associated direct business turnover impacts in the processing, transport, retail and food sectors of another \$71.2 million.

This activity generated further flow-on effects to business turnover—that is, output of \$322.2 million—in other South Australian industries. Altogether, this represents almost 56 per cent of the state's total seafood production value. If I was very good at maths I could say, if that represents 56 per cent, I could add an extra 44 per cent to it and perhaps come up with your answer—but I am not going to risk that. As I said, I will get back to you on that.

In 2007-08 the value of the South Australian aquaculture industry's output was estimated at over \$657 million. Importantly, direct employment was estimated to be over 1,450 full-time

equivalents in 2007-08 and 1,600 flow-on jobs, giving total employment of almost 3,083 full-time equivalents. Almost 66 per cent of these jobs were generated in regional South Australia.

All indications are that the demand for seafood, both domestically and internationally, will continue to grow significantly as the health benefits of seafood are widely recognised and affluent consumers are demanding greater quantities of high-quality seafood. This is consistent with the findings of a CSIRO report entitled 'Modelling Australia's fisheries to 2050', which estimates aquaculture production will double in tonnage by 2020, and then double again by 2050. As I said, they are quite incredible statistics, and we are committed to assisting the industry with the government's regulatory framework.

Recently, I was lucky enough to meet the New Zealand Minister of Fisheries. He wanted to catch up, and I met with him at the airport. He was specifically focusing not only on wild fisheries but also on aquaculture. In New Zealand, they have what I think (and he admitted it; but I will be careful here) is a less than effective way by which they regulate aquaculture. Following our discussion, I sent him an invitation to send over two of his representatives to have a look at what is, I think, as effective a regulatory framework as exists anywhere in the world with respect to the promotion of aquaculture and also the sustainability of that fishery and that industry going forward.

I am advised that in 2007-08 the wild fisheries was about (I will not be held to these figures and I will correct them if I need to do so) \$208 million landed value, with the major fisheries being lobster, \$90 million; prawns, \$35 million; and abalone, \$33 million. Obviously, the value of the wild fish sector (and this is what I mean by managing it sustainably) has to be the subject of stock fluctuations in the setting of the total allowable catches. That is important to the sustainability of the industry going forward. It is also influenced by exchange rates and the impact of those exchange rates with respect to the export markets, where a significant proportion of this seafood will find its way.

If there is something I have left unanswered, I am quite happy for the member to come back to me. I would rather not take questions on notice, as he knows, but if he is satisfied with that we will call it quits. I thank the member for his support of the seafood industry.

Mr PEDERICK: I refer to the same budget line. What impact will the buyback of licences and the displacement of fishing or aquaculture as a result of marine parks have on current industry annual revenue, and what impact will it have on targeted revenue growth?

The Hon. P. CAICA: With the advancement of the marine parks system (which the state government clearly supports), from my perspective as the minister for fisheries, the object is to minimise the impact of the establishment of marine parks on our commercial fisheries sector. Marine parks will be an enhancement, to the extent that we already fish in the most pristine waters to be found anywhere in the world. We want that to continue and so we support the marine parks, but our objective is to minimise the impact that this measure will have on the commercial fisheries sector.

I know that that matter has been the subject of discussions and, certainly, I have seen correspondence that has been forwarded to my colleague the Hon. Jay Weatherill (who, as I mentioned earlier, has the lead in this area). There may be potential impacts on commercial fishery licences if sanctuary zones are closed to fishing. That decision has not as yet been determined. I know that Jay (like me) is working very closely with the industry to make sure that those zones that may (or, indeed, may not) be closed are areas that the industry and the government can agree on as to the appropriateness of their being no go zones. The member knows that sanctuary zones already exist that, for want of a better term, are no go zones for the purposes of fishing.

Specifically, it would be our objective to make sure (and I firmly believe this to be the case) that the growth of South Australia's fisheries sector is not incompatible with having an effective marine park system in this state. So, I cannot answer the member's question, because they are matters that are being determined. However, I can restate the objective, and that is to minimise any displacement that will occur to commercial activities that currently exist within the waters of South Australia in the context of the advancement of the very important marine park system in this state.

Mr PEDERICK: I refer to Budget Paper 4, Volume 1, page 5.15. Paragraph 3 of the Performance Commentary refers to using innovative solutions to optimise decision making with respect to regulations, licensing and monitoring. Have the completed innovative solutions to optimising decision making been used across all sectors of the aquaculture industry and have all sectors of the aquaculture industry accepted the efficacy and fairness of those solutions and decisions?

The Hon. P. CAICA: It is certainly my view, as the minister responsible for PIRSA and all components of its operations, that we continue to work with industry and promote and put in place innovative solutions to any problems that might arise. We also have to highlight the fact that, in the main, only 2 per cent of anything new in regard to innovation is found in Australia. In relation to ways in which innovative solutions can be found, it is quite often a matter of adapting existing practices, for want of a better term.

Certainly, going forward, I want PIRSA to continue to be seen not only as an innovative department but also as one that promotes innovation to industry as a whole. With respect to the member's specific question, if I got it right, it was: has everyone agreed that there are innovative solutions?

Mr PEDERICK: The thrust of it was: have all sectors of the aquaculture industry accepted the efficacy and fairness of those solutions and decisions?

The Hon. P. CAICA: Again I would answer it in this way. You were not here at an earlier appearance in relation to WorkCover and industrial relations. We pride ourselves on having full cost recovery in both fisheries and aquaculture, and it is appropriate going forward. Unless you state otherwise, I am sure that will be the case, even when you eventually come back to government. Of course, there are times when people do not like to pay money, but, at the same time, it is critical that, even if at the end they do not like paying money, they can see that the fees being charged are based on a transparent, fair and robust process that has also included industry as a whole.

We say that we will continue to underpin our way forward through innovative solutions. Everyone will agree that they want innovative solutions. Whether or not they are regarded as completely innovative by people is often a matter of discussion. We agree where we all want to go; sometimes it is just a matter of working out how you get there.

Mr PEDERICK: It depends on how innovative it is on their chequebook.

The Hon. P. CAICA: I will keep saying this even if I sound like a broken record: it is in everyone's best interests, including the state of South Australia and our position nationally and internationally, to make sure that, going forward, we have sustainable practices in place that ensure the advantages we currently hold continue to be advantages for future generations to continue to exploit.

Mr PEDERICK: I refer to my previous budget line reference. In light of the answer about the so-called innovative solutions—

The Hon. P. CAICA: Not 'so-called', I said they were innovative. I did not say 'so-called'. You said that.

Mr PEDERICK: Yes, absolutely. Will the department consider revising those methods to resolve the impasse over lease and licensing fees for the oyster industry? I say that with regard to the fact that, in a previous answer, you mentioned that fees would only be increased by 100 per cent from where they were originally at around \$178,000, but does that mean fees may rise to where the previous minister had them set at around \$750,000 in future years?

The Hon. P. CAICA: I think you should be more specific about the way in which you ask the question. I know what you are talking about even though people reading *Hansard* might not necessarily. What I would say to the member for Hammond is that we are committed—and quite rightly so (as will be the case with subsequent governments)—to ensuring that there is full cost recovery in respect of the provision of services which we provide. I also say that we need to be able to stand up in such a way, despite the fact that some industry sectors might not like it, not only to articulate but to demonstrate that it is fair, equitable and just. That is the process which I and my department are committed to ensuring happens, not only for the oyster industry but for the aquaculture sector as a whole and, indeed, full cost recovery as it relates to the wild fish sector as well—and that is appropriate.

Mr PEDERICK: You do not rule out the \$750,000 perhaps for the oyster industry.

The Hon. P. CAICA: In relation to the question asked previously, I did adequately answer that; that is, we are undertaking a process. Ernst & Young undertook the initial process. I am confident that that was a proper process and came out with proper results. Having said that, I have also made a commitment to the oyster industry to work not only with them but the entire aquaculture industry to ensure, as I mentioned earlier, that decisions are based on evidence,

transparency and robust discussion and get the right result. I am committed to doing that. I detailed to the committee earlier the process we are undertaking regarding that specific issue.

I will give you the opportunity to ask some more questions because, as much as I fear the questions from the government bench, we will sit back for a while, and if I get sick of answering your questions we will lock it back in.

Mr PEDERICK: Thank you, minister. Obviously you think mine are softer questions.

The Hon. P. CAICA: Not at all. I told you that we should have struck a deal. I could make an example of why we should strike a deal, but I am happy to let it go.

Mr PEDERICK: No, that is all right; the government sets the time limits.

The Hon. P. CAICA: They are negotiable—but anyway.

Mr PEDERICK: I refer to Budget Paper 4, Volume 1, page 5.15, the introductory paragraph, last phrase 'allocation and the administration of licensing and compliance services'. How does the minister and his department propose to resolve the deadlock that exists within the Goolwa and lakes cockle fishing industry?

The Hon. P. CAICA: I put this to you in the first instance. I do not ever play politics at estimates hearings, and I think that is well known by everyone in this chamber. Currently, a select committee is dealing with that matter. We will not be doing anything until such time as that select committee has finished its deliberations. I am told that they might not conclude their particular deliberations until November. I think a few people within this chamber have a bit to answer for in respect of the position we find ourselves in now, notwithstanding the fact that the select committee is undertaking that inquiry.

Far be it from me to say, but you were on the committee, as I understand it, that was established by the former minister to deal with this matter. It has been unfortunate that we have restrictions, if you like, about what can occur at this point in time, but, notwithstanding that, a process is now in place to deal with that. I do not think it has been in anyone's best interests. I think politics, to a very great extent, have been played. It is now with the upper house committee and it will be dealt with there, and we will deal with the report from that committee as and when they finish their deliberations. In regard to the pipi industry (I still have trouble calling them 'pipis', but that is the way we refer to them now because that is the national name for what were formerly called Goolwa cockles—

Mr KENYON: The cockles of my heart.

The Hon. P. CAICA: The same as I bet tommy ruff are still in your heart and not Australian herring—and fine eating fish, too. To return to the point at hand, the introduction of a quota management system for the pipi industry, using individual transferable quota units, was aimed primarily at protecting and improving the biological sustainability and economic productivity of the fishery, which are the same principles that underpin everything we do in wild catch fisheries.

It was introduced in pursuit of the objectives of the Fisheries Act 1982 and the Fisheries Management Act 2007 and followed an extensive review process that commenced in November 2005, and it was underpinned by significant industry consultation and involvement.

The review was initiated in response to concerns regarding the rapid and exponential increase in catch and fishing effort and the associated long-term trend in declining catch per unit effort. There was significant potential for the uncontrolled activation of latent effort, and I think you are familiar with that because of the role you played previously on the committee. Activating this effort would put even more pressure on an already heavily fished resource. A quota system provides a direct control on catch and therefore manages this problem effectively.

Before proposing regulation amendments to allocate quota, all submissions regarding the individual circumstances of licence holders were considered by an independent allocation advisory panel, Primary Industries and Resources SA and the former minister for agriculture, food and fisheries. The use of an independent panel to provide advice to the minister on the most appropriate allocation mechanism afforded all interested parties sufficient and genuine opportunities to provide submissions to the process.

An additional opportunity to seek recognition for exceptional circumstances was considered by the Exceptional Circumstances Panel comprising local parliamentary members, industry members and the minister. As I said, the regulations that inputted the pipi quota management

system were disallowed, as it is the right of any member to disallow regulations. It was disallowed in the Legislative Council on 22 June 2008 following a motion moved by the Hon. Ann Bressington.

The removal of the quota management arrangements through the disallowance of the regulations, which were in operation for an entire fishing season, has, as I have mentioned, created significant economic and social issues within the pipi fishing industry and had significant financial impacts on some licence holders.

Domestic and export contracts have been cancelled as a result of not being able to guarantee supply. With a lack of management arrangements, there is a high level of uncertainty in the industry about the future management of that fishery. Furthermore, it has occurred against a backdrop of escalating sustainability concerns for the fishery.

It is possible that, if catches or catch rates do not show signs of improvement, further cuts may be necessary to protect that stock. I have been dealing with this specific matter in recent weeks, and it relates not only to mud cockles but also to this fishery.

I am told (but who knows how things operate in the other place?) that they will finish their deliberations by or around November. I look forward to the select committee concluding that and, most importantly, I also look forward, where practicable and appropriate, to getting that fishery back on track with respect to people operating within that fishery and the matters that relate to the economic viability and sustainability of that fishery going forward.

Mr PEDERICK: I refer to Budget Paper 4, Volume 1, page 5.15, paragraph 3. The Performance Commentary refers to the completion of a statewide recreational fishing survey, and I am interested in the costings of the survey and its findings. The minister might have mentioned this earlier, but I am interested to know how many recreational fishers there are in South Australia. Have the findings of the survey been taken into account in the identification of the out of boundaries and fishing zones proposed in the marine parks legislation?

The Hon. P. CAICA: Could you repeat the last component of your question?

Mr PEDERICK: The last part was: have the findings of the survey been taken into account in the identification of the out of boundaries and fishing zones proposed in the marine parks legislation?

The Hon. P. CAICA: I will start by answering the last part. The survey has not yet been completed, and it will be another month before it will be. Again, we are working through this with the minister, my ministerial cabinet colleague, who is working through this with those who make up the fisheries sector. It would be our view to minimise the impact on fisheries, as I mentioned earlier, through the extension and advancement of the marine park system.

The Fisheries Management Act 2007 (I know that you are familiar with that) places a requirement for fisheries management plans to provide regular statistically robust estimates of the recreational harvest of key species for use in stock assessments and resource allocation decisions between sectors for these species, and it is very important that it does that. I am a former rec fisher, and I am only a former rec fisher because I have not had a chance to go lately.

I have always run on the basis that, if you are going to have an argument or robust discussion, it might as well be a robust discussion about the facts and not about what people think the facts might be. It is very important that we fully understand the impact of the recreational fishing sector on stocks. I know that, historically, they have been taken into account. Mr Zacharin will correct me if I am wrong, but I understand that there has been some good work done on the impact of recreational fishers on the whiting industry, and the snapper industry and the garfish industry are being looked at as well. I use those three areas as examples.

In looking at the future sustainability of a fishery, we need to take into account all the factors that impact upon that fishery because, again, South Australia wants our fisheries to remain sustainable not only for the purposes of commercial fishing but also for (I can be corrected on this figure) the 300,000 people in South Australia who consider themselves recreational fishers. It might be more than 300,000, but I leave it at that. In fact, if it is 300,000, at this point I would say it is 299,999 because one of them is not in action!

In 2007, we funded a survey of South Australian resident recreational fishers to collect data to achieve those objectives; that is, to look at the estimates of the impact of recreational harvest of key species. The data will also be used to compare with the results of the 2000-01 National Recreational Fishing Survey, which used the same survey methodology. We also promote recreational fishers to participate in this process, because we want that information to be robust

and as accurate as possible. The data collected will also assist in the forthcoming review by PIRSA Fisheries on regulations associated with recreational fishing, including size, bag and boat limits, and it will provide useful data for future research and development of the social drivers for recreational fishing in this state.

As I have said, the survey to which you referred is not complete at this time. It will be complete in another month, and I look forward to sharing that with you. Some of the species that I mentioned earlier—and this is based on the 11 recreationally important species—include King George whiting, snapper, garfish southern calamari, rock lobster, abalone and blue crabs. On Friday, I had lunch at the annual general meeting of the crabbers.

The Hon. G.M. GUNN: That would have been an enjoyable occasion.

The Hon. P. CAICA: They didn't have any crab on the menu. It was at the pub up the road. Again, I apologise for not inviting you, but I will in future.

Mr PEDERICK: I have been left off the list again. It's outrageous.

The Hon. P. CAICA: It was very late notice. From what I can see, that is another fishery for which there is a bright future in a variety of areas. The other stocks were mulloway, Goolwa pipi cockles, golden perch and Murray cod.

A total of 1,300 recreational fishing households were invited to participate in a phone and diary survey to report on all their recreational fishing activities over the following 12 months. At its completion, a final survey of these households was undertaken to determine recreational fishers' awareness of fishing regulations and reasons for going fishing. I think going fishing is a far better alternative to playing golf.

Simultaneous to those phone surveys that have been done, an on-site interview survey at key marine boat ramps, jetties and beach fishing sites was conducted to collect information on the average sizes and weights of harvested fish. More than 120 avid recreational marine and freshwater fishers were also provided with logbooks to record the lengths of the fish they caught. That is no mean feat. As I have said, I fish a bit, and when you look in someone's bucket and say, 'Where did you get those?' they say, 'Out there.' Generally, they do not like to share information. It is important that we create an environment where they feel comfortable sharing information, not only for the purposes that I mentioned earlier, but because it bases that data on sound information.

Information collected by the Australian Bureau of Statistics was also used to expand the survey results to the total South Australian fishing population. The data from all parts of the survey have now been collected and, as I have mentioned, we are a month away from having those analysed, and I will share that with you at a briefing which, as you know, is always available to you. A report on the results of the survey will be completed soon, and the summarised results will be available to recreational fishers and the wider community through the PIRSA Fisheries website early in the new financial year. I undertake to give you a briefing on that matter before it is promulgated.

The recreational fishing sector is very important to South Australia, not only for the health and wellbeing that it provides for those people who participate, but also for the economic stimulus that it brings to the state. However, we also need to be mindful that it is a pastime that should be enjoyed not only today but in the future; it is one that I want my kids' kids to be able to enjoy. I thank the honourable member for that very important question.

Mr PEDERICK: I refer to the previous budget line. In light of the closing remarks in your answer, what impact will marine parks have on recreational fishers and their contribution to the economy, especially in regional areas, and how many will be displaced by the outer boundaries and impending zones?

The Hon. P. CAICA: I think I can answer this one very briefly. It is a multiple-use policy. Again, except for certain zones that may be determined, zones already exist in some sanctuary areas that will not have an impact on recreational fishers. We want to minimise the impact that marine parks have but, at the same time, we want to commit to the sustainability of the marine environment as a whole.

Mr PEDERICK: I refer to Budget Paper 4, Volume 1, page 5.32, where the cash flow statement refers to fisheries licence fees. I ask this question in regards to marine parks again, minister. Does the government anticipate a reduction in the number of licences when marine parks are fully operational? Does that mean that some professional fishermen will leave the fishing industry, and will they be paid appropriate compensation?

The Hon. P. CAICA: That is a hypothetical question. Those matters are still to be determined. I think I adequately answered that question earlier in regard to the impact, the potential impact or, indeed, the possible impact that marine parks might have. It is hypothetical; those issues have not been determined yet. The compensation regs are being drafted by the DEH minister, but I hope they are regs that will never be used, quite frankly. You will see from the budget papers, as I am advised, there is no reduction on fisheries licence fees going forward to this financial year 2009-10. In fact, it is an increase.

Mr PEDERICK: And no compensation being allocated?

The Hon. P. CAICA: How can you compensate for something that has not occurred? As I said, it was a hypothetical question, and we are working through those matters. I reinforce the point: it is the state government's objective, and certainly the relevant minister's objective, to minimise any of the impacts that will occur on recreational and commercial fishers as we go forward. We cannot guarantee that there will not be some impact, but the objective is there and it is something that we are working through with the industry.

One thing about the commercial fishing industry I have found out is that, if you put forward a logical argument to those people, that they be a part of that process in determining the outcome, they will support something that in turn sustains their industry. That is what highlights the movers and shakers and some of the very impressive people, both young and old, that I have met within this industry.

Ultimately, they can be convinced—whether that be about total allowable catch or any other factor—if it is important to their ongoing sustainability. Just as I want my kids' kids, when they are eventually born, to be able to go recreational fishing, those people who are currently working the boats in the South-East or on the West Coast want their grandchildren to follow in their footsteps. The only way they can do that is if the fish are out there to catch. So, it is about working with the industry in such a way that they understand the importance of the measures that are being put in place but, more importantly than just understanding, they agree with the measures because our objectives are the same.

Mr PEDERICK: I refer to Budget Paper 4, Volume 1, page 5.32, and the cash flow statement referring to aquaculture licence fees. This is a very similar question to the last one; perhaps I will get a shorter answer. As to aquaculture licences, is there a risk of a reduction of those licences with the introduction of marine parks? Will businesses abandon the industry? Does the government anticipate any compensation payments as such?

The Hon. P. CAICA: It is a hypothetical question again. I think the same answer I provided earlier applies to that question as well, if you are comfortable with that.

Mr PEDERICK: That is all right. I just wanted to get aquaculture on the record. Thank you, minister. Now for a change of pace. I refer to page 2.13 of the Budget Statement as it relates to the savings initiative in administrative and operational efficiencies of \$450,000 per annum over four years. You may be surprised, minister, that I am using this line of questioning. What programs and services will be curtailed by these cuts?

The Hon. P. CAICA: I thank the honourable member for his question. I am not surprised because I understand and acknowledge your forensic analysis of the budget papers. This is part of the business support review that has been undertaken. In essence—and this is not to diminish the importance of human resources within our department, for example—going forward, we are not exempt from finding the savings required by all departments and/or agencies within government, as I alluded to in my opening statement. I wish we were exempt but no-one is.

However, at the same time, the objective is to minimise the impact on service delivery. In essence, the business support review is about focusing on those areas where we can find efficiencies, whether it be human resources or back office operations, in such a way that we minimise the impact that will have on the services we deliver, and that is an appropriate way to go forward.

Mr PEDERICK: In light of that answer, how many administration and operational staff will be culled to meet this saving initiative and which offices will be closed under these budget cuts?

The Hon. P. CAICA: I do not necessarily appreciate the word 'culled' but I know that you say that for a purpose. That figure has not been determined yet. For the purposes of this exercise I will put something on the record without necessarily being held to it because, again, we have not done that. I am advised that four to five full-time equivalents would be determined through this process as being excess to requirements.

Mr PEDERICK: The other part of my question was: will any offices be closed under these budget cuts?

The Hon. P. CAICA: No; there will not be any offices cut through this exercise because, as I mentioned earlier, this business support review focuses on finance, HR, procurement, OH&S and business services. Without diminishing the important role that these people and those responsibilities entail, it is 'back room' staff as opposed to front office staff who liaise directly with the people that PIRSA serves.

Mr PEDERICK: Will the staff in those offices have the opportunity to be relocated, and, if so, where to?

The Hon. P. CAICA: Ultimately, that is a determination for those individuals. As you know, we do not sack public servants. There have been expressions of interest from people within the department for targeted voluntary separation packages, and, it is important that, as we go through this process, they are targeted. Even if these people show an interest in being offered a package, through the processes that my department will put in place, if they are identified as people who have the required skills going forward, they will be retained and not offered a package. I need to make that point very clear.

Whilst some people have expressed an interest in a package, ultimately, the process that we will undertake will specifically target people with skills required for the job. If, indeed, they are required, they will continue to be required. Does that make sense?

Mr PEDERICK: Yes. In relation to the same budget line, has the department fully considered how these cuts will affect farmers already struggling with drought and the financial squeeze, and, if so, what effect does it anticipate?

The Hon. P. CAICA: I articulated the approach going forward, and that is to minimise service delivery at the coalface, and that remains the objective. In relation to the areas that you have spoken about, it is our view that that will not have an impact on the delivery of the core businesses for which we are responsible.

Having said that, I again refer the member to a question that was asked earlier by the member for Morialta about the drought relief programs that we put in place. We will continue to do that, and, whilst the *Hansard* does not record it, you nod in agreement about the effectiveness of those particular programs.

Mr PEDERICK: It is an important program; I acknowledge that.

The Hon. P. CAICA: We do not intend to abandon those people in our regional areas; hence the decision to continue with that particular program. Going forward, we are not exempt from the required savings, as is the case with all departments. I make no bones about it; it is a difficult process—you will find that out one day—but it needs to be done, and it cannot be avoided.

Again, our way forward is underpinned by the objective not to impact upon or, where possible, minimise the impact upon the users of the services that PIRSA is responsible for delivering.

Mr VENNING: I refer to the same line. I am concerned, because, as the minister should know, there is quite a bit of disquiet amongst country people about the future of these regional offices, in particular, the Nuriootpa Research Centre and the Jamestown, Kadina and Loxton offices. Will they be affected by these cutbacks, and can you assure the constituents out there that it will be business as usual in all of these offices?

The Hon. P. CAICA: No, I cannot assure anyone of that, quite rightly. If we push to one side the savings that are required and the pursuit of those savings, notwithstanding the fact that I have said that the objective is to minimise the impact that they will have on service delivery—and I think you would be aware of this and appreciate it—we deliver a range of services to our primary producers through a network of district offices and research centres. They are funded by the state appropriation, or commercial fee-for-service in the case of Rural Solutions SA. I know that you are familiar with that particular process as well.

The information program is funded by the agriculture, food and wine division and delivered through Rural Solutions, and provides information on the uptake of those various services. It is appropriate that, where we are looking at commercial fees for service, we undertake such a process by which we determine how effective that service has been.

The program also funds the Roseworthy Information Centre, regional information delivery, electronic information products and services, and first point of contact technical inquiry servicing. Information collected between 2004 and 2008 shows that demand for information from that program was slowing at a rate of 2 per cent a year.

Across the 17 regional locations, there are around 115,000 inquiries, of which 40,000 (approximately 30 per cent of the total) are received from primary producers and agribusinesses. The remainder are from other government agencies and the general community. Over the same period, the sales of electronic information products and publications have remained static.

That said, I also need to highlight the fact that there is a national information management system in place. The Primary Industries Ministerial Council has established a national program entitled RD&E Framework. Growth in the primary industry sector is closely linked to technology-driven productivity improvement. This productivity improvement has been declining over the past 10 to 15 years, giving rise to a level of concern by ministers, my interstate colleagues; hence, the RD&E Framework project.

One of the cornerstones of enhancing productivity improvements is how to capture the 98 per cent of new technologies generated globally and reconfiguring into the national RD&E. I mentioned earlier that about 2 per cent of innovations are those that occur in Australia. How do we ensure that we extend this innovation through adaptive practices to those people who work in primary industries?

We are developing a new approach to the delivery of critical information to farmers via transferring information using the internet. The framework that I describe is going to drive—

Mr VENNING: The farmers are aged; few of them use the internet.

The Hon. P. CAICA: It is interesting that you say that, and I am happy to engage on that. There are, certainly, as there are in all industries, not only those who are aged but those who are dinosaurs in regard to what it is that they embrace and how they adapt. I do not mean that disrespectfully and target it at farmers; I say that about a whole variety of industries.

Certainly, in my short time as the minister for agriculture, I have taken the opportunity of speaking to the young people, who are the second, third and fourth generation of farmers farming that land, and what I have seen is that to a great extent they are the future of agriculture here in South Australia and, I presume, across the rest of Australia, because they are—

Mr VENNING: We visited the information centre last week at Roseworthy and we were upset to hear it was closing. I spent heaps of money buying books.

The Hon. P. CAICA: Well, you have plenty of money to spend, so I am glad that you have.

Mr VENNING: It really was sad to hear. What is going to come in its place?

The Hon. P. CAICA: I am going to answer that question, but you interjected there and, whilst it is rude to respond to interjections, it is naughty as a former honourable speaker tells me, there are some outstanding people out there who are adapting new practices in a variety of ways, not least of which is the techniques by which they farm. I have very much enjoyed speaking with these people.

In regard to your specific question about what is going to close and what is not going to close, in the context of the national framework that I am talking about, the fee for service, if you like, that is undertaken by Rural Solutions, there is no doubt in my mind that it is appropriate that we have a review of what it is we deliver, where we deliver it and how effectively we do that.

I was in Loxton last week and I visited the Loxton Research Centre. I reported to parliament that the Loxton Research Centre, in my view, and certainly in the department's view, has a very positive future going forward. But, again, we need to work out, through this process, what it is that is required in regard to the customers that we serve, what it is that makes us stand out in regard to the rest of Australia as to what research we can do, and, importantly, how we deliver and extend that research so that it brings about practical improvements and advances at ground level.

We are working through that, and it is appropriate that we do, but what I will tell you right now—and I would be a fibber if I did not say it to you—is that there will be places that will not continue to exist. If they are not economically viable, but, more importantly, they are not value-

adding to the service that we provide to the customers that use our service, and if that service can be provided by establishing centres of excellence for its provision, that is something that, I think, you would ultimately support, because it is quite easy.

One of the easiest things for human beings to do is to hang onto the status quo. If we hang onto the status quo it means that we are not going to improve and we are satisfied with what we have, as opposed to being determined to improve what we have. I am happy to keep the opposition up to speed—in fact, I welcome it, because it has a great deal of knowledge as it relates to services that can be provided. I am happy to work with the opposition, as we will with the community, to make sure that what we have is an effective way of producing and providing those services to end users.

Mr VENNING: I refer to the same line, Madam Chair. I can understand why you are shedding jobs, because the whole Public Service is, but I would contend that the department of agriculture, which is being asked to shed some long-term jobs, is shedding fat that it never took on, say, four of five years ago. Your department is being asked to cut, but it was not you that grew fat. The 4,000 extras are not within the department of agriculture. Do you say that it is fair to contend that the department is being unfairly asked to meet the standards of the others, when it was not you that had the extra anyway?

The Hon. P. CAICA: I thank the honourable member for his question. There is a clear requirement of all agencies, and we are not exempt from that. I have not been around long enough, but what I would say is that—

Mr Venning interjecting:

The Hon. P. CAICA: Hang on, you asked the question. I would say that what you were saying is that we have been very effective in the way in which we have delivered business in the past. What I am also going to say is that we are going to continue to be effective in delivering services to the people who require those services, but we need to identify what are the services that we are going to provide, because it is no use providing something that someone does not buy or does not want.

We also need to identify how we can deliver it but, just as importantly, how we can do it in such a way that actually distinguishes us from, as I have mentioned, other parts of Australia, because that will become not only a centre of excellence for the use of South Australians but, in the framework that is being developed nationally, a centre of excellence for the delivery of national research and extension.

The Hon. G.M. GUNN: I refer to Budget Paper 4, Volume 1, page 5.16. There is a reference to low-rainfall farming on Eyre Peninsula and that would, of course, be referring to the work done at the Minnipa research farm. My question is: can the minister give an assurance that those excellent programs which are ongoing at the Minnipa Research Centre, particularly into dryland farming techniques, which would also include the latest efforts in minimum tillage and those sorts of practices which the minister indirectly referred to earlier about the next generation of farmers being right up with it, that some of the work being done at Minnipa has allowed that next generation of farmers to proceed with this new innovation with confidence?

The Hon. P. CAICA: I thank the honourable member for his very important question because, again, if we are talking about centres of excellence in areas in which we deliver business, Minnipa is one of those. Not only is the service provided at Minnipa one that we should all be proud of, we should also be very proud of the farmers on the Eyre Peninsula who have been able to extract a significant return, I guess, under what are the most exceptional circumstances that anyone in this room has probably experienced over the last four or five years.

Specifically in relation to your question, there was a project that investigated the impact of climate change on Upper Eyre Peninsula and identified a series of enterprises that were coping with the recent run of poor seasons. These different enterprises had a range of cropping to livestock ratios, but they were mainly characterised by their careful business management and, indeed, the way in which they did things.

Recently, I announced the appointment of a new person at Minnipa who is an expert in dryland farming techniques. That was the subject of a parliamentary question. We are going to continue to operate. I have not been there yet, Graham, but I hope to get over to Eyre Peninsula soon. I will be visiting, amongst other things, SARDI's Minnipa Agricultural Centre so that I can get a better feel for what is there and what is provided. You can read all you like but I think I gain more

knowledge by going to talk to people, whether it be the farmers or the people working at that station.

The Hon. G.M. Gunn interjecting:

The Hon. P. CAICA: I make no comment on that. It is an interesting debate and I am sure the honourable member has followed this debate: climate change, or climate variability if you like, which is probably a better term at this point in time than climate change—how do we know when 'exceptional circumstances' become the norm as opposed to 'exceptional circumstances'?

The Hon. G.M. Gunn interjecting:

The Hon. P. CAICA: Irrespective of what is said, there are going to be periods of time of extended climate variability. Whether or not we want to argue that that is as a result of climate change or not, we need to position ourselves, because one thing I do know is that primary industry is underpinning our economy going forward. It makes a significant contribution to the state economy and the welfare and wellbeing of South Australians. As a whole, it is something that goes without saying: we want to ensure it continues to underpin our economy.

In the context of changing circumstances, how can we allow farmers to adapt to these changing circumstances through new practices, new techniques and the extension of research in science and development that will help them adapt? What I have found is a willingness by those farmers. Eyre Peninsula is a prime example of people who, I understand (from what I have been told and from what I have read), are at the cutting edge of practices with respect to getting a return on that land in exceptional circumstances.

Ivan, you told parliament last year, as I recall, in a grievance—or it might have been a debate—about some of the farmers up your way and elsewhere who had so many bushels or bags, or whatever it was, in return for their cropping in a year that had had no more than 10 or 11 inches of rain and that it was an outstanding return. If one were to focus that on Eyre Peninsula, it has been exactly the same.

Graham, to answer your question in a longwinded way: yes, Minnipa will continue to be a significant contributor with respect to what it is that we deliver. We have recently appointed a new person there who is a dryland farming expert, Ray Latta—he is well renowned in that area. He is going to bring his expertise and a level of science to that area to be shared amongst the farmers there. As we go forward, we want centres of excellence which are renowned not just here in South Australia but which have a relevance and application to Australia and the rest of the world.

Mr VENNING: I have a question for the minister: I do not expect him to know the answer but I would like to put it on the record.

The Hon. P. CAICA: I might surprise you.

Mr VENNING: Well, your officers might know. It is in relation to the ABB Viterra proposed merger, why hasn't there been a submission to the ACCC in relation to port access undertakings?

The Hon. P. CAICA: Was that a submission by the department, do you mean, or by—

Mr VENNING: Somebody has to at least ask the question. I just wondered why—

The Hon. P. CAICA: There are two aspects to that question: in my limited time as the minister for agriculture, I have had discussions with people who believe that there was restricted access, if you like—that is their view—in regard to accessing facilities at port, and that there was—and these are their words, not mine—some favouritism displayed.

The Hon. G.M. Gunn interjecting:

The Hon. P. CAICA: Yes; and because of the nature of the concerns that were expressed in a variety of areas, the department decided not to make a submission to the ACCC. However, there were, as I understand it, submissions made to the ACCC. I stand to be corrected here (and jump in if I am wrong) but, whilst I am not sure if the ACCC has finished its deliberations, to date, it has been shown no real evidence of those assertions made by others in the context of what I have said.

There were some concerns expressed about the proposed merger—and that is going through a process—but I am not in a position to proffer a view. However, in the preliminary briefings I have had I cannot see too much in the way of downside through such a merger occurring. That will not be a decision for me to make; that will be a decision for the people who are appropriately positioned to make that decision.

Mr VENNING: I should declare my position as a grower and also my brother being a director of a company. I should have done that in the first instance.

The CHAIR: Thank you. I was waiting for the budget line.

Members interjecting:

Mr VENNING: It is a tough one. Conlon should probably get the same question actually.

The CHAIR: That is why I was waiting for the budget line.

Mr PEDERICK: I refer to page 2.13 and the savings initiative in research and development with a \$1.715 million cut per annum over four years. Was the decision to relocate the Loxton Research Centre's analytical crop management laboratory a product of this cut, and was a regional impact statement completed?

The Hon. P. CAICA: I can answer that very quickly. The \$1.7 million in savings that was required had no impact on that decision and we ensured that we were able to continue, through other methods, to provide that service to people who required it. There was no connection.

Mr PEDERICK: Thank you, minister. Was the decision to relocate this laboratory discussed in cabinet?

The Hon. P. CAICA: I will clarify it: it is not being relocated; we are closing down that service. I was in Loxton last week and, again, I was very impressed with the potential that exists there for the Loxton Centre to not only have a very bright future but, when we get it right, to make sure that it is something that has relevance not just for people in the Riverland but for all areas of primary production in South Australia and, beyond that, the rest of Australia.

We have closed down that service, because it was run by Rural Solutions SA and had for the last two years, I think, run at a loss of \$100,000 with respect to that component of Rural Solutions' fee for delivery of service. Quite rightly, it made a commercial decision to do that. It was not discussed at cabinet. It is a commercial decision that has been made by Rural Solutions SA, which I support.

However, in discussing it with my department, we decided that certain things needed to be in place as a matter of urgency. The first question was: can that service be provided elsewhere and if so, can it be done in the most cost effective way for people who are using that service? The answer to that was yes, and at a far cheaper price than we have been able to provide in the past. So, that would seem to me to be a good outcome for the people who required that service.

Again, as we go forward (and this relates to a question asked by Mr Venning earlier) and look at some of the services that we deliver, not only in that area but also across other areas, the question is: is it a service that is required? If it is not required, we should not be doing it.

Looking at it from a commercial perspective with respect to Rural Solutions SA, I do not expect it, because it lives or dies on its ability to be able to make some money. With one service going, it needs to be in tune with emerging trends, hence the question asked by the Hon. Mr Gunn earlier about how Rural Solutions SA will be able to capitalise on changing circumstances going forward to be able to provide a service that continues to promote not only Rural Solutions SA and its viability but also to determine what is required by users of the various services that are being provided.

The government should not run subsidised testing services, I think unfairly, to compete against the private sector. The member may come from a different ideological bent than I do. I expect that the member is an agrarian socialist—and I mean that in a nice way: I love the agrarian socialists. However, I do not think that the government should run a subsidised testing service unfairly to compete against the private sector when in doing—

The CHAIR: Minister, under normal circumstances I would have dinged you out four minutes ago and asked you to seek leave, especially as we are coming back to this topic.

The Hon. P. CAICA: It will just take one sentence to finish. Going forward, we have to ensure that the services we provide are cost effective and are required by the users of that service.

[Sitting suspended from 13:04 to 14:00]

Membership:

Mrs Penfold substituted for Mr Venning.

The CHAIR: Minister, do you require leave or had you completed your answer?

The Hon. P. CAICA: I think I had completed my answer, ma'am, and thank you for the opportunity.

Mr PEDERICK: I again refer to page 2.13 of the Budget Statement and to the savings initiative in research and development of a \$1.715 million cut per annum over four years. What other R&D programs will be curtailed by these cuts?

The Hon. P. CAICA: I think that, without revisiting it, prior to the luncheon break we spoke about the national framework and, indeed, South Australia's future RD&E focus. I know that at that stage we talked about what will be the focus going forward and how we can be relevant to people that we serve in respect of those areas in which we are expert and, hopefully, continue that high level of expertise and, in addition, how the research that we do is relevant to the rest of the nation, just as the research that will be undertaken in other states based on their specialities will be research that is accessible to us.

I will first outline the major areas in which South Australia will continue to provide a major focus in regard to the PISC RD&E framework. Those areas include: pigs, poultry, aquaculture, fisheries, grain, wheat pre-breeding, oats breeding, pulses pre-breeding, cereals plant and soil health, farming systems, wine grapes, food value chain, food safety, biofuels and bioenergy.

What I mean by saying it is major is that South Australia will take a lead national role by providing a significant R&D effort, and I think in any fair assessment of those areas that we are focusing on here as a major contribution by South Australia will reveal that they are areas in which we are particularly expert and also areas that are important to the state of South Australia from a primary resources perspective.

We will also provide support, in that we will undertake R&D, but other agencies and jurisdictions will provide the major effort with support from the South Australian government. They include: southern beef, sheep meat, animal health and welfare, oceanography, water utilisation, irrigation technologies, salinity management, climate risk management, crop pathology, biosecurity and pasture improvement.

The third component of the RD&E framework is the link, which is where the South Australian government will undertake little or, indeed, no R&D. Instead, it will access that information that I mentioned earlier and resources from other agencies. Those areas include: diary, wool, sheep genetics, fruit tree improvement, citrus physiology, spray technologies, alternative crops and integrated biosystems.

Bearing in mind that I have said what will be major, what will be support and what will be link with respect to South Australia's future relevant RD&E focus, getting to the thrust of the member's question about the budget savings over the period of time and, more importantly, the areas where we will no longer be leading or playing a significant role in regard to those areas of research and development, those areas include: livestock biochemistry, corporate/business services, farms, production horticulture, infrastructure/Breakwater Bay, sheep production, wheat quality and wool.

Assigned to that is what has previously been the South Australian government appropriation in those particular areas. They are: livestock/biochemistry, \$84,000, which includes, in addition to that, the \$46,000 that was previously leveraged from that contribution; corporate business services, \$315,000; farms, \$162,000, which previously had leveraged \$300,000; production horticulture of \$83,000, which had leveraged \$100,000; infrastructure/Breakwater Bay, \$106,000; sheep production, \$109,000, which had leveraged funds of \$200,000; wheat quality, \$93,000; and wool, \$102,000. With respect to the state government appropriation, that totals \$1,054,000, with leveraged funds at \$646,000, which is the figure that is provided within the budget.

Mr PEDERICK: I refer to the same budget line. How many research and development staff will be targeted (laid off, I guess) to meet this savings initiative?

The Hon. P. CAICA: We do not have those exact figures, but as you could imagine, if you equate the \$1.71 million to full-time equivalents, we would suspect between 10 and 15 full-time equivalents.

Mr PEDERICK: They will be laid off; they will not be under voluntary separation packages.

The Hon. P. CAICA: No, as I have mentioned and I will mention it again for the member's benefit—and I know he is a very quick learner and he is just trying to tease me and trick me—the simple fact is that this government has a policy that says no forced redundancies, and these 10 to 15 people whom we have identified in those areas which I indicated earlier will have available to them the opportunity of taking a targeted voluntary separation package, if they so choose. Again, it is an option that is available to them.

In addition, it is important to realise that—and this is something that applies to our organisation—many of the people in those areas—essentially for want of a better term, PIRSA employees—are also Rural Solutions employees and, as a consequence, many of them are on contractual arrangements. It is clear that some of those involved in that cohort of 10 to 15 will be coming to the end of their contract in terms of their conditions of employment. Does that make sense to you?

Mr PEDERICK: Yes. Referring to the same budget line, at yesterday's Budget and Finance Committee meeting, PIRSA Chief Executive, Geoff Knight, stated that it was the minister's decision as to which country offices will be closed under those budget cuts. I am aware—and you may have indicated earlier—that the Roseworthy Information Centre is to be closed. I take it on board that all the staff have taken voluntary separation packages.

The Hon. P. CAICA: Some are on contract and others are not. The same answer applies, to a very great extent. Ultimately, it will be a decision for those who have TVSPs available to them whether or not they want to take up that offer. I reinforce the point: we do not sack people who are public servants. The other point is that—and I am not quite sure whether you are alluding to it as part of the question—ultimately, what we do in the future in areas of research and service delivery will depend on the department's sound advice, which is based on the research that it undertakes with the people whom we serve and who serve us.

Ultimately, it will be I who will sign off on that, but it will be based on the advice I receive and, in turn, based on the research that has been undertaken by the department in those future areas of research and development. Effectively, if someone chooses not to take a targeted separation package, which is their right, we will also redeploy any surplus staff to areas of need, as you would expect.

Ms SIMMONS: Minister, I refer to Budget Paper 4, Volume 1, Sub-program: 2.1, page 5.14. I have declared my interest in seafood, especially oysters, and now in wine. How is the South Australian government responding to the needs of irrigators at Langhorne Creek and Currency Creek to provide alternative irrigation water for the coming irrigation season?

The Hon. P. CAICA: I thank the honourable member and acknowledge her contribution to our very important sectors of seafood and wine, acknowledging also her love for great South Australian produce of both a solid and a liquid form. Worsening drought conditions have severely depleted Lake Alexandrina, the main source of irrigation water for Langhorne Creek and Currency Creek. Lake Alexandrina's salinity levels have also increased, further limiting irrigation options. Groundwater is mainly poor quality and the future quantity available for irrigation is also uncertain.

As a result, up to \$120 million of commonwealth funding (as part of the \$530 million for SA's Priority Projects Murray Futures) was announced on 3 July 2008 to provide potable water and irrigation water to communities and industries on the Lower Lakes, including the wine regions of Langhorne Creek and Currency Creek.

The potable component of this project, supplying potable water to the Narrung and Pottaloch peninsulas, was completed in January 2009 at a cost of \$26 million. The current estimated cost of the irrigation project is \$105.5 million. The Creeks Pipeline Company Limited (CPC) released a prospectus on 6 April 2009, seeking a subscription and irrigator contribution of \$12.5 million.

The pipeline design has been inclusive of irrigator input, with the option selected being a capacity of 130 megalitres a day addressing the irrigation and other water demands not only of irrigators using River Murray licences but also irrigators currently using groundwater, as well as stock and riparian users within the defined area.

In this model, the state government will hold 40 megalitres a day of the 130 megalitre day total capacity as reserve capacity to meet any future water demands from current groundwater users, stock and riparian users. The reserved capacity pipeline will help to underpin a viable and

sustainable community through ensuring access to alternative sources of water for groundwater, stock and riparian users.

The new pipeline will allow policy flexibility regarding future access arrangements to the Lower Lakes for all current water users and a mitigation strategy pending future decisions on the management of the Lower Lakes. This project is on a critical time line path, with the pipeline to be constructed and operational by the end of September 2009, to provide access to irrigation water for the 2009-10 irrigation season. Construction of the pipeline started on 5 May 2009, and work is progressing on 12 different fronts and on the three pump stations.

I am advised that, at state of play, the project is ahead of schedule, which is very good news. and it is being case managed out of PIRSA. A project management team has been established, with staff from PIRSA, the Office for Water Security and SA Water, supported by officers in the Department of Treasury and Finance and the Department of Water, Land and Biodiversity Conservation. I thank the honourable for her very important question.

Mr KENYON: I refer to Budget Paper 4, Volume 1, Sub-program 2.1, page 5.14. What key initiatives are being introduced by government to stimulate productivity growth and assist in addressing the uncertainties being created by the global financial crisis, climate change and increasing scarcity of our natural resources?

The Hon. P. CAICA: This is an extremely important issue for South Australia due to the importance of a viable, productive and competitive primary industries sector to the overall South Australian economy. Improved performance of the primary industries sector has been focused on enhancements to productivity based on the adoption of new production technologies and implementation of new farm management applications. Productivity growth, however, has declined over the past decade, necessitating a close examination of new approaches to the generation of wealth. I think we touched on this subject earlier with Graham, particularly as it relates to Eyre Peninsula.

This has led to an examination of areas along the whole value chain for opportunities to generate value of products, rather than volume. A major initiative in relation to improving productivity growth over the past year was to bring Professor Andrew Fearne here through the Adelaide Thinker in Residence program. Professor Fearne, a world leader in value chain research, advised both government and industry on value chains within our food and wine industry.

In most basic terms, I have been told (and I have no reason to disbelieve it) that future wealth generation beyond what we produce at the moment will, in the main, come from improving the value chain and the value of that chain. Professor Fearne released a discussion paper in late 2008 on his findings of the South Australian food and wine industries.

The paper included some preliminary recommendations that are already having an influence on PIRSA programs in regard to having more of a consumer focus within industry development. The final report, with further recommendations, will be launched later this year. Unlike the circumstances of the past few days, I undertake to ensure that the shadow spokesperson gets an invitation to that launch.

A series of projects was initiated during Professor Fearne's visit to demonstrate the benefits that can be gained by adopting more of a value chain approach in food and wine businesses. These include Vine to Dine, sustainable value chain analysis, mapping of our prawn fishery value chains to better understand the fishery's capability of focusing more on what consumers value, publishing a series of case studies showcasing some of South Australia's successful value chain businesses and engaging young people in value chain thinking, in partnership with the Office for Youth's A Team program.

Another direct initiative of Professor Fearne's visit has been the development of a value chain unit within the agriculture, food and wine division of PIRSA. PIRSA is also leading a national industry development committee (IDC) working group to examine the potential of a value chain approach for improving agriculture productivity. The working group recommended to the IDC that a series of lamb industry case studies sustainable value chain analyses be conducted across lamb producing states. PIRSA will be conducting one of these sustainable value chain analyses with a selected SA lamb value chain, as well as overseeing the overall project.

Over the next 12 months, a new South Australian agrifood strategy will be developed. At the recent Premier's Food Council food forum, value chain thinking and consumer focus were the two main areas identified as key drivers for the new strategy. The Food Centre, which I spoke about earlier today, with its business capability, business innovation and market development

functions, is seen as a key enabler for the South Australian food and wine industries to become internationally competitive and sustainable into the future. Professor Fearné was very impressed with what he saw there, and he has become a very keen advocate of the Food Centre, with the above programs being closely linked to his key recommendations.

We are confident that the new approach to value chain thinking, combined with a continuing focus on enhanced productivity, will indeed place South Australia in a strong position to deliver value from our primary industries sector; with that underpinned, I think we continue to have a very strong, a viable and positive future with respect to our primary industries and the benefits that will accrue through the value chain. I thank the member for his question.

Ms SIMMONS: I refer to Budget Paper 4, Volume 1, Sub-Program 2.1, page 5.14. What is the status of the Exceptional Circumstances program, and what has it delivered to our drought affected farmers and small businesses?

The Hon. P. CAICA: I can certainly answer that question. We spoke earlier today about aspects of exceptional circumstances, particularly the drought program here in South Australia. The current national Exceptional Circumstances program allows eligible applicants within EC declared regions to apply for a range of support measures, including interest rate subsidies, income support payments and exit payments.

The state government contributes 10 per cent of the EC interest rate subsidy component, which is administered by Primary Industries and Resources South Australia, and I know that the member for Morialta is aware of this. It was expected that the Australian government would announce major reforms to the approach to drought support based upon a report by the Productivity Commission, but this has not occurred as yet, and the current arrangements are in place for the 2009-10 financial year.

This was an interesting debate, and I remember your comment this morning, Adrian, about when do exceptional circumstances become the norm—and we hope never. I am certainly very pleased that the federal government made the decision that it did under the circumstances that exist, but I am also fully aware and understand its position on exceptional circumstances going forward in the context of what does constitute an exceptional circumstance, given the variability that exists at the moment and whether that will be the norm going forward.

The EC declarations for western, central and lower Eyre Peninsula, Upper North cropping, the Mid North, Yorke Peninsula, Clare, Light and the Barossa, the River Murray corridor, the Murray Mallee, central and eastern Mount Lofty Ranges, Fleurieu Peninsula, Kangaroo Island and the Upper South-East have recently been extended until 31 March 2010.

The Lower South-East region was not extended, as the National Rural Advisory Council assessment found the region to be in recovery and not in exceptional circumstances. There is work in progress in that region to consider submitting a new application, and I have certainly had discussions with, and correspondence from, people from the South-East in relation to this particular matter.

More recently, my federal colleague the Hon. Tony Burke MP announced that exceptional circumstances declarations have been extended for the Central North East (including Annex and the North West Rangelands declared area) to 15 June 2010. The south-west Queensland declared area that includes the three properties in north-east South Australia will cease on 15 June 2009. The majority of EC programs are administered through Centrelink, and Primary Industries and Resources South Australia does not have access to the details regarding the levels of uptake.

There are currently 2,236 farm businesses in receipt of interest rate subsidies and, since 2006, \$126.3 million has been paid out, of which the state contribution is about \$12.6 million. There are 474 businesses in the River Murray corridor, 309 on central Eyre Peninsula, 265 in the Upper South-East and 240 in the Murray Mallee receiving an interest rate subsidy indicative of the region's need, noting, however, that western Eyre Peninsula and the rangelands are the most severely impacted. Other components of the EC program administered through Centrelink record the following:

- 107 small businesses and 2,350 farmers are currently in receipt of EC relief payments of up to \$775 per fortnight;
- 32 exit packages;
- 1,620 grants of up to \$5,500 for planning and professional advice;

- 1,393 claims for irrigation management grants have been granted this financial year; and
- 82 small block irrigators have first stage approval for the enhanced exit package.

Provision has been made in the 2009-10 budget to meet the South Australian government's contribution to this Drought Assistance Program and, from the feedback that I have received, this is a program that has been welcomed by the recipients in our regional areas.

Mr PEDERICK: I refer again to the statement on page 2.13, under the savings initiative in research and development of a \$1.715 million cut per annum over four years. In relation to regional offices, can the minister state categorically that no decision has yet been made as to which regional offices will close?

The Hon. P. CAICA: What I can say—and I think I mentioned this in answer to a question from the member for Schubert—is that no decisions have been made yet. We are still working through that particular process, so I cannot categorically rule out, or rule in, anything at this point in time. I am on the record as saying that there is a bright future for Loxton and Minnipa, and I am sure there will be a bright future for other areas where we currently deliver a range of services. With respect to a specific response to your question, I cannot answer that, because it is still a work in progress.

The CHAIR: I draw to the attention of the photographer in the gallery that the same rules apply: you can only photograph people who are speaking. The member for Hammond.

Mr PEDERICK: Thank you, Madam Chair. In reference to the same budget line, you talked about the possible option of redeploying staff. Will that mean that some country staff will be relocated to the city and, if so, how will this reduce costs?

The Hon. P. CAICA: I am advised that it is very unlikely that that will happen. As you would be aware, I did go through a process early in the piece when I was minister for further education, training and employment. If a person within our organisation does not want to take a targeted voluntary separation package, we would be mindful of their particular needs in the context of what skills they have, and we would look at ensuring that those skills are best utilised in the areas to great effect and, quite often, that will be in the area in which they currently live. It is something that we will take into account when we are doing that. The way by which this government operates is to make sure that, where we can, we accommodate not only the needs of our department but, importantly, the needs of the very important people that are, in fact, our department.

I think it is important to note that, of 1,537 people within PIRSA, we have 399 within regional areas and 1,138 within the metropolitan area. I am told that, historically, about a quarter to a third of the people employed within PIRSA operate within a regional area. Certainly, as we go forward, that will continue to be the case.

The point that I am making is that, compared to metropolitan Adelaide, through this process, if we do it just as a rule of thumb, we would expect that proportion of people in metropolitan Adelaide, as a percentage of the total employment, to be affected by or offered the TVSPs. Again, they will be targeted. It is certainly my instruction to the department that, one, it will be targeted and, two, that it is voluntary, and that goes without saying.

I worked in the fire brigade some time ago and I have, of course, worked elsewhere where targeted voluntary separation packages have been part of custom and practice. Sure, they were voluntary, but were they targeted as well as they should have been? What we want to ensure is that, going forward, we have the full skills set that we require of our workforce. That is the objective.

Mr PEDERICK: I refer to the same budget line and, in light of your answer, minister, I think you are well aware that farmers appreciate the one-on-one service that they can get in their regional offices and the fact that you outlined the percentages of urban employees compared to regional employees. I would have thought to deliver the service to the regions, it would have been more appropriate to keep your staff in all the regional offices. I am wondering what your comments are on that.

The Hon. P. CAICA: We provide the numbers of staff in areas that are able to ensure the appropriate level of service. I acknowledge your point that farmers like one-on-one service; they like access to information. I have received no complaints to date about the service delivery that we provide to the primary industry sector as a whole.

In fact, I will reinforce the point I made earlier: having been associated with several departments in my short time as a minister in this government, one thing that makes PIRSA stand out from others—and that is not intended to be derogatory to any other department—is the relationship it shares with people out in the regional areas. I think we can be very proud of that. As to service delivery in the future, we are going to ensure that we are as highly regarded in those areas as we are today.

Mr KENYON: I refer to Budget Paper 4, Volume 1, Sub-program 2.4, page 5.16. What initiative is being undertaken to combat the threat of soil borne diseases in cereal and pea crops?

The Hon. P. CAICA: I thank the honourable member for his question and note his keen interest on soil borne diseases.

Mr Kenyon interjecting:

The Hon. P. CAICA: Well, you like peas like all of us, don't you? That's right. Soil borne diseases cost the Australian grains industry about \$300 million per annum. Most management decisions to reduce yield losses have to be made before the crop is sown. The SARDI root disease management workshop and resource manual was developed to support the delivery of PreDicta B, which is a unique DNA testing service developed by SARDI in collaboration with the CSIRO to assist grain producers to assess the risk of soil borne diseases before sowing the crop.

The technology was licensed to Bayer CropScience in 2000, and they had marketed it to primary producers across southern Australia until 2007. SARDI now delivers the technology direct to agronomists. Following feedback from agronomists attending the courses, a new project was submitted to and approved by the SA Grains Industry Trust (SAGIT) to develop new assays for—do you know one of the things about this job? If you had ever asked me before February this year whether I would know anything about pigs, agronomy, chickens, honeybees, almonds and a whole host of other things, I would have said, 'Tell him he's dreaming!' Now it is subsumed into my whole life. What is more, it is such an exciting portfolio.

Returning to the topic, the new project was submitted to and approved by SAGIT to develop new assays for stubble borne pathogens of cereals.

An honourable member interjecting:

The Hon. P. CAICA: They are amongst the worst—that is right. These assays will initially be used as research tools and may be delivered to growers if they are found to assist growers to make better management decisions. Again, it is part of the work that we do. Adrian (the member for Hammond) is a farmer, as is the father of the house, and, ultimately, in order to make better management decisions, you need to be provided with the information and the tools to do so. That is what both PIRSA and SARDI, in collaboration with other industry partners, do so well.

The SARDI agronomist training course and associated resource manual was upgraded in 2008 with support from SAGIT and Plant Health Australia. The previous update was carried out in 2003 with support from Bayer CropScience. This time, nine workshops were delivered across southern Australia, with four in South Australia. A total of 211 agronomists participated—139 from agribusiness, 30 private consultants, 24 from research organisations, and 18 from state extension/farming systems groups. Course feedback highlighted growing concern about the adoption of continuous cereals and the associated increased risk of soil and stubble borne diseases.

The course and sixth edition of the new manual were well received. The course is highly regarded in its own right, and I am told it is valued by agribusinesses as an important component of the professional development of their new agronomists. Despite the very difficult conditions for grain producers that we spoke about earlier this morning, demand for PreDicta B has already exceeded the demand of the past two seasons. Further courses will be delivered later in 2009; thereafter courses are expected to be delivered every second year.

The SAGIT project will focus on developing an assay for *Pyrenophora tritici-repentis*, the fungus associated with yellow leaf spot. If I had just said 'the fungus associated with yellow leaf spot', I know that you would have understood that. This assay will be used as a research tool to study the fungal levels in crop and stubble during the growing season and over summer to support development of better management strategies.

The Grains Research and Development Corporation is keen for grain producers to continue to have access to the technology. Discussions are planned to explore new models to support SARDI to continue delivery of this technology.

Mr PEDERICK: I refer to Budget Paper 3, page 2.12, the construction of a \$105.5 million pipeline from Jervois to Langhorne Creek and Currency Creek. Given that this project has been described as costing \$120 million, and given that the provision of potable water to both Point Sturt and Hindmarsh Island has been noted as conditional upon the final cost of the creek's pipeline, can the residents of Point Sturt and Hindmarsh Island anticipate the installation of pipes to their communities for stock and domestic water, which will cost \$7.3 million combined?

The Hon. P. CAICA: I presume the thrust of your question is that, even though the \$120 million includes both potable water and irrigation, as I mentioned earlier, will any savings identified be used to facilitate the pipeline elsewhere in the areas that you have described? Is that right?

Mr PEDERICK: Yes. It has been indicated to me previously that any savings made in that initial \$120 million costing would go to those Point Sturt and Hindmarsh Island potable pipelines.

The Hon. P. CAICA: I will be frank; I cannot answer that question. It is a question for the water minister, and I will leave it for her to answer. I will ensure that she gets a copy of *Hansard* so that you can be provided with an appropriate answer from the relevant lead minister.

Mr PEDERICK: I refer to Budget Paper 4, Volume 1, page 5.14, Performance Commentary: Critical Water Allocations Program. Is any ongoing monitoring being performed on the 1,300 farm businesses that receive support through this program, as there is no money allocated for the next water year?

The Hon. P. CAICA: As you would expect, through a variety of avenues, not least the people we have located in the Riverland, we are receiving information about the welfare and wellbeing of businesses and irrigators within the Riverland area. I was up there last week. I know the value of the critical water allocation and its benefit to that region, as it has been described to me by the recipients of that allocation. I am clearly aware of that. The subject of water occupied a great deal of my two days up there last week in terms of our discussions and information provided to me by people in the Riverland.

You are quite right to identify that a decision in regard to the future of the critical water allocation has not been made yet. I have told them up there, as I have told others who ask and I will tell you now, that it was regarded as a one-off, but we are working through the issues associated with the Riverland and, amongst other things, critical water allocation. However, at this point, no decision has been made with respect to a continuation of that particular allocation.

Mr PEDERICK: I refer to the same budget line and to my original question. Is any monitoring being performed on those farms that need support? Of the 1,300 farmers who received support under the Critical Water Allocations Program, how many remain in business at this time and are any of them expected to exit the industry?

The Hon. P. CAICA: I do not have those figures available to me. I do know that work was being done by the commonwealth in regard to the uptake of exit packages by those who live in the area. I read an article yesterday, which appeared in one of the local newspapers in the Riverland, about a gentleman who was going to take an exit package. In regard to those who have taken it, I do not have the figures. In regard to those who are considering it, or the likely numbers, I have no idea.

What I do have in place is a meeting tomorrow with the bankers and the drought financial forum group. It has a particular focus across all areas of South Australia, but tomorrow will particularly focus on the Riverland. I expect that more information will be provided tomorrow by the bankers in regard to the interactions they have had with people who have had the opportunity to exit based on the financial advice that has been provided to them through their bankers. It is not easy for an individual or family, who has been working the land for an extended period of time, to decide that they are going to exit. Quite rightly, they need to make such a decision based on sound financial advice that is provided to them, and one of the best places to get that is through their bankers.

Dean Brown will be present at tomorrow's meeting, and he, and the banks that he has been dealing with, will provide us with information that may provide more clarity to the question that you asked, which I cannot answer at this point.

Mr PEDERICK: I refer to Budget Paper 4, Volume 1, page 5.6, Agriculture, Food and Fisheries targets 2009-10, the implementation of the Plant Health Act. What has been the cost of implementing this act, and is that cost shared between importers and exporters, or are there costs passed on to the industry in other ways?

The Hon. P. CAICA: From 1 July 2009, the new Plant Health Act 2009 will introduce more secure inspection and quarantine arrangements to protect the state's \$1.5 billion fresh fruit, vegetable, grape and field crop industries from biosecurity, pests and diseases.

In my dealings I have often met with many people in a variety of areas of agriculture and horticulture and they say: what is it that distinguishes South Australia from the rest of Australia and, indeed, parts of the rest of the globe, in relation to what we have unique here? One of those areas of uniqueness is our ability to be, and the objective to remain, free of those pests and diseases that decimate interstate crops, whether we look at phylloxera or fruit fly.

I think that is an objective that we all share. What is it that makes South Australia unique? Our ability to be able to market our produce as being grown and sourced from areas that are not impacted upon with respect to certain pests and diseases, as is the case with other parts of Australia.

The new Plant Health Act updates existing legislation to allow for the establishment of an import verification compliance system to ensure compliance with national emergency plant pest response requirements, recognised national arrangements for interstate plant produce exports and ensure that South Australia is well positioned to respond to future incursions of both pests and diseases of quarantine concern and noxious insects, being, amongst others, locusts and plague grasshoppers.

The government has been meeting a substantial component of the program costs to date—and that gets to your question—and the new charging arrangements are intended to increase the horticultural produce contribution by the beneficiaries, that is, the produce agents and other importers and exporters, to a more balanced and sustainable level.

The specific question was about the costs, and we have not necessarily calculated that. I can give you some broader figures later, but I thank the industry for working so closely with us to prepare the new act and regulations. I can touch on a few figures here with a market access certification program undertaken by PIRSA's plant health operations at Prospect and throughout the state.

As I mentioned, it maintains South Australia's fruit fly free and area freedom status, and that, in turn, provides industry with significant marketing access opportunities and financial savings by minimising both in-field chemical usage and post-harvest treatments, in addition to minimising the cost to government for emergency response activities.

The phase-in of new fees and charges from 1 July is expected to recover additional revenue of \$337,500 per annum, increasing industry's contribution from around 25 per cent to 75 per cent of full cost recovery for both import clearance and export certifications. I think your question, in turn, was specific about what will be the impact on a particular grower and I, again, reinforce the point that that has not been calculated. That is the more global figure, if you like, as to what the phase-in of the new fees and charges will be.

Since March 2003, PIRSA has been engaged in discussions with the horticultural industry in relation to the introduction of strengthened biosecurity measures to protect the state's \$1.5 billion fresh fruit, vegetable, grape and field crop industries, as I said. Again, I thank the industry for working very closely with the department to prepare the new act. It reinforces the point that I made earlier about the working relationship between my department and industry.

I could go on for a little bit longer, but what I will do is look at the financial issues and finish off with this, because I want to allow you to ask more questions. The increased cost of compliance with the new legislation may have some minor adverse financial impact upon the horticultural industry in the short term, but is expected to have net positive benefits in relation to protecting existing and creating new future markets, access to those markets and opportunities in avoiding expensive product treatments, and it is something that we all support.

One of the discussion points, whether it be with the citrus industry, the pear industry, or the like, the viticulturalists and the grape growers, is that they believe, and I have no reason not to believe them, that it provides a great financial benefit to them in being able to market their produce, and our produce here in South Australia, as being grown and harvested in those pest-free zones.

We are committed to ensuring that we have the best possible measures in place to make sure that when there are incursions we are able to extinguish those as quickly as we possibly can, and to work with the commonwealth to ensure that there are effective national responses in place as well that we in South Australia will benefit from, but also be a part of assisting nationally about

how we can eradicate where we can, but minimise the impact of pests throughout Australia, and we will work closely with industry to that end.

Mr PEDERICK: I refer to Budget Paper 4, Volume 1, page 5.6, Agriculture, Food and Fisheries, 2009-10 targets, dot point 3. How does the department propose to develop the egg and seed sprout food safety schemes, and what amount has been budgeted for that program?

The Hon. P. CAICA: I will start off with eggs, if I may. I will deal with the food safety scheme as it relates to eggs, and then move on to the sprouts food safety scheme. With respect to eggs, a national food safety standard for eggs and egg products was started in 2006. It was delayed due to the appointment of a Standards Development Committee in 2008 and is now expected to be completed in late 2010. Around Australia and in South Australia in early 2007, there was an increase in salmonella cases linked to eggs from smaller producers. Since that time, there have been small outbreaks linked to eggs in other states. However, in general, graded commercial eggs continue to have a very good safety record. As a result, it was agreed that egg food safety scheme regulations would be put in place in South Australia to help prepare for the national standard and, in particular, to start helping smaller producers improve their food safety practices ahead of the standard.

A key part of this process was that the South Australian work would link with the national work, so that the national standard could be easily adopted when it was completed. However, with the slowdown in the national process, one of the difficulties—I had better be careful here—with a national process sometimes it does slow down. That slowdown in the national process has also impacted on the development of regulations for South Australia. Notwithstanding this, PIRSA has still been consulting with the egg industry and, earlier this year, sent a discussion paper to all commercial producers about possible regulations. Fees for businesses will be regulated by PIRSA and recognition of industry food safety systems are issues that PIRSA will be discussing further with industry, along with ensuring that the South Australia proposed system links well with the national standard being developed.

PIRSA is confident that regulations can be made in 2009-10 to ensure that the industry has good systems for all producers, and that the regulations will be able to readily adopt the national standard when it is completed. There are various other steps that I can go through if the member so desires but I think to use the time most effectively, unless you want more information, I will move on to the sprouts food safety schemes, for the second component of your question.

Sprouts produced from seed for human consumption have been identified in a number of risk assessments as a high safety risk food. PIRSA maintains ongoing contact with seed sprouters. There are four known South Australian small sprouting businesses mainly producing for the local market. PIRSA and SA Health produced guidelines for the safe production of sprouts in South Australia which was given to seed sprouters in South Australia.

At the national level, Food Standards Australia and New Zealand is responsible for developing national primary production and processing food safety standards. It has recently commenced work on a national standard for seed sprouts and PIRSA, as was the case with the other item of discussion, is part of the process along with industry and the other states.

With the announcement of the development of a national standard, PIRSA paused in the process of developing regulations to ensure that whatever regulations are developed in South Australia are consistent with the national approach—and it makes absolute sense to do that—and that the national standard, of course, can be readily adopted into those regulations. I am told that PIRSA expects to commence consultation with the local industry soon and is confident that regulations can be made in 2009-10.

It was interesting that, not so long ago, there was an issue related to sprouts. I will correct the record if I am wrong but it was certainly identified that perhaps South Australia was the source of what was a health problem identified elsewhere. PIRSA, working with industry and other jurisdictions, went through a very comprehensive process. We all know the saying about one bad apple, and what happens is we all get tarred by that brush. So, it is very important, when we pride ourselves, whether it be on our seafood or primary industries, that we ensure that South Australia stays at the forefront of having safe, healthy produce at the fingertips of not only South Australians but the world markets as well.

Anyway, to cut a long story short, it was asserted that the origin of this disease was a seed company from the north of our state. Due to the good processes that were put in place it was identified that the problem with that particular bean sprout was in no way associated with any of the practices and procedures that we had here in South Australia. However, importantly, if it was, we

had the checks and balances in place to be able to ensure that we addressed it in a timely fashion. Also, we are not going to take blame where blame is not due.

Mr PEDERICK: I refer to Budget Paper 4, Volume 1, page 5.6, Agriculture, Food and Fisheries Targets 2009-10, dot point 4, referring to the South Australian Food Centre at Regency Park. When will stage 2 be completed?

The Hon. P. CAICA: We are working through that. It is our view that there is great potential at Regency Park with respect to the role currently being undertaken by the Food Centre and the opportunity to expand that role. Naturally, as it is part of a different portfolio responsibility, I do not have that information in front of me (amongst other things) and we are not in a position, at this point in time, given the discussions that still need to occur, to know what the future requirements might be and the ability for us to be able to achieve those requirements at that site.

The CHAIR: Minister, it looks like a convenient time to move on to Forestry SA and Forest Policy (PIRSA). The line is already open and I think the advisers are already there.

Mr PEDERICK: Madam Chair, I would like to thank PIRSA staff and the advisers here today for the work they do in supporting the minister.

Departmental Advisers:

Mr B. Farmer, Chief Executive, ForestrySA.

Mr S. West, Executive Director, Forestry, Department of Primary Industries and Resources SA.

The Hon. P. CAICA: Again, I highlight the valuable contribution made by the members of PIRSA staff who were here today for the previous line of questioning. Often what is understated or not mentioned at all is the very sound work that is done by the people back at the department who have been an integral part of the preparation of the information that we have provided here today.

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

The Hon. P. CAICA: I do not think so. We only have half an hour; we might as well get straight into it.

Mr PEDERICK: I refer to the Budget Statement, page 6.1. Paragraph 2 of the Overview refers to the planned upfront sale of ForestrySA's harvests, described by the Treasurer in December 2008 as 'three rotations'. My first question is: how many years' supply is three rotations?

The Hon. P. CAICA: I am advised (and it is on good advice) that it would be 37 years by three years. So, if you use that calculation, that is about 111 years. However, I also presume that, should it ultimately be decided to sell the forward rotations, there may be some variation on that 37 years, based on whatever the decision is of the person concerned should (and I reinforce that point) it come to fruition that those forward rotations are sold.

Mr PEDERICK: I refer to the same budget line. Will an equivalent of \$34 million per annum be achieved from forward selling three entire rotations?

The Hon. P. CAICA: I think that this whole matter ought to be put into perspective. It was a cabinet decision, as the member said, to explore the possibilities of the sale of a forward rotation. It needs to make sound business sense, from the state government's perspective, for that forward rotation to be sold. That work is being undertaken at the moment by Treasury and, quite frankly, from the perspective of a cabinet member, that proposal will need to stack up.

Mr PEDERICK: What has been the impact of current prices and the alleged downturn in the market on your negotiations and your processes moving forward?

The Hon. P. CAICA: Can the member clarify that question, please?

Mr PEDERICK: The upfront sale of the harvest (referring to the same budget line). I am trying to get some connection between current prices and the alleged downturn in the market.

The Hon. P. CAICA: At the moment, there has been no downturn in the price of log pine but there has been a downturn in the volume, and that is in the here and now. I have to apologise to the member for Hammond, because I am not quite sure that I specifically understand the thrust of the question—whether it is in the context of a forward sale or whether it is in the context, if there

is such a sale, of future rotations, or whether it is in the context of the harvesting that is being undertaken here and now.

I reinforce the point that there has been no downturn in the log price but a downturn in the volume, which means that they can vary the volume of the logs with respect to any people with whom we have contracts at any point in time, within a certain range, and then increase that percentage further in the out years.

Mr KENYON: I refer to Budget Paper 4, Volume 1, program 3, page 5.19. Like so many other sectors, our forestry industry is facing some challenging times. Nonetheless, there would also seem to be opportunities as the sector enters a new phase. Can the minister outline how the industry and the government together will tackle the future development of the forest and forest products sector?

The Hon. P. CAICA: The state government recognises the significant contribution made by the forestry industry to the economic and social wellbeing of the south-eastern region of our state and, indeed, to the South Australian economy as a whole.

The member for Newland is quite right to identify that the forest and forest products sector is entering a new phase. Over the past 15 years, investment in plantations has been high and the industry has plans for a number of significant value-adding investments in regional South Australia. In the Limestone Coast area alone, the forest and forest products sector accounts for about 28 per cent of the gross regional product, and the commencement of harvesting of maturing hardwood plantations will increase that share—hence my recent urging of the administrators, if you like, to sort out that which relates to the agricultural and forestry interests of Timbercorp and Great Southern.

Mr KENYON: Is that going to affect that?

The Hon. P. CAICA: What we would say is that it continues to be something that will continue to support our South Australian economy. It would be extremely helpful for those issues to be sorted out and not to be the subject of an extended legal battle in the courts, when it has so much potential to continue employing people (as it does) but also to increase the level of employment and the economic wealth that can accrue to South Australia as a result.

That is being dealt with in such a way that we have no control over it, but again I have urged the administrators and the receivers to ensure that, where possible, that can be done in a most timely fashion. I point out that it accounts for 28 per cent of the GRP in the Limestone Coast alone. Of course, we want the harvesting of maturing hardwood plantations to occur, which, of course, will increase that share.

The sector is also facing a number of challenges, including water allocation, depressed markets, carbon trading and economic and environmental sustainability. I also think that certain issues (as mentioned above) provide opportunities for the forestry industry as well in regard to carbon trading and economic and environmental sustainability, the areas which still need to be fully explored to be of real benefit to the industry.

As a response, I am pleased to advise that the inaugural Forest Industry Development Board (appointed this year by the former minister for forests) has now commenced its deliberations to provide leadership for innovation and development in the forest and forest products industry sector that supports sustainable economic growth in South Australia.

The board's initial principal task is to prepare a strategy to ensure that appropriate planning is undertaken in the forest and forest products sector. This will help chart a course for growth in the sector and will identify the necessary roles for industry and government.

It is essential that industry be engaged to ensure that the strategy produced is relevant to them and will allow them to commit to its recommendations. The board is being supported by PIRSA Forestry, and while they will be seeking industry's views I take this opportunity to invite all those interested to get involved in this particular process.

The current seven members appointed to the board have a range of high level skills across the areas of forest management, timber processing, business development, finance, innovation and environmental management that will assist its deliberations. The members are:

- Dr Lyndall Bull, who has a PhD in forest science, is the presiding member;
- Ms Catherine Barnett, who has a particular skill, amongst other areas, in marketing;

- Mr Chris Peterson, former executive of Weyerhaeuser Australia;
- Ms Lynette Pinder, who has particular expertise in finance;
- Mr Robert McCormack, who has a PhD in forestry;
- Ms Shelley Dunstone, who has a background in law and marketing; and
- Dr John Fargher, who, for the benefit of the committee, holds significant skills in the area of agricultural science and, indeed, is an Oxford fellow.

The government has a number of additional initiatives and ongoing commitments that will help to strengthen the forest and forest products industry such as:

- Forestry SA is continuing to target expansion of the forest estate in the Green Triangle region, with the intent of securing further resource supply for local mills and processors.
- The recently released Green Triangle Freight Action Plan, an infrastructure partnership plan with the Victorian government—again I highlight that when you do things properly you can strike a deal with the Victorian government.

Mr KENYON: To go to bed with the devil.

The Hon. P. CAICA: That's it, to go to bed with the devil. For the record, the member for Newland made that comment and I only repeated it. I continue:

- This infrastructure partnership plan with the Victorian government identifies a number of action items relating to road and rail network enhancement, regulatory reform, job opportunities and skills training and community development.
- The development and publication of new Guidelines for Plantation Forestry in South Australia which promotes planning, establishment, management and harvesting of forest plantations in accordance with the principles of ecologically sustainable forestry management practices.
- The state government has also provided significant support to the efforts to establish the proposed Penola pulp mill, which the member for Newland understands and knows is an important project that, going forward, underpins the strength of the resource that currently exists and to which I referred earlier.

Mr Kenyon interjecting:

The Hon. P. CAICA: They are having some difficulties at this time, not the least of which is caused by the fact that (as mentioned earlier) some issues need to be sorted out from the receivers and the administrators' perspective, but it is a serious—and I mean serious—effort to establish the proposed Penola pulp mill. It is not for me to say how much they have already spent, but it is not insignificant in attempting to get this project up. Whilst the collapse of Timbercorp and Great Southern has created a difficult situation for a lot of small, medium and even large investors that were with Timbercorp and Great Southern, it has also put a question mark over the ability to advance the proposed Penola pulp mill in a more timely fashion. Of course, the South Australian government is a signatory to the Plantations for Australia: The 2020 vision, which is supporting significant private investment in forestry.

Certainly—and I have banged on about it for most of the day—I am very privileged to be the minister who is responsible and who has a role in primary industries in this state. It adds value to the state and underpins our economy. The role of forestry in South Australia is an extremely important component of our economy's welfare and wellbeing going forward.

Ms SIMMONS: I refer to Budget Paper 4, Part 5, pages 5.7, 5.18 and 5.19. What is the government doing to ensure that community service obligations are still met in state owned forests?

The Hon. P. CAICA: The South Australian Forestry Corporation (ForestrySA) has a charter with the South Australian government that requires the corporation to undertake a range of community service obligations in the form of delivering services to the community. These are obligations that this government, PIRSA and ForestrySA take seriously.

The South Australian community expect that the government will manage state owned forests not only in such a way as to maximise the commercial return to the state but also, rightly, in such a way as to meet recreational, environmental and public safety obligations. When I took over

this responsibility, I was flabbergasted to learn the number of South Australians who access and utilise our forests for a range of relaxation and recreational activities. It is quite astounding.

Native forest reserves are important conservation areas and are managed to enhance and conserve their biodiversity values, with assistance from volunteers and the community. These areas are protected under the Forestry Act 1950 and occur as a mosaic within the plantation estate. Forest reserves provide important opportunities for recreation. More than 30 types of recreation are undertaken and, as I mentioned, access to these reserves is highly valued by our community. The plantations in particular provide unique opportunities for recreation that generally cannot be undertaken on other public lands.

It is worth noting (I mentioned this earlier without stipulating a figure) that 200,000 people visited state forestry reserves for recreational purposes in 2008-09. I can see the member for Hammond's eyes turning over. It may well be their position to charge people for that privilege going forward but, at the moment, it is community service obligation, and it will continue to be so.

A significant volunteer and community program is supported by ForestrySA to assist with the management of biodiversity, visitor and heritage sites within forest reserves. I am pleased to advise that over 33,000 hours were contributed by volunteers and community program participants in 2008-09.

The forest research program supports initiatives that assist the development of forest industries and farm forestry. PIRSA Forestry and ForestrySA manage the CSO arrangements, including those related to the management of:

- native forests for biodiversity conservation;
- public access and recreation in forest reserves;
- volunteer and community activities;
- forest research programs; and
- community fire protection services near forest reserves.

These CSOs are funded by the government and administered through PIRSA Forestry. PIRSA Forestry has developed a service level agreement with ForestrySA to ensure that programs are effectively and efficiently delivered within an appropriate governance model. Annual programs and performance targets are developed by PIRSA Forestry in consultation with ForestrySA.

We also expect to complete the mapping of vegetation associations within native forest reserves to enable improved management, including the appropriate use of fire, over the coming year. The development of these community service obligation programs recognises the important role forestry and forest reserves play in contributing to the economic, environmental and, importantly, social benefits to the South Australian community.

Ms SIMMONS: I refer to Budget Paper 4, Part 5, pages 5.17, 5.18 and 5.19. What is the government doing to assist forestry adapt to the impacts of climate change?

The Hon. P. CAICA: I thank the member for her very important question. Adapting to the unavoidable impacts of climate change is extremely important to ensure the long-term viability of forestry in South Australia. Climate change, and the climate variability we are experiencing today, presents a number of challenges for the industry but, at the same time, as I mentioned earlier, presents opportunities, particularly to the contribution forests can make in relation to carbon capture.

CSIRO projections for the Adelaide Mount Lofty Ranges, Kangaroo Island, Northern and Yorke, SA Murray-Darling Basin and South-East natural resources management regions predict a drier and warmer climate. This increases the risk of drought and fire, with potentially adverse impacts on biodiversity, agriculture and forestry. The incidence of forest pests and diseases may also increase under these conditions.

The potential productivity losses in the forestry sector may reduce regional economic activity. Significant changes in management may be needed to minimise costs, maximise benefits and ensure environmental sustainability. Nationally, a climate change and commercial forestry action plan to guide government action on forestry's role in climate change is being released. Adaptation opportunities available to the forestry sector include:

- the use of drought tolerant strains or different species;

- changed harvesting patterns, rotation periods, improved fire management; and
- adopting risk management in business planning.

There is also a need to assess the socioeconomic vulnerability of regions where the forestry and forest products industries are significant. This includes the South-East, Adelaide Hills and Kangaroo Island regions.

PIRSA Forestry continues long-term trials on the suitability of various tree species and improving genetic and silvicultural regimes for low rainfall areas. Other trials are assessing the multiple benefits of perennial vegetation for farm forestry, such as bioenergy production and carbon sequestration. PIRSA Forestry will also be encouraging adaptation and carbon sequestration through appropriate low rainfall area research trials.

I am certainly confident that forestry can successfully adapt to the challenge of climate change, and the government will continue to assist the industry in meeting this challenge. I will go one further and say that not only can it successfully adapt but that, given the right framework, we also have the ability to exploit the benefit of the forestry industry and the role and function it plays in relation to the challenges of climate change and carbon storage.

Mr PEDERICK: I refer to page 6.1, Overview, paragraph 2, the planned upfront sale of ForestrySA's harvest, described by the Treasurer in December 2008 as three rotations. What modelling has the government done or proposes to do on the impact on local manufacturing and local jobs of forward selling three entire rotations?

The Hon. P. CAICA: I presume that this same question was asked of the Treasurer when he was sitting here, because it is actually the Treasury that is advancing this particular matter. I cannot answer the specifics of the question that is being asked, but I will reinforce the points that I made earlier. At the end of the day, it has to be a deal that stacks up and, from cabinet's perspective, it needs to make sound financial sense. We are not in the habit of giving away anything, let alone something that ultimately is going to be of more benefit to the state if we keep it in state hands than if we sell the forward rotation.

Ultimately, the Treasurer is working through that particular process. From our perspective, as the matter progresses, we are making sure that the required information that we have at our disposal is provided to Treasury.

The Hon. G.M. Gunn: And we don't sacrifice the Bundaleer Forest.

The Hon. P. CAICA: I am looking forward to going up there, Graham. I understand that every second year there is an outstanding event at the Bundaleer Forest. I also remember that it is the second oldest forest in South Australia. Is that right?

The Hon. G.M. Gunn: No, the oldest.

The Hon. P. CAICA: Is Wirrabara the oldest or Bundaleer?

The Hon. G.M. Gunn: Bundaleer.

The Hon. P. CAICA: Maybe Wirrabara is the oldest ForestrySA forest. It does not matter, anyway; they are both ours. I understand that it is one of the oldest forests and that it is an outstanding weekend up there. I am certainly hopeful that I will still be the Minister for Forests when the next event arises. Again, that is a prime example of a forest that is part of the community service obligations that are undertaken by ForestrySA and assisted by PIRSA Forestry in the management of those obligations.

Just for your information, when I first met Mr West, we discussed a whole lot of matters, and, for some reason, I did understand a little bit about Bundaleer Forest. I said, 'Well, how does this impact upon Bundaleer Forest?' I will not put words in his mouth, but he was somewhat shocked that, in meeting the minister for the first time, I would ask a question that really had no relevance to what we were discussing, but it gave an indication that maybe I knew more than I really did.

Mr PEDERICK: I refer to the same budget line, minister. In regard to your previous answer, has the practice of forward selling three rotations of forestry been operated anywhere else in the world? Quite frankly, I have problems trying to identify how you can maximise your sales over 111 years? Has it proven to be a success?

The Hon. P. CAICA: I am advised that we do not have to go too far around the world to find examples. I am told that the answer is yes. Gunns in the South-East have provided a forward

sale for one rotation and separate sales in Tasmania and Victoria for 70 years. I will say this to you—and you know that I am not a nasty bloke—whatever decision we make will be based on the best financial advice that we receive. As I understand it—and you were not here—it was your government that, for ideological reasons (whether or not it was subsequently regarded as a good decision) sold the interest that ForestrySA had in mills. As I understand it, that decision was not made for any reason other than some ideological bent that it should not be held in private hands.

We are not selling—and do not intend to sell—the land on which these trees are grown. Ultimately, the decision as to whether or not these forward rotations will be sold will be based on what is in the best interests of our state, our state's economy and, indeed, the government's finances and budget, and for no other reason.

I accept that you are trying to get your head around what has been done before in other regions with respect to the sale of rotation. I am not suggesting that you are doing this, Adrian, but sometimes your side can come from the 'holier than thou' position about what it is that we are doing or might be doing when, in reality, we are reflecting on a bit of history, that things that have been done in the past might seem to be contradictory to a position that you might hold on the decision to sell our forward rotations.

Mr PEDERICK: I refer to Budget Paper 4, Volume 1, page 5.7, dot point 2, encouraging carbon sequestration by facilitating investment in plantations. Does the promotion of carbon sequestration meet the requirements of the federal government's proposed carbon pollution reduction scheme and, if so, will it be of major benefit to the state?

The Hon. P. CAICA: I thank the honourable member for this very important question. Those matters are still to be finalised. We know that the commonwealth government is still working through that particular process. I will reinforce the point that I made earlier. We will be in there from a forestry perspective, with the commonwealth, to ensure that the South Australian position (amongst others) on forestry—and, indeed, Tony Burke's position, which he is able to take to his federal cabinet—based on proper factual science, highlights the benefits that accrue to our state and our nation in regard to carbon sequestration as it relates to commercial forestry.

I mentioned earlier that I think there is great potential and, if we get it right, it will add another dimension to the perception that is actually a reality that we have sustainable plantation forestry in South Australia. It will enhance that sustainability if we get the measurements and benefits right with respect to the role that plantation forestry can play in carbon reduction and carbon sequestration.

The CHAIR: The time having expired, I declare the proposed payments relating to Primary Industries and Resources and administered items adjourned until tomorrow. We will now move to regional development.

DEPARTMENT OF TRADE AND ECONOMIC DEVELOPMENT, \$61,825,000

Membership:

Mr Venning substituted for Hon. G.M. Gunn.

Mr Griffiths substituted for Mrs Penfold.

Witness:

Hon. P. Caica, Minister for Agriculture, Food and Fisheries, Minister for Industrial Relations, Minister for Forests, Minister for Regional Development.

Departmental Advisers:

Mr B. Cunningham, Chief Executive Officer, Department of Trade and Economic Development.

Mr L. Bruce, Deputy Chief Executive Officer, Department of Trade and Economic Development.

Ms J. Lowe, Director, Office for Small Business and Regional Development, Department of Trade and Economic Development.

Mr P. Polychronopoulos, Chief Finance Officer, Corporate Services, Department of Trade and Economic Development.

Ms A. Allison, Director, Corporate Services, Department of Trade and Economic Development.

Mr B. Paolo, Manager, Regional Services, Office of Small Business and Regional Development, Department of Trade and Economic Development.

The CHAIR: I declare the proposed payments open for examination and refer members to the Portfolio Statement, Volume 1, Part 2. Minister, do you have any opening comments?

The Hon. P. CAICA: Yes; I have an opening statement. I have been saying this all morning: the sustainability of South Australia is underpinned, without doubt, by the prosperity and wellbeing of people and communities in regional South Australia. I often say to people that those at the bus and tram stops and train stations tonight, and those travelling home in their cars, do not appreciate the economic wealth that is generated to the state of South Australia through our regional communities and underpinned by viable primary industries and resources operations in our regional areas.

Distance, population and circumstances specific to each region affect South Australia's Strategic Plan objectives for our regional communities. The state government's regional development portfolio comprises a range of programs and services to support regions and to monitor regional service delivery across government. This is provided by the Department of Trade and Economic Development (DTED) through the Office of Small Business and Regional Development.

DTED coordinates a cross-government approach to regional development, working with regional stakeholders and promoting the interests of our regions. The Regional Communities Consultative Council (RCCC) advises me on matters concerning regions, including the impact of decisions on regional communities and the opportunities for initiatives to advance social, economic and environmental development which will improve the quality of life in regional South Australia. I commend to the committee the work being undertaken by Mr Peter Blacker and his team with respect to the role that they play on behalf of government in the context of the Regional Communities Consultative Council and the advice that it has provided.

During 2007-08, all regional areas of the state recorded population growth, and the estimated resident population of South Australia's country regions was 297,200 persons, as at 30 June 2008, based on the government's common regional boundaries. The country regional population increased by 2,000 persons (or 0.7 per cent) from a year earlier and accounted for 18.5 per cent of the total population of the state, which was at that time 1.6 million people.

Growth in the population of country regions has been increasing for the past three consecutive years, and the growth recorded over the year to 30 June 2008 of 0.7 per cent was the highest annual growth rate recorded in over 25 years.

In terms of unemployment, the unemployment rate for South Australia's country regions averaged 5.2 per cent during 2008. The Adelaide metropolitan area unemployment rate averaged 5.1 per cent during 2008. During 2008, the average unemployment rate was lowest in the greater Adelaide area at 3.1 per cent and highest in the far north region at 7.5 per cent.

I mentioned earlier that regional South Australia plays a significant role in South Australian economic activity. This is particularly so for agriculture, wine, energy and mineral production. The regional budget statement indicates that, despite the continued impact of low rainfall, the value of primary production in the regional economies recovered in 2007-08 from the drought ravaged levels in 2006-07.

The 2007-08 year recorded significant gains in the value of field crops and wine grapes, along with continued growth in the petroleum and minerals sectors. The 2008-09 winter crop production is expected to be down slightly compared to the 2007-08 season, and I guess time will tell given that I think we had an increase in the area that was sown this year. Indeed, as we have learnt this morning from many people within this chamber, in the main the prospect is looking quite good compared to previous seasons in relation to the rainfall that we have received.

I know that, along with every member in this chamber, we hope that we continue to get the significant rains that are required at the appropriate time to ensure that we maximise the value of this season's crop. The overall value of South Australia's primary agricultural and mineral

production was estimated at \$8.9 billion in 2007-08. This represents an increase of 28 per cent from the 2006-07 estimate. Most of the increase was due to a major rebound in the field crop sector from a drought affected 2006-07.

As I mentioned earlier, along with strong growth in the wine grapes, petroleum and minerals sector, field crops and wine grapes were the two sectors that recorded the largest gains. The growth in the value of field crop production resulted from the combined effect of very strong price increases for grains as well as a rebound in production levels following the very poor 2006-07 season.

Wine grapes experienced growth in both price and volume. Compared to 2006-07, there was a 42 per cent increase in wine grape production and an 82 per cent increase in the farm gate value of the harvest. Despite a 7 per cent decline in the volume of dairy production in 2007-08, strong price rises resulted in a 26 per cent increase in value terms in 2007-08. Livestock production declined slightly in 2007-08—down 8.3 per cent in value terms—with declines in beef and sheep farming partially offset by increases in poultry and pig farming. The minerals sector remained the largest in value terms during 2007-08, recording an increase in 5 per cent in the value of production to a total of \$2.6 billion.

The Office of Small Business and Regional Development provides policy advice to the government in relation to these regions. It has primary responsibility for the regional development program, including the Regional Communities Consultative Council, the Regional Development Infrastructure Fund, the Regional Development Board program, a number of smaller community development programs, and now Regional Development Australia. I am pleased to advise the committee that it was the signing of the memorandum of understanding yesterday between the commonwealth and the state government, with the confirmed intention of the Local Government Association to provide a signatory to that as early as tomorrow or the next day.

On the matter of the Regional Communities Consultative Council, the RCCC provides advice on regional matters to me, as the Minister for Regional Development. Members are community leaders from regions across the state who have insight and expertise on regional issues.

The RCCC has strong links and consults directly with regional South Australian communities through quarterly forums at which local issues involving education, transport, infrastructure, environment and health are identified, among others, and considered by the RCCC. Its members maintain their involvement with South Australia's Strategic Plan, with key roles on regional steering committees set up under the regionalisation process. In 2008-09, the council met and with consulted with communities in the following locations: Melrose, Fleurieu Peninsula, the Limestone Coast, and Whyalla.

On 1 July 2003, the state government launched its Regional Impact Assessment Policy and Guidelines as part of a broader commitment to ensure that rural and regional issues are considered in government decision making. This requirement is an addition to the policy that requires cabinet submissions to consider possible regional impacts. The overall purpose is to acknowledge the importance of considering regional impact issues in government decision making. Since the introduction of the Regional Impact Assessment Policy, a total of 16 regional impact assessment statement reports have been submitted to DTED.

Such is the work undertaken by DTED in the context of my portfolio as minister for the regions that I would like to briefly touch on the Young Indigenous Entrepreneur Program, which I think is important for the committee to be aware of, and it is also something that we are proud of. The Young Indigenous Entrepreneur Program commenced as a pilot program by DTED in July 2005 to encourage the development of entrepreneurial skills and attitudes in young indigenous people. The program is the only school-aged business skills program of its kind specifically for young indigenous people in South Australia. It offers young indigenous people hands-on experience of setting up and running a business in a workshop format that is tailored to fit school requirements. Importantly, the program is SACE accredited, and students are able to gain level 1 and 2 units for SACE.

I am mindful of the time and the wish of opposition members of the committee to ask questions. I will highlight just a couple of things without going into detail. The Regional Development Infrastructure Fund is a key component of the government's regional program. Its aim is to increase investment, job creation, exports and economic growth. The Rural Town Development Infrastructure Fund, another grant program, was initiated in 2006. Grants of up to \$0.5 million have been awarded in each of the financial years 2006-07, 2007-08, and 2008-09. Of

course, I have touched briefly on Regional Development Australia, which I expect will be a subject of discussion during this particular line of questioning.

I will finalise this detailed opening statement by saying that, to take advantage of the opportunities for economic and social development of our regional communities, the three levels of government will need to work together with communities to ensure that we can maximise beneficial outcomes for our local communities, our state and our nation.

The task of the state government is not merely to manage the present but, rather, to govern and, looking forward, to work towards developing a future of sustained prosperity, which leads to a better quality of life for all. South Australia, certainly in my view, has the potential to accelerate the capacity building of our regions, to better respond to issues impacting on our communities, to optimise our responses to opportunities like the nation building or economic stimulus packages, and to exploit, for the benefit of our regional areas, those opportunities that arise.

Mr GRIFFITHS: I will make a brief introductory statement. Certainly, the minister has outlined in quite some detail the areas of regional development and the importance it plays in those wonderful parts of South Australia that are outside our metropolitan boundaries. As a regional member of parliament and someone involved in three of the boards in a previous role, it has been a particular passion of mine. Although I no longer hold a shadow portfolio, I did hold one briefly for three months in early 2007, and enjoyed it at the time.

I was confident of the fact that minister Caica, a man of integrity in whom I have faith, in taking on this role, would ensure that regional South Australia got what it needed—and I say that in all sincerity. I know that, as much as he can, he will try to fight for the needs of this program, in particular for the people of the regions. Those great people, who comprise 18 per cent of the population of our state, certainly need support.

I refer to Budget Paper 4, Volume 1, page 2.24, Regional Development Infrastructure Fund. It is noted in the performance commentary that over \$2.5 million was provided in 2008-09 to support regional projects. What was the allocation of funds in the budget? If the allocation was greater than \$2.5 million, what are the reasons behind the full amount of the allocation not being expended?

The Hon. P. CAICA: It is an interesting question, and I thank the honourable member for it, because it was one that I also raised. I have found that, quite often, there is an overlap between financial years with respect to those projects that may well have been announced and the funding being provided. The Regional Development Infrastructure Fund, as you are aware, is a competitive fund, and it consists of three rounds per year: March, July and November.

Proponents complete an application form and are required to provide financial information in support of an extensive assessment and the due diligence process. Those applications are assessed by an assessment panel, which recommends applications to me, as the Minister for Regional Development, for approval, with those contracts being executed by the Treasurer and monitored by the South Australian Finance Authority. Economic impact assessments by DTED have found that projects supported by the fund generate an average of \$150 increase in GSP over five years for each dollar of the Regional Development Infrastructure Fund.

As I mentioned, the RDIF has three rounds of funding per year. From the July to November round, \$2.5 million has already been committed to regional infrastructure projects. Applications from the March 2009 round have been assessed, and a project has been approved, which will commit the remainder of the \$3 million allocation.

I asked similar questions when I took over this job as to the process because it first came to my attention that maybe it was not happening in the most timely of fashions, but that was not what I found to be the case. What I found is that, given the way in which the applications are assessed, the due diligence that needs to be undertaken, there can sometimes be an overlap.

Indeed, some of the money that might have been allocated in one of those rounds might not find its way to the successful recipient until a little bit further on, for a variety of reasons, because it is money that is provided to those—I will give some examples of where those projects have been approved—but also it can sit there until the proponent, if you like, has organised their finances in such a way that they are able to utilise that effectively—if that makes sense; if that is the right way of describing it. I know that was the case with—and I stand to be corrected here—Taylors Wines, which had a delay, but that was, again, subject to things that they needed to sort out to allow that money finally to be provided.

A couple of the approved projects for the period under review include: \$560,000 to Geodynamics for the hot fractured rock geothermal power plant pilot at the Innamincka township; \$300,000 to Taylors Wines, as I have mentioned; and up to \$318,000 in addition to the \$361,000 approved last year—I know you will be happy about this because it is in your electorate—to Luturn Proprietary Limited for power and water infrastructure to assist Primo Smallgoods in rebuilding the project at Port Wakefield. I was lucky enough to sit alongside Mr Primo when I came home from Sydney one day.

Mr Griffiths interjecting:

The Hon. P. CAICA: Yes, he is a very interesting character. I am going to organise at some stage, and of course I will alert you when I am up there because it is your electorate, to go and have a look at the state-of-the-art slaughterhouse and the sustainable business that is going to underpin jobs in your region and this state for an extended period to come.

There was \$388,650 to Almond Co. Australia; again, a fantastic organisation that has its act together with respect to the integrated approach that Almond Co. takes to not only almond production but its operations. That was, again, for additional electricity capacity. We recently announced \$1 million for the Whyalla council for electricity infrastructure to support the Whyalla industrial estate.

Let us put it this way, we intend to spend all the money that we have available to us to ensure that it generates economic development in the regions. Sometimes there is that little bit of overlap of delay, which was of concern to me, but I understand that certain things need to be in place before that money can be freed up.

Mr GRIFFITHS: Supplementary to the minister's answer: I am aware, from previous experience, that there have been concerns expressed by applicants about the difficulty in actually meeting the criteria attached to the program. I am interested to hear from the minister what the particular emphasis is on when dollars are provided. Is it job outcomes, investment, export opportunity, or a combination of all those things?

The Hon. P. CAICA: I would like to think that it is a combination of all those factors, and it is. How is it that a project can maximise the benefits that accrue, not the least of which are through employment opportunities, access to market and sustainability of the operations going forward? I have not received that feedback and I would be interested for you to provide me, outside of this forum, feedback from some of the organisations that you have been speaking to.

Mr GRIFFITHS: That is from several years ago, so it is possible that the guidelines may have changed since then.

The Hon. P. CAICA: When you have a competitive process, and it does not matter what it is in, when you have a fence and there are people on one side of the fence and people on the other side of the fence, the successful people are going to be quite satisfied with the criteria. Others will—and I am speaking generally here—not be satisfied and, amongst other things, may question the criteria.

I am confident that the criteria we use is sound, notwithstanding that there has been, I understand, some debate, if you like, from the poultry sector, where some concerns had been expressed—I am aware of those. In the past, we have given, I think, some infrastructure funding to poultry, but again, we weigh up on balance the benefits of those projects in the context that you have spoken about there and what it will do to benefit the region and the state in which it is located.

One of the other issues, of course, is its ability to leverage additional funds. I think I mentioned the figure earlier of about \$150 return on every dollar invested. That is part of the criteria as well. It is a subsidy scheme, it is a leveraging scheme, and requires the contribution of those successful recipients to dig deep in to their pockets as well.

Mr GRIFFITHS: I might move to a different area, the merger between regional development boards and the area consultative committees. I must admit that I am supportive of that occurring. It has always intrigued me as to why two different levels operated somewhat independently, even though there was joint involvement.

The concern expressed is about the level of funding that is available to Regional Development Australia to undertake its important role. In the estimates last year we had a commitment from then minister Maywald to a 2.5 per cent increase as part of the funding review, and then with yearly increases, indexed, I think, on a figure that Treasury identifies as part of an indexation factor, so you might want to confirm if that is still the case.

I am interested to be advised of a commitment in place to ensure that the merger will not result in any less resources being provided financially to Regional Development Australia.

The Hon. P. CAICA: I thank the honourable member for his question. It is an important question. What I will say is that I have given an undertaking, both publicly and in writing—I presume it is in writing, but if it is not then I will say it again here publicly—that in relation to the current levels of funding that are provided through our regional development boards to the regions in which they operate, that level of funding will continue in the transition to Regional Development Australia. The level of resources that they have available to them, whether that be human resources in regard to employment levels and, indeed, shop fronts, will remain at status quo.

It is very important, if we want to ensure that we go forward hand in hand with the regional communities, that they see this as being an outcome that does not diminish the level of resources that they currently have available to them.

What we are saying is that if shop fronts are open today in Whyalla and Port Lincoln that, come the advent of Regional Development Australia, those shopfronts will be there; the existing level of human resources that are currently available will be there. The federal government, with respect to the ACCs (area consultative committees) is a matter for them and it is up to them as to what they do. They are closing that down and we have no control over their particular staff. However, what I am talking about is the current level of people employed within the regional development boards transitioning through to Regional Development Australia.

What I am interested in, from the federal perspective, of course, is the money that it has. One thing I do know is that the federal government previously allocated around \$1.44 million to South Australia through its ACCs. They, like everyone else, have had a bit of a cut to that and would say that it has been down to about \$1.2 million. I will just do it in round terms because I do not have those exact figures with me—we will say \$1.2 million. That was difficult for me because I have been promoting out there that the exact number of resources will be exactly as they are with respect to state and federal contributions to value add, if you like, to the processes and the resources that will underpin Regional Development Australia.

Having said that, one of the things that I think is important is that part of the original proposal with regard to Regional Development Australia was for eight RDAs—seven in the region and one in metropolitan Adelaide. I have had discussions with the commonwealth and there will still be, if you like (for want of a better term), a Regional Development Australia advisory group in metropolitan Adelaide. We have many resources here in metropolitan Adelaide that can provide advice on a whole lot of areas to state, federal and local government. We will be establishing an advisory group which, in essence, could be the existing area consultative committee as it is based in metropolitan Adelaide.

However, what I want to ensure is that the same level of funding that has existed in regional areas, previously provided by the ACC, will continue. As a consequence of that there will be less money spent in metropolitan Adelaide to ensure that the commitment that was made in regard to the level of funding in regional areas will be sustained. That is the agreement that we have with the commonwealth.

In essence, it means that regional South Australia will receive, to a greater extent, I think, an increase in RDA funding at a time when the budget for the national RDA network has been reduced. I think that is very important because the regional areas are doing it hard, as we know. In this transition period I want to make sure that there are not circumstances where people in the region will say, 'We've been sold a pup because we're getting less money than what you said we would.' I think it is important, as a matter of good faith, to be able to do that. As I said, we want to go hand in hand with the regional communities towards this Regional Development Australia and the establishment of Regional Development Australia South Australia.

Mr GRIFFITHS: I was unsure if there were to be questions from the other side.

The CHAIR: There are questions but I gave you the benefit of a supplementary.

Mr GRIFFITHS: Thank you. Minister, I will continue on regarding the new structure that will come into effect as from tomorrow. I can understand the linkages that have been proposed but, in fact, are all those linkages likely to be achieved? In achieving them, what will be the time frames and arrangements that will be put in place to determine the CEOs of the new independent boards—the seven in regional South Australia? Indeed, are the resources and staff such that, if the board has made a conscious decision to have fisheries officers or business development officers, are those individual appointments going to be maintained also?

The Hon. P. CAICA: That is a very interesting point. The first point I want to make is that the new structures do not come into place tomorrow. The 1st of July is a key date but, of course, we have a transitional period and that transition is going to take longer in some areas than it will in others. For example, if we take the Limestone Coast, just to name one, that is going to be (in my view) a very easy transition to Regional Development Australia because it will be, based on our state regional boundaries, one and the same tomorrow and operating in the same area. Some of the others will take a bit longer to transition, particularly where you have two or even three regional development boards operating within a specific regional boundary area—and those matters, through transition, need to be worked out.

The commitment I have given is for the existing resources to remain in place. Ultimately, how those resources will subsequently be deployed will be a matter for the new board once it is established. We have a particular process to go through. You may be aware of the fact that we appointed a former premier of South Australia, Rob Kerin, to lead our transition team. Quite frankly, I do not think that that transition team can be in better hands. Rob has a rapport with and is trusted by local communities. In addition, we have a process by which we advertise for a chair, deputy chair and members of the new boards.

I think it is important to understand that some of the other states that have signed up to Regional Development Australia did not necessarily—and I am not having a go at any state; I would not do that—have the existing architecture, if you like, or skeleton in place to build upon. We have, in the main, a very effective regional development board network. Some are operating very well and some are not operating as well as we would like to them to. One thing we know is that we have always had the objective to get those that were not operating as well as others up to a standard of operation at the same level as those that were doing well.

The point I am making is that we already have in place a framework, if you like, for a continuation of what we are doing but also an expanded role and responsibility based on those regional boundaries. I have had a few discussions about the differences that exist, for example, between Whyalla and the rest of Eyre Peninsula and between the Riverland and the Murraylands. I say let us focus on the similarities, because economic wealth can be generated within one vicinity of the regional area, and you cannot tell me that it does not benefit the region as a whole.

Mr GRIFFITHS: The wider area.

The Hon. P. CAICA: The wider area. So, I am very positive that, when we do get it right (and we will get it right), it will have a positive impact on our regional communities.

However, having said that, we also have to make sure that the people there feel comfortable. The last thing I want to do is bureaucratise something that has already worked fairly well. We want to build on the strengths that we already have there and, as a consequence of that, I am very confident that there will be flexibility in how the seven new RDA entities will structure themselves within the regions.

They may choose to operate in order to ensure that local interests continue. For example, if we have an effective board called the Whyalla Economic Development Board and an effective regional development board servicing the rest of Eyre Peninsula out of Port Lincoln, it would make sense to me, even though this will be a determination for the regions as a whole, to make sure that those specific interests that were being looked after previously through the operations of those two boards continue to operate in some way.

We want sound information feeding into RDA so that it can make its recommendations to both the state and the commonwealth in such a way that that advice to me and the commonwealth is based on sound advice provided at the community level. I can envisage, going forward, that there will be these substructures underneath the Regional Development Australia SA board that will reflect circumstances that currently exist with respect to the quality of information coming through. Again, that will be determined by the Regional Development Australia board. It is for the board to tell me how best things can work for a particular region as a whole.

I look forward to it because, importantly, we have entered into a proper partnership (unlike the other states) with the Local Government Association. We still have work to do with the local councils within their various regional local government associations. We want these boards to be reflective of the skills that exist within the country regions. We do not want them to be filled with, if you like, bureaucrats or too many local government people. We want to ensure that there are movers and shakers in the region who can make things happen and, importantly, allow a situation where they can provide us with sound advice to leverage money from the commonwealth, because

I want to spend as much of that commonwealth money as I possibly can in regional South Australia.

Mr GRIFFITHS: I support that completely, because it is important to ensure that the right skill set exists within the staff and board structure and the right level of representation—

The Hon. P. CAICA: Yes, that is right. I did not answer part of your question properly, and that related to the CEO issue.

Mr GRIFFITHS: I have refused to be caught up in the debate about the CEO issue. However, it is my desire that those people who are unsuccessful in transitioning from a current CEO position to the overall one stay within the structure. They have an important network of people because, in most cases, they have been there for some time and it is those relationships that create opportunities. People in regional South Australia rely a great deal upon trust and familiarity with someone. If someone has been around and involved and has supported them, they will go back to them again. How does that impact on board representation? Will there be an effort to ensure that skill set appointment exists but that individual areas within the larger region also have some level of representation?

The Hon. P. CAICA: Yes. I think that will be absolutely critical because otherwise, again, we will be selling the regions a pup. Not only do you need the skill level but you also need to ensure that the board of Regional Development Australia (notwithstanding the substructures which will sit under it and which, by necessity, have to sit under it) is more than just broadly representative of the region and contains a skill set that is representative of the region. I think that is a critical point and extremely important.

Those advertisements will be placed and the state and commonwealth will be responsible for making those appointments, in consultation with the Local Government Association. Certainly, I would expect that due diligence will be undertaken by my department through consultation with the community to make sure that we have the right mix, which also includes the right skill mix.

I think the point that the member made is important (and I agree with it), that is, that the existing skill level, not only with respect to the boards but also the current employees, is not lost as well because of the networks that have been established. Our intention at this point in time, quite rightly, is a full transmission of business. That means that the two existing chief executive officers in one region, we would hope, would continue to work under Regional Development Australia. Ultimately, that will be a determination for the board and the individual involved.

I know that what has happened in the past is that names and what people are called can be very important. I have always run on the assumption that what they pay you and what you get in your pocket is the most important thing, irrespective of what they might call you. However, I do understand the sensitivities and, indeed, some of the difficulties associated with one day being a chief executive officer and the next day the perception that that role has been diminished. But I say: full transmission of business and let us utilise those skills. Certainly, that is part of the process going forward; that existing resources and skill set will transition through to the new RDA and its operations.

The Hon. L. STEVENS: I refer to Budget Paper 4, Volume 1, Program 8, page 2.24. My question relates to Riverland Futures. How is the state government assisting the Riverland community to drive growth and recovery in the region?

The Hon. P. CAICA: I am happy to report that, last week, I visited the Riverland—and I relayed that earlier to the committee. Interestingly, whilst it is clear that the Riverland, like other parts of regional South Australia, has done it hard in most recent times, there is still a positive feel about the role and function of the Riverland going forward. Quite clearly, from my perspective, a significant number of people remain in the past and it will be very difficult to perpetuate the past—and some might say, 'Why would we want to do that?' It is about looking forward and what we can do to ensure that the Riverland has a viable economy, underpinned by primary industries that contribute to that regional economy, the state and the nation as a whole in its role as a food bowl.

Last week I announced a significant contribution to the Riverland Futures Task Force. That task force is to act as a conduit for the communication of local priorities to the state government. Mr Peter Ackland, whom I know the member for Goyder has had an association with in the past—

Mr Griffiths interjecting:

The Hon. P. CAICA: It is a very good appointment—has been seconded from his position with the District Council of Loxton and Waikerie and appointed as Director, Riverland Futures Task

Force. The task force has strong local representation, and its objectives are: seek to develop effective ways to communicate with various sectors in communities in an effort to present a united voice on areas of agreement; promote diversification of existing industry; strengthen local enterprises; enhance business structures and local value adding opportunities; and also promote environmental policies and programs that align with the strategies of the SA Murray-Darling Basin Natural Resources Management Board.

It is also charged with the responsibility of promoting educational and social policies that enhance community infrastructure and development and encourage population stability and future growth, as well as providing advice and making recommendations to me as the Minister for Regional Development about identified initiatives. I mentioned that it acts as the conduit to the state government on issues of local priorities. The total budget for the project has been allocated at \$530,000 over its 18 month life. The task force and the project are equally funded by PIRSA and DTED.

Last week, I was able to announce the money that is being contributed to the Riverland Futures project with regard to the development of a prospectus for the Riverland. The Riverland is a very interesting place, of course, because its evolution has meant—and the member would probably know far better than me—that it has not always acted as a collective—

The Hon. L. STEVENS: That is an understatement.

The Hon. P. CAICA: Yes, I am being kind. Of course, we are attempting to say that we are all in this together, and the benefits that can accrue will accrue only if the region works as a collaborative collective, if you like. Part of the announcement of the prospectus last week, admittedly, is to look at three compartments within the Riverland for opportunities for investment going forward but, for the first time, it will be a prospectus that provides a vision and an opportunity for the region as a whole.

We are very pleased with what we have been able to achieve to date. The ball is in the court of the Riverland Futures Task Force, and we will be providing what support is necessary to ensure that they are able to fulfil their role to the best of their ability. Again I finish off by saying that, from the state government's perspective, my visit and what I was able to see, I believe that the Riverland, despite the difficulties it is experiencing at the moment, has a very positive future. Part of the role of the task force will be in working with the community to determine what that future looks like, knowing full well that it will still be underpinned by what have been the strengths of that community in days gone by as well.

The Hon. L. STEVENS: My next question refers to Budget Paper 4, Volume 1, Program 8, page 2.24 and concerns the Rural Town Development Fund. Why is the state government supporting iconic projects in regional centres?

The Hon. P. CAICA: Of course, I could be cheeky and say why not and, more importantly, why wouldn't it? I know the honourable member would like a detailed response to that very important question. Whilst the focus on regional development includes population, jobs and investment, the state government has recognised that what is also important for regions are initiatives that build the capacity of their local communities and make them feel proud of their local communities. The Rural Town Development Fund has provided for \$2 million over four years for iconic community infrastructure projects across South Australia that enhance the attractiveness and liveability of four regional centres across Australia.

I am certainly finding in my travelling—and I hope to do much more—that there are some pretty good places to live in regional South Australia. That is looking pretty attractive to a bloke of my age, too, although I reckon I would have trouble winning the numbers in either one of your seats, so I have to stay here a little longer—

Mr PEDERICK: You are more than welcome to visit.

The Hon. P. CAICA: Thank you, mate.

Mr GRIFFITHS: We will watch you leave.

The Hon. P. CAICA: And make sure I don't take anything on the way out—I know your style. Past grants that have been awarded include \$500,000 to the City of Port Augusta to support the development of a cultural precinct and regional centre for cultural programs. The funds, in partnership with the Port Augusta council and Regional Arts Australia, enabled the development of the old institute building and adjoining courtyard to link with the old court buildings, which were converted to gallery space. The precinct is now able to be used for indoor and outdoor events as

well as for exhibitions and community events. As such, it was an important focus for the centre for cultural programs and has enhanced the community as an amenity, as well as promoting its strong links to the heritage of the city.

Also, \$440,000 was granted to the Tatiara District Council for the Bordertown Civic and Cultural Centre project, including redevelopment of the town library, gallery and performance hall. It is a state heritage listed institute building that forms part of the Bordertown Cultural and Civic Centre, comprising the town library, the gallery and performance hall. It is a symbolic centre of Bordertown and the wider Tatiara district community. The project, once completed, will create a more identifiable civic and community precinct, including the library, gallery, extension of the hall, theatre and external works to make the complex more accessible. Again, we cannot do these projects without their being in partnership, and this is a partnership with the Tatiara council, the commonwealth government, the state government and the local community, with the project value estimated at around \$3.7 million.

The sum of \$60,000 has been allocated towards the Angaston Agricultural Bureau for the 'Day Off Peter' memorial sculpture restoration project. Is Angaston still in the member for Schubert's area? It is a shame he is not here to bask in the glory of this sculpture restoration project. Angaston's well-known farmer and plough horse statue, entitled 'Day Off Peter', has been recast in bronze under a partnership between the state government and the local community.

The fibreglass statue was erected in the Angaston Memorial Reserve in 1988, but it was damaged by vandalism, which was shame, and I condemn those responsible. Recasting the statue in bronze has helped to preserve it for generations to come. This is a relatively small project but, as I mentioned earlier, these sorts of projects, irrespective of their size, instil a sense of pride in the communities within which they operate. I could go on and talk about a few more, but I will leave it there and commend this program to the committee as one of great value to regional South Australia.

Ms SIMMONS: I refer to Budget Paper 4, Volume 1, Program 8, page 2.24. What initiative has been developed to assist evidence-based planning for our region?

The Hon. P. CAICA: In short, DTED has committed \$300,000 to fund the development of regional indicators in collaboration with state government agencies and other external stakeholders, including representatives from the Australian Bureau of Statistics, the Local Government Association, regional development boards (soon to be Regional Development Australia) and area consultative committees, amongst other stakeholders.

As a user-friendly web-based product, the regional indicators project will provide a practical tool for evidence-based planning, policy and program delivery for a range of stakeholders. The initial stage of the project is expected to be available early in the new financial year.

I will give some specific examples of the type of information given on the website: support and SASP regional target measurement efforts, and it will assist organisations that use regional data and information for reporting purposes, grant applications, briefing, strategic planning, etc. and allow comparison of regional performance across a number of indicators, as well as offer information to potential investors and interstate and international migrants looking to move to the regions. So, it has a multifaceted purpose in the way in which it operates.

EasyData provides easy-to-use data about social, environmental and economic indicators at local government, state and regional levels. The data will be updated regularly, providing a simple tool to track changes over time. It also allows users to save customised regional indicator sets, which makes it perfect for programmed planning and evaluation, grant writing and policy decisions. In the past, quite often areas have missed out on whatever grant it might have been because of the lack of support provided to them. We know that this will assist those communities in customising their approach and increasing their skills in grant writing and policy decision-making, amongst other things.

A simple web-based interface is designed to be accessible to people who are not familiar with statistics, with key indicators available as preselected printouts or images that can be easily dropped into reports. For more experienced data users, such as the member for Morialta, the full dataset for each indicator is available, allowing more detailed exploration.

The website also acts as a portal, directing users to more detailed specific sites. For those who bother to read *Hansard* (although we will, of course, send out the information to the regions) the EasyData website can be found at www.southaustralia.biz/easydata. It is now in its final development, and it was launched on 18 June 2009. Has that occurred?

Ms LOWE: Yes.

The Hon. P. CAICA: It has. I am very thankful for that, given that is what I said, but you are not listening to me anyway, are you? You will have to read *Hansard* to find out what happened. As I mentioned earlier in my response, it will be fully operational within two weeks, and a training package is being prepared to support the ongoing promotion of the service to target users through our Regional Development Australia network, local government associations and anything that will be able to promote this package as the excellent tool it is.

In partnership with the LGA, my department (DTED) will be responsible for the update and maintenance of the data. I am told that the COAG Ministerial Council on Regional Development is attempting to raise \$1 million to replicate this program across the nation. In doing so, it can give us a bit more money for what it has cost to date, if it so desires.

Mr GRIFFITHS: Minister, I apologise for my temporary distraction from the detailed answer you were providing. I will serve my penance later on. I refer to the question you answered in relation to Riverland Futures. I express my appreciation for the opportunity to be briefed on that with you in your office with Mr Ackland in relation to what had been achieved to that time. I am a great supporter of communities investing in themselves. I understand that it needs to be judged on the success of this program, but do you see an opportunity to roll out similar programs in other regional areas of South Australia?

The Hon. P. CAICA: As I would expect from the member for Goyder, that is an excellent question. Notwithstanding some of the difficulties that will be associated with its rollout in the Riverland, a prospectus and a plan are only as good as the community's involvement with and ownership of that plan. Earlier, we mentioned climate variability, climate change and changing markets and export markets around the world.

Going forward, I think it would make a lot of sense—and I do not say that we would use this as a template—to measure the success or otherwise of this particular project, and I feel that it will be successful. You know Peter better than I. He has a job at hand, and it will not be an easy job; he acknowledges that. However, he is well connected and highly regarded. He is a very engaging chap and is able to engage people in such a way that I am confident it will have a positive future.

In regards specifically to your question, I think it is very good to look at what we are doing with the Riverland: identifying some of the threats, if you like, and the opportunities that exist going forward in other regional areas, making sure that the community has, as part of its plan going forward, the tools at hand to exploit opportunities. I have a great deal of faith in the people from regional South Australia whom I have met to date. I am very confident that they will forge a very good future for themselves; but, again, it needs to be based on advice and tools that can be provided, not the least of which will come from Trade and Economic Development, PIRSA, other government agencies and other stakeholders.

I am told that the Murraylands has completed the regional investment opportunity, which was launched last year. The Adelaide Hills is working on a similar project, so it is already actively occurring in some regions. Again, I am hopeful that the success that will arise through the Riverland Futures Task Force will be a template, if you like, but with variations to specific and unique circumstances that exist in different regions. Certainly, as has been done in the Murraylands and in the Adelaide Hills, it makes sense to look at ways in which opportunities can be exploited. That is a very good question, Steven.

Mr GRIFFITHS: Minister, in your opening statement you commented about regional impact statements and regional impact assessment statements. Can you confirm how many of the impact statements have gone to cabinet, and on what policy decisions; and how many of the regional impact assessment statements have been produced, and for what areas?

The Hon. P. CAICA: I do not have that information on hand. I recall that, in my opening statement, I talked about 16 regional impact assessment statements, and they are reports that have been submitted to DTED. Your specific issue is the regional impact statements as they relate to cabinet submissions?

Mr GRIFFITHS: Also the impact assessment statements. So, both—cabinet decisions as well as the assessment statements.

The Hon. P. CAICA: I do not have the information in relation to cabinet submissions and the total quantity of those submissions that contain regional impact statements, as they are required to do, but I will get back to you on that particular figure. I hate taking questions on notice, but I will have to do it.

Since the introduction of the regional impact assessment policy, a total of 16 regional impact assessment statement reports have been submitted to DTED. They are:

- Strzelecki Track upgrade;
- Shared services reform;
- Greenhouse gas flow rate performance standard for water heater installations in dwellings;
- Change in police service delivery in the Iron Knob community and surrounding district pastoral properties;
- Sturt Highway Upgrade—Gawler to Nuriootpa;
- Security sensitive ammonium nitrate;
- SA Ambulance Service Communications Centre in Mount Gambier;
- SA Ambulance Service Communications Centre in Port Pirie;
- King George whiting fishery management;
- SA Police Regional Impact Assessment Statements (RIAS) Policy;
- Citrus Industry Act 1991;
- Lower Murray irrigation activity EPA exemption;
- Service SA expansion;
- Salinity zoning policy; and
- Transport SA plant procurement.

I am told that these are publicly available—as required by policy—from the Department of Trade and Economic Development website.

In addition, Country Health has advised that it is in the process of preparing a regional impact statement on the proposed Country Health Care Plan with the assistance of the Office of Small Business and Regional Development and DTED, in consultation with the Regional Communities Consultative Committee.

As I mentioned earlier, it was on 1 July that the government launched its regional impact assessment policy and guidelines. As mentioned, the policy requires detailed consideration of regional impacts before implementing a change in services. This requirement is in addition to the policy that requires cabinet submissions to consider the possible regional impacts. The overall purpose is to acknowledge the importance of considering regional impact issues in government decision-making, and it is quite appropriate that that is in place.

Mr GRIFFITHS: Can the minister highlight two areas? You referred to a statement that has been prepared on the Country Health Care Plan. I find that rather interesting, having been involved quite deeply in the debate over the last 12 months. My understanding now is that individual health advisory councils actually have the responsibility to prepare the plan for their regions, so I presume that, until those plans are prepared, an assessment could not be undertaken.

The Hon. P. CAICA: That would be a reasonable assessment, but that is a matter for the Minister for Health and his department. I am advised that Country Health SA has advised that it is in the process of preparing a regional impact assessment statement on the proposed Country Health Care Plan with the assistance of the Office of Small Business and Regional Development. With respect to the specifics of your question, that is best directed to the Minister for Health.

Mr GRIFFITHS: It is interesting timing. Was a statement prepared in relation to the Outback Communities Administration and Management Bill and what it would do to regional South Australia?

The Hon. P. CAICA: I will need to take that question on notice and get back to you.

The Hon. L. STEVENS: I refer to Budget Paper 4, Volume 1, Program 8, page 2.24. What is the role of the Regional Communities Consultative Council, and what are some of the issues that it has considered and is expected to consider this year?

The Hon. P. CAICA: I thank the honourable member for her question. I detailed in my opening statement some issues associated with the Regional Communities Consultative Council

and the fact that it was established by government to make recommendations on ways in which the government and regional communities can work together to strengthen the capacity of those communities to respond to local issues.

I do not think I need to go over that ground any more, other than to say that the RCCC is, from the government's and my perspective, an important voice for regional communities. It has now conducted 23 regional meetings. I detailed the most recent four meetings that have occurred. In total, it has conducted 23 regional meetings across South Australia—each time consulting directly with community and business leaders in the area. We have meetings scheduled in 2009 for Coober Pedy and Kangaroo Island.

The members of the RCCC bring a regional perspective to a number of government advisory and working groups. The information received is not always or necessarily information required by DTED, but it plays a whole-of-government role with respect to the information and advice it provides through that consultative process in the country regions.

I also mentioned earlier that Peter Blacker is the chair of the Regional Consultative Committee. He also chairs the Community Engagement Board and the Country Health Taskforce. I have found him to be an outstanding operator, and I am very pleased that he is fulfilling that role currently in those areas.

Meetings are held quarterly. In 2008, the meetings were held in Streaky Bay, Murray Bridge, Melrose and the southern Fleurieu. In 2009, meetings have already been held on the Limestone Coast and in Whyalla. In fact, I received feedback from them in relation to the meeting with the Whyalla Economic Development Board in the context of the transition to Regional Development Australia. It is always important that many sets of ears are out there not only listening to concerns but also to the opportunities that exist.

In 2009, the RCCC plans to consider the impact of drought on regional communities, including water management, the broader impact of climate change, the establishment of the 19 new marine parks, the review of the Aboriginal Heritage Act, the implementation of the native vegetation regulations and the regionalisation of the South Australian Strategic Plan, shared services reform, the Country Health Care Plan, a number of educational issues, community impact of the mining industry expansion and other regional infrastructure.

As you can see, from the raft of plans and issues that it will consider, the RCCC has relevance across many portfolio and government agencies' responsibilities, quite rightly, as a resource that is able to be accessed through the information that is gathered by those departments and communities.

Ms SIMMONS: I refer to Budget Paper 4, Volume 1, Program 8, page 2.24. This is a question about Aboriginal economic development. Minister, what support is being provided to assist Aboriginal South Australians to play active roles in the economic growth of our state?

The Hon. P. CAICA: We mentioned that earlier, didn't we? I promise again not to travel over areas on which I have already advised the committee. The government recognises, as does everyone who sits in this chamber, the importance of supporting the inclusion of Aboriginal people and communities in the development of the South Australian economy.

The Interministerial Committee on Aboriginal Workforce Development has committed to a whole-of-government approach to employment and enterprise development. DTED is currently participating with other state agencies in the implementation plan for the National Partnership Agreement on Indigenous Economic Participation, which contributes to the Closing the Gap targets agreed in the National Indigenous Reform Agreement. This includes commitment to improving Aboriginal employment opportunities in the public sector and developing options for increasing Aboriginal participation in work opportunities.

DTED funds services to support Aboriginal enterprise development through the regional development boards (RDBs) and the Business Enterprise Centres (BECs). The RDBs provide access to core services, principally through the business development officer (BDO), and are service delivery vehicles to support other government programs—for example, the Department of Education, Employment and Workplace Relations (DEEWR) and Indigenous Business Australia.

In general, the known level of contact with Aboriginal businesses through the BDO is typically three to four contacts per year in regions such as Eyre Peninsula, Yorke Peninsula, the Murraylands and the Riverland. The exception to this is the Northern Regional Development Board where business advice to indigenous people represents 80 per cent of its business advisory activities. A number of the RDBs are contracted by DEEWR to deliver its indigenous programs. The

Eyre, Yorke, Northern, Murraylands and Riverland development boards employ indigenous economic development officers or similar with DEEWR funding.

Again, going back to what we said earlier about existing programs, while it will be a matter for those boards going forward, I still expect that they will be able to milk what they can out of the commonwealth for the benefit of their community for such important programs.

The aim in these positions is to work with Aboriginal organisations and/or individuals to achieve economic independence by stimulating commercially viable business ventures and identifying employment opportunities on the ground. This sometimes includes employment and skills training—for example, structured training and employment projects. Indigenous workforce participation programs are also delivered through the RDBs via the DFEEST Employment and Skills Formation Network which, in my previous life, I was very familiar with.

The BECs offer generic services to support small business, and these are accessed by a number of Aboriginal people and groups. Referrals are also made by them to other services including Indigenous Business Australia. Enterprise Adelaide, a BEC, is active in seeking out and supporting Aboriginal groups and peoples and has 14 local indigenous businesses listed operating in a variety of fields including indigenous housing, loans consultancies, art production, design, tourism, retail and accommodation.

I also mentioned earlier the Young Indigenous Entrepreneur Program, which is one of many programs under the auspices of this overarching program and approach. I failed to mention earlier that the Young Indigenous Entrepreneur Program also operates in three locations: Emmanuel College, the Cavan Youth Education Centre and the Heights School at Modbury

Through the government, we are also supporting the work of the Aboriginal Foundation of South Australia. The objective of the foundation is to support Aboriginal groups wishing to undertake economic and enterprise development by seeking out relevant joint ventures and partnerships. DTED, along with DFEEST and the Aboriginal Affairs division of the Department of the Premier and Cabinet, is working closely with the foundation through 2008-09, extending to the 2009-10 financial year. RDBs, the successor RDAs and BECs will continue to provide business development advice and support to Aboriginal people and other individuals. DTED will operate the Young Indigenous Entrepreneur Program by participating in schools and Aboriginal communities.

I have always been interested in issues relating to our indigenous communities. I see great potential going forward; in fact, we moved a motion and I provided a report to my very first council meeting of primary industry ministers. There is great potential not only in regional areas but also through Primary Industries to continue to ensure that we have growth in Aboriginal employment and enterprise opportunities going forward. This is something that I know the commonwealth government is very keen to support as well.

The CHAIR: That brings us to a close of this session. I declare the consideration of the proposed payment for trade and economic development adjourned until tomorrow.

The Hon. P. CAICA: In closing, I want to thank the various advisers from the department, who have been here with me today. I also want to extend thanks to the various people who work within the department, who have been part of the preparation for this estimates hearing. I thank my political and office staff for the role that they have played. I also thank the opposition for the way in which it has managed its business during these estimates hearings. Unlike some people, I find them a pleasure to deal with. Every estimate hearing that I have been involved with has been conducted in a proper and meaningful way. I want to thank you, Chair, for your expert chairing duties today.

I also need to make a correction to something that I said this morning. It related to SafeWork SA and its website and union reports. Earlier today, in response to a question asked by the honourable member about the publishing of reports provided by unions to the government in relation to their work safety program, I indicated that summaries of the union report were available on the SafeWork SA website. I am advised that what currently appears on the website is a summary of the grant programs produced by the agency. I am further advised that SafeWork SA is in receipt of union reports, including summaries from the various unions that have received government support, and that SafeWork SA is currently in the process of putting these summaries on its website. I apologise for the error that I made this morning.

DEPARTMENT OF HEALTH, \$3,272,016,000**Membership:**

Mrs Geraghty substituted for Mr Kenyon.
Mr Pisoni substituted for Mr Pederick.
Ms Chapman substituted for Mr Griffiths.

Witness:

Hon. J.D. Lomax-Smith, Minister for Education, Minister for Mental Health and Substance Abuse, Minister for Tourism, Minister for the City of Adelaide.

Departmental Advisers:

Dr A. Sherbon, Chief Executive Officer, Department of Health.
Mr D. Walker, Director, Major Projects, SA Health.
Mr D. Wright, Director of Mental Health Operations, SA Health.
Ms N. Dantalís, Executive Director, Office of the Chief Executive, Department of Health.
Mr J. O'Connor, Executive Director, Finance and Administration, Department of Health.
Mr K. Evans, Executive Director, Drug and Alcohol Services South Australia, SA Health.

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 the proposed payments to facilitate the changeover of departmental advisers. Minister, I have the one item for you under Mental Health and Substance Abuse from 5 until 5.30, that includes Department of Health, Drug and Alcohol Services, and then from 5.30 to 7, Minister for Tourism: Adelaide Convention Centre, Adelaide Entertainment Centre and SA Tourism Commission. Is that your understanding?

The Hon. J.D. LOMAX-SMITH: That is my understanding.

The CHAIR: Deputy leader, is that your understanding?

Ms CHAPMAN: Correct, Madam Chair.

The CHAIR: Changes to committee membership will be notified as they occur. Members should ensure that the chair is provided with a completed request to be discharged form. If the minister undertakes to supply information at a later date, it must be submitted to the committee secretary by no later than Friday 17 July 2009. This year the *Hansard* supplement, which contains all estimates committee responses, will be published on 2 October 2009.

I propose to allow both the minister and the lead speaker for the opposition time to make a very brief opening statement, given the time that we have. There will be a flexible approach to giving the call for asking questions, based on about three questions per member, alternating on 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 payment reopened for examination and refer members to the Portfolio Statement, Volume 2, Part 8. Minister, do you propose to make a statement?

The Hon. J.D. LOMAX-SMITH: If I may, Madam Chair. The Rann government has made significant commitments to reforming and investing in mental health services and developing effective tobacco, alcohol and other drug prevention and treatment responses in both city and regional communities across South Australia.

Our mental health reforms recognise that people who have a mental illness are amongst the most vulnerable in our community and that we must modernise our services and infrastructure to ensure that they are closer to where people who need the services actually live and work.

As members are well aware, for many decades now, our mental health infrastructure has not been upgraded. Many of the services established in the past were centred on institutions that were not suited to modern and effective mental health care, and their locations are often not in the best place to deliver timely treatment close to people's support networks.

The funding provision in the state budget underpins the government's significant reform agenda. That agenda is in line with the recommendation of the Social Inclusion Board's Stepping Up report released in early 2007 which has been the catalyst for our reforms. Since the release of this report, the Rann government has committed new funding of \$107.9 million to implement the Social Inclusion Board's recommendations.

At the heart of these reforms is our commitment to a new stepped model of care that enables people to step up to more intensive care if they are unwell and step down to other support services as they recover. This new model of care allows us to more effectively deliver services that match the level of each person's illness and also provide better regional and country service delivery. The new stepped system of care provides graduating levels of care, including six new community mental health centres, 24-hour supported accommodation, community rehabilitation and recovery centres, intermediate care beds, acute care beds and secure care beds.

I am pleased that the 2009-10 financial year will be one of consolidation of our reforms, including the provision of new services and support. That consolidation takes place as we celebrate the passage of the Mental Health Bill 2008 just a few weeks ago, and I thank members for their support for that legislation. The bill will provide a framework and quality benchmark for these important initiatives.

The overall estimated operating budget for mental health in 2009-10 is \$305 million which includes our clinical and community care services as well as our reform agenda. There are now new models of care for acute in-patient treatment, intermediate care, secure care, supported accommodation, aged care, psychiatric intensive acute care, perinatal and infant care, and community care to provide a foundation for the reforms. As part of the 2007-08 budget, \$36.8 million over four years was provided for non-government organisations to deliver community-based mental health services. Funding for 2009-10 to support these services is \$10.291 million.

In the 2009-10 year the government will begin to roll out the new bed plan that will deliver an additional 86 adult mental health beds across the system. We expect to complete construction of the first two 15-bed intermediate care facilities at Glenside and Noarlunga in 2010 with intermediate care services also planned for the western and northern metropolitan areas. Funding in 2009-10 for the Glenside intermediate care facilities is \$3.5 million with a further \$9 million for other metropolitan intermediate care facilities at Noarlunga and on a site being negotiated in the western suburbs. There will be 73 supported accommodation places across metropolitan Adelaide, including 20 places to be located in the hospital precinct of the Glenside campus.

The operating budget for 2009-10 for supported accommodation is more than \$13.7 million. Development of the first of six new community centres will begin this financial year with support of more than \$3.3 million for 2009-10. I am delighted that our initiatives will also benefit regional communities. For example, planning is now underway to develop the first 10 intermediate care beds in the South-East at Mount Gambier and surrounding towns. These beds are expected to be available next year.

I am particularly mindful of the very young and elderly in our communities. In 2009-10, as part of our early intervention measures, we are establishing new services to assist young people who experience their first episode of mental illness. This involves an early intervention team which will also help improve access to services and initial treatment, as well as provide extra support for carers. In addition, the Healthy Young Minds initiative, which employs additional mental health

professionals to provide outreach services to children and adolescents, will be maintained with funding this year of more than \$3.2 million.

Services for people with chronic and complex needs will continue with funding of \$508,000 in 2009-10 to improve service outcomes for this vulnerable group. I am delighted that construction is well underway on the new 50-bed mental health facility at the Lyell McEwin Hospital. We have already opened the 30 adult acute unit and it is expected that the 20 acute beds for aged people will be available later this year. The upgrade to the 20-bed adult acute unit at Noarlunga Hospital is expected to be completed next year with funding support of more than \$2 million this financial year. Construction work is also expected to start on the new 20-bed acute mental health unit for aged people at the QEH in late 2009 at a total cost of \$21 million. Funding for enabling works associated with the hospital's stage 2B redevelopment is more than \$11 million in 2009-10.

Meanwhile, services will continue to be provided through our Shared Care with GPs program. This includes funding of more than \$3.1 million this year to enable 30 allied health workers to work with GPs in helping people with a mental illness. Although we have seen significant progress in these reforms through investment and legislative reform, we also recognise that it takes more than just dollars to make a real difference, and there is far more work to be done in the years ahead.

Another part of our overall reform is the revitalisation of mental health and substance abuse services through the redevelopment of Glenside. This involves creating a modern 129-bed hospital for mental health and drug and alcohol dependency. The total project budget is approximately \$130 million for this significant contribution towards improving mental health and substance abuse services. The consolidation of substance abuse services onto the Glenside site presents an opportunity to enhance the provision of these services in our state. This will provide new state-of-the-art facilities for the treatment of substance abuse problems, increasing the number of inpatient beds from 22 to 30.

This government recognises that alcohol is the most widely used drug in South Australia and that a significant amount of individual and community harm can result from its misuse. The government, with other state and territory governments, is working with the Australian government to develop a national strategy to address this misuse. This work will continue in the next financial year. At the local level the state government's social marketing campaign, 'Drink too much, it gets ugly', coupled with policy and prevention programs, addresses the specific harms arising from binge drinking. This work will continue in 2009-10.

On 19 January the display and promotion of tobacco products from temporary stores was prohibited. Prior to this ban, tobacco companies could regularly establish temporary tobacco stores at large youth-orientated events, such as the Big Day Out, as a means of selling and promoting tobacco products to young people. Work is continuing to identify further ways to reduce the harm of tobacco in the community. I take this opportunity to pay tribute to the staff, volunteers, families and individuals who do so much through our communities, government and non-government agencies, to support people during illness and assist them towards recovery.

The CHAIR: Deputy Leader, do you wish to make a statement?

Ms CHAPMAN: No, I note that we only have 17 minutes left, so I will proceed with questions. I refer to the Glenside Hospital redevelopment, which is covered in Budget Paper 5, pages 7, 31 and 33, and Budget Paper 1, page 9.

The CHAIR: The Deputy Leader will need to cite the exact reference for each question.

Ms CHAPMAN: I will indicate whether there is any difference.

The CHAIR: Just give us the exact reference for each question, as it is hard to keep three pages open at once.

Ms CHAPMAN: Budget Paper 5, page 7, also covers this topic because it relates to the Premier's development of his film hub. My first question relates to that aspect because the Premier said that this was the minister's problem when I asked him the other day. As the minister is aware, the Premier is now to become the registered proprietor of 2.77 hectares of property in the centre of Glenside Hospital, taking a large number of heritage buildings to accommodate the proposed movie and film hub.

As of today I understand that people are to be moved out of the principal building and the current chapel. How much has been provided in the minister's budget for the 2009-10 year to provide for a new place of worship for patients and staff at the Glenside Hospital? With the eviction

today of these people from their current chapel, it will be occupied by the Film Corporation, and it is currently being developed to accommodate that enterprise.

The Hon. J.D. LOMAX-SMITH: We have not yet designed and completed those developments, so I do not believe we have an exact costing.

Dr SHERBON: We can take it on notice. Through the chair and the minister—

The CHAIR: Unless the minister calls on you, please do not answer.

The Hon. J.D. LOMAX-SMITH: I apologise. I do not believe we have an exact costing of that development. The matter to which the member refers is the chapel, which is a multid denominational, multifaith centre used by the community. It is part of the new film hub development. I understand that most of our hospitals—in fact, all our hospitals—have faith centres of various kinds, and they are often redeveloped and redecorated. A new facility will be provided, because we recognise how significant and important this facility is for patients in care. As you will realise, the hospital part of the site will no longer be on that side of the campus in the final development, so there will need to be a relocation of this facility. I do not believe that we have an exact costing for that matter. Can I refer that to Dr Sherbon.

Ms CHAPMAN: I am happy to—

The CHAIR: Order, the deputy leader! The minister has referred the question to Dr Sherbon.

Dr SHERBON: There is a \$5 million amount for what we call the Glenside transition program, which is the series of relocations that free up precinct 1 on the Glenside campus. We would have to extract out of that \$5 million the exact cost of relocation of the chapel. It would be a small component of that \$5 million. In fact, I am advised that that element of the Glenside transition processes is reimbursed by Arts SA as part of its contribution to the Glenside development.

Ms CHAPMAN: The Premier specifically said that there was not any provision for that in the Arts SA project, which is why he suggested that I ask the minister covering this portfolio. Given the answer, to my recollection (and I have a member of the Public Works Committee sitting next to me), there was no reference in the \$5 million transitional payment for the cost of providing a new place of worship. Our understanding is that they are to vacate the current chapel as of today. What provision has been made on the current site (and I note that you are going to get the cost of it) for a place for them to have in the meantime?

The Hon. J.D. LOMAX-SMITH: As I said, this is a fabulous development for mental health in South Australia. I do not think there can be any question that this massive investment, providing 129 beds on the Glenside site and the destigmatisation and normalisation of these processes, will be a great bonus and improvement on the present conditions. However, it is clear that the mental health and hospital facilities will be moved to the southern side of the site and, as the member has correctly pointed out, the current chapel will become part of the future arts precinct.

Having said that, I am informed that the move will not occur until August. I am not sure from where the member obtained her information, but our information is that the move will not occur for several months.

Ms CHAPMAN: What is the total budgeted cost for the Glenside campus redevelopment? In Budget Paper 5 at pages 31 and 33 there is a reference to the total budget cost as being 'n.a.', and there is an explanatory note. However, I note that on page 9 of the Budget Overview document the Treasurer has disclosed that it is \$112 million. So, I am asking you the question: what is the total budgeted cost for the Glenside campus redevelopment?

The Hon. J.D. LOMAX-SMITH: The information I have is that it is in the region of \$130 million but, of course, the final costings, the tendering and the final details are not available.

Ms CHAPMAN: Do you have any explanation as to why this \$112 million that is referred to in the overview statement would be identified?

The Hon. J.D. LOMAX-SMITH: I am very happy to speak to that. Can I have the reference again?

Ms CHAPMAN: It is the Budget Overview document, Budget Paper 1, page 9. It is Budget Paper 1, Budget Overview, the summary document that the Treasurer publishes, and page 9 outlines health aspects. Do you have that document?

The Hon. J.D. LOMAX-SMITH: I have it.

Ms CHAPMAN: It is on page 9.

The Hon. J.D. LOMAX-SMITH: I suspect that this reflects the next four years. It states:

Over the next four years works will be undertaken on redevelopment of the Lyell McEwin, Glenside Campus, Flinders Medical Centre, Queen Elizabeth, Whyalla and Berri hospitals, progressing the new Royal Adelaide Hospital and GP Plus centres at Marion, Elizabeth and Port Pirie.

My understanding is that these complex programs may last longer than four years, so there would be funds in that overall sum that we will be expending in other years and the out years—which are not annotated in this document—2013-14.

Ms CHAPMAN: What is the total cost of the project?

The Hon. J.D. LOMAX-SMITH: The best available information at the moment is that we believe the cost will be in the region of \$130 million.

Ms CHAPMAN: How much of the \$17.39 million proposed expenditure in 2009-10 will be spent before the completion of the film hub?

The Hon. J.D. LOMAX-SMITH: Could you please reference that?

Ms CHAPMAN: Budget Paper 5, pages 31 to 33.

The Hon. J.D. LOMAX-SMITH: I think those complex Gantt charts and flow charts about the expenditure would have to be checked with the project managers. It is not the sort of information that is readily extractable from my budget figures, and I do not believe anyone here can give that information.

Ms CHAPMAN: I take it you are taking it on notice.

The CHAIR: Minister, are you taking it on notice?

The Hon. J.D. LOMAX-SMITH: Absolutely.

The CHAIR: It is not her responsibility.

Ms CHAPMAN: It is her responsibility actually. She has indicated, quite appropriately, that she will get the information to us.

The CHAIR: Deputy leader, please refrain from that sort of comment.

Ms CHAPMAN: Well, I ask you, Madam Chair, to refrain from such an insulting comment to the minister. She clearly has the responsibility—

The CHAIR: Order!

Ms CHAPMAN:—and she has indicated she will get it. I appreciate that—

The CHAIR: Order!

Ms CHAPMAN:—at least from her.

The CHAIR: Order! Debate with the chair is not permitted—

Ms CHAPMAN: My question is: how much is expected—

The CHAIR: Order! Debate with the chair is not permitted. The minister indicated it was a project matter and wanted to clarify whether it was or was not her responsibility. Deputy leader, you indicated that you took it that the minister would take it on notice. I wanted to clarify it for the record.

Ms CHAPMAN: And she said she would—

The CHAIR: Order!

Ms CHAPMAN:—appropriately.

The CHAIR: Order! Does the deputy leader have a question?

Ms CHAPMAN: I certainly do.

The CHAIR: Good, proceed.

Ms CHAPMAN: How much is expected to be recovered from the sale of 42 per cent of the Glenside site in the 2009-10 year?

The Hon. J.D. LOMAX-SMITH: I think matters about revenue are something that one cannot predict at this stage. I think any sales that might occur might relate to the retail area. As the honourable member knows, the decision to sell was made by the Liberal government—

Ms CHAPMAN: Wrong.

The Hon. J.D. LOMAX-SMITH: I have a letter—

Ms CHAPMAN: So have I.

The Hon. J.D. LOMAX-SMITH: —from Iain Evans—

Ms CHAPMAN: Minister Conlon tabled it in this parliament and it says nothing like that.

The CHAIR: Order! Deputy leader, please stop interrupting.

The Hon. J.D. LOMAX-SMITH: It would be impossible for us to predict the value of the land because, as you would know, the reversionary value of land reflects the development potential. The deal will not be finalised until after the DPA is completed.

Ms CHAPMAN: It seems that your government is capable of disclosing in Budget Paper 3, page 2.22, the estimated revenue to be received from the sale of Hampstead. In fact, it specifically states \$7.2 million. Are you suggesting to the committee that you cannot provide an estimate of the value of the precincts to be sold at that site, when clearly your own documents disclose that valuations will be obtained as to the potential value of the property for the purpose of a sale?

The Hon. J.D. LOMAX-SMITH: I did explain—although the member might not have appreciated it—that I have no involvement with the sale of all the land throughout the portfolio. My knowledge of this land is that the value of the retail segment reflects the reversionary value, following the development potential being decided after the DPA has been decided.

Ms CHAPMAN: Yes, and that being the case, that can be and is appropriately a commercial value, just the same as the Hampstead property is recorded there as \$7.2 million.

The Hon. J.D. LOMAX-SMITH: The Glenside land is a very large site. I believe it is potentially quite valuable: it is a prestigious residential area. In terms of the retail area, it would be impossible to predict the value of the land without knowing the development potential, and that is a reflection of the reversionary value. The land valuers will be able to explain that the value of land is dependent on the development potential of that parcel and, as yet, we have not determined the development potential of that parcel.

Ms CHAPMAN: Does the minister then agree that, when the DPA has been published and agreed, that will be able to be valued?

The Hon. J.D. LOMAX-SMITH: At that point, it will be able to be valued, but I think that we are in volatile times, and I would not like to predict where those valuations would go in future.

Ms CHAPMAN: How much has been spent on the Glenside redevelopment in the 2009-10 year, and on what was it spent?

The Hon. J.D. LOMAX-SMITH: Can you suggest a budget line?

Ms CHAPMAN: Yes; Budget Paper 5, pages 31 and 33, concerning the redevelopment. The Glenside redevelopment, I am talking about.

The Hon. J.D. LOMAX-SMITH: The current expenditure result for 2008-09 in the budget papers (which is on page 8.13) is given as \$7.13 million, and that would reflect some transition works and design expenses, as well as working groups, consultations and issues of that sort. The design team has been working on overall design of that precinct. There have been multiple workshops, work with local schools—Massada College, Glenunga International High, Parkside Primary—with the design team, and they are currently finalising a preliminary concept design option. As well as that, there has been work on the consolidation of other services on the Glenside site, and that work is continuing.

Ms CHAPMAN: What budget has been allocated for the appeal proceedings in the District Court to cover both the Department of Health and the respondent in relation to the production of documents under the freedom of information application in respect of the Chapley documents which the Ombudsman has directed be produced and to which the department covering this issue has appealed?

The Hon. J.D. LOMAX-SMITH: I am informed that the cost of any legal advice or litigation is met within the department's budget for legal activity.

Ms CHAPMAN: You mean there is a total budget?

The Hon. J.D. LOMAX-SMITH: I understand there is an allocation within the department.

Ms CHAPMAN: How much is that?

The Hon. J.D. LOMAX-SMITH: I am not aware of the exact figure. I will ask Dr Sherbon whether he can find that number.

Ms CHAPMAN: Thank you. Will the minister confirm how much has been received in the 2008-09 year, or will be received in the 2009-10 year, for the sale of Drug and Alcohol Services SA properties, which the minister has previously said will be subsidising the construction of the Glenside redevelopment?

The Hon. J.D. LOMAX-SMITH: My advice is that there will be no sales of that sort in 2009-10.

Ms CHAPMAN: Or 2008-09?

The Hon. J.D. LOMAX-SMITH: 2008-09 is gone.

Ms CHAPMAN: Yes, that is right. These were announced by minister Gago back in December 2007.

The Hon. J.D. LOMAX-SMITH: My understanding is that those properties have not been sold.

Ms CHAPMAN: Minister, you might recall that when minister Gago had the supervision of this project she announced—in fact, at the time just preceding the Cappo report—that the properties at Norwood and, I think, North Adelaide or Joslin—I think there was a third—would all be sold and the proceeds applied to the redevelopment of the Glenside Hospital. Has that since been cancelled?

The CHAIR: The utterances of minister Gago are not the subject of the committee. If the minister is able to provide any information in 30 seconds, that may assist.

The Hon. J.D. LOMAX-SMITH: I am very happy to explain to the deputy leader that a massive investment on this scale and a massive reform agenda which changes the way the whole system does business in terms of not just the model of care but also the physical shape of the service, with different kinds of facilities and building work across the metropolitan area and, for the first time, activity actually being spread into regional South Australia, requires an extraordinary and complicated level of organisation. We have certainly released a bed plan which is complex and details exactly how we will be providing 86 extra beds across the system, where they will be and how they will be achieved.

However, the real issue is that we have to stage the development, and one of the issues about a new model of care is that until you have built new facilities you cannot close the old ones. Contrary to some of the erroneous views being touted around the community, the government is not throwing patients onto the street, we are not turfing people out of facilities and we are not making people homeless. We are building new facilities. We are investing in the largest reform agenda ever in mental health in South Australia. We are creating, at the end of the day, 86 more beds, and we are consolidating those services, but you will understand that nothing closes until something can open, and that is the limiting factor. We have a plan, we have an agenda, we have a reform system that is being undertaken, and we have a strategy to deliver it, but the reality is that no patient will be removed and no service will be closed until the new facilities and the new investments are ready.

The CHAIR: There being no further questions of the Minister for Mental Health and Substance Abuse, I declare the proposed payments completed.

SOUTH AUSTRALIAN TOURISM COMMISSION, \$57,800,000**MINISTER FOR TOURISM, \$4,454,000****Membership:**

Mr Pengilly substituted for Ms Chapman.

Witness:

Hon. J.D. Lomax-Smith, Minister for Education, Minister for Mental Health and Substance Abuse, Minister for Tourism, Minister for the City of Adelaide.

Departmental Advisers:

Mr A. Gilbert, Chief Executive, Adelaide Convention Centre.

Mr C. Stubbs, Finance Director, Adelaide Convention Centre.

Mr A. Kirchner, Chief Executive, Adelaide Entertainment Centre.

Mr T. Pavic, Finance Manager, Adelaide Entertainment Centre.

The CHAIR: I declare the proposed payments open for examination and refer members to the Portfolio Statement, Budget Paper 4, Volume 3, Part 10.

The Hon. J.D. LOMAX-SMITH: I have agreed with the opposition spokesperson that we would forgo an opening statement, and I do so because of the need for brevity this evening. I have asked the representatives of the Entertainment Centre and the Convention Centre to speak first. I will introduce the CE and financial officers from the SATC when Mr Kirchner has gone because I understand he has an important show at the Entertainment Centre this evening.

The CHAIR: We have heard about that one.

Mr PISONI: Our first question relates to the Convention Centre, Budget Paper 5, page 46. Will the minister advise what funding will be provided to the Adelaide Convention Centre to expand and improve facilities to ensure that it remains competitive on the international circuit?

The Hon. J.D. LOMAX-SMITH: This budget line, which is \$3,049,000, reflects expenditure in the present Convention Centre. These funds are for a range of activities within the centre, upgrading and refurbishments, changes that need to be implemented. These costs are for the high level and high quality of maintenance we expect in our premier Convention Centre. This is not only one of the first convention centres in our country but one that has led the way. Not only has it been instrumental in recognising good service but it is also award-winning and a massive producer of investment in our state and great asset to our community.

I have to say that I am delighted by the way it has also taken up the challenge of environmental issues, being the first in the country to package up environmental packages for convention delegates. On top of that, of course, it is able to recycle waste, with worm farms and soups to fulfil its community obligations.

The Convention Centre, which has done a very fine job, is maintaining its assets to the peak of condition, with the top asset maintenance of all our facilities in our town, and I think we should be proud of the job it does.

Mr PISONI: Minister, you mentioned the Convention Centre and the fine work it does, and I agree that it is a great Convention Centre. However, the Convention Centre in Christchurch, New Zealand, failed to expand and, of course, lost conventions to Adelaide and elsewhere. Are there any plans to expand, or have you received any submissions from the Convention Centre to expand the current centre? Do you have any plans to do so?

The Hon. J.D. LOMAX-SMITH: I am not sure which budget line you are referring to.

Mr PISONI: Public non-financial corporations.

The Hon. J.D. LOMAX-SMITH: Which budget line?

Mr PISONI: It is on page 46, where there is a line for expenditure, which obviously does not include any expansion or capital expenditure, other than what you outlined earlier. I am asking

whether there is any intention to expand the Convention Centre so that we do not lose conventions, as Christchurch in New Zealand has done because its convention business was successful and outgrew the current centre.

The Hon. J.D. LOMAX-SMITH: Clearly, the Adelaide Convention Centre has a great future and has a good strategic approach to future designs and options for the site, and that is what one would expect of an independent board and an organisation of this type. However, any funding for any substantial upgrading would have to compete with other issues through the budget process.

The member might be interested to know that there are some very significant building works continuing in the Convention Centre with almost \$1 million being spent on refurbishing 11 meeting rooms in the original building, improving the aesthetic appearances. Repanelling sections of the operable wall system will cost \$345,000 and, in addition, there will be a locking system that may cost \$120,000. On top of that, the goods lifts are being upgraded at a cost of \$385,000.

I think that one of the joys and the areas of great pride in our Convention Centre is the high quality of the maintenance and the upgrade, so this sum of \$3,049,000 in the budget line is being spent on very significant capital investment.

Mr PISONI: So, there is no extension on the radar. I refer to Budget Paper 4, Volume 3—

The CHAIR: Order, member for Unley! The role of the estimates committee is not to make statements about the interpretation. The role is to ask questions and I will not permit committee members to make imputations from ministers' responses which they then quote in other documents. Please ask a question and refrain from making comment.

Mr PISONI: I do beg your pardon, Madam Chair, but I do have a slight affliction that causes me to think out loud sometimes. I do apologise for that and, if it does happen, please do take my apology.

The CHAIR: Please think inside.

Mr PISONI: The question refers to Budget Paper 4, Volume 3, page 10.5, relating to the South Australian Tourism Commission's objectives. I refer to the objective 'to facilitate the development of a competitive, profitable and sustainable tourism industry'. I am aware that the Convention Centre employs a lot of foreign students. As part of achieving this objective, can the minister advise how many international students are employed in the tourism and hospitality industry in South Australia?

The Hon. J.D. LOMAX-SMITH: I don't believe that I can tell you how many casual students are employed, and I don't believe that that is relevant to the budget documents.

Mr PISONI: My understanding is that students play a vital role in the tourism industry.

The CHAIR: Order, member for Unley! The question relates to the budget paper, not to South Australian policy in general or the benefits of this or that. Please refrain from thinking out loud and ask questions related to the budget papers.

Mr PISONI: I am referring to a line in the budget papers, and that line refers to the objective 'to facilitate the development of a competitive, profitable and sustainable tourism industry'. We know that the Convention Centre and other tourism businesses employ a lot of international students.

The CHAIR: And the reference for that is?

Mr PISONI: The minister's answer was, 'I don't believe—' so it was an ambiguous answer.

The Hon. J.D. LOMAX-SMITH: I am quite happy, Madam Chair, to explain that the minister for further and higher education deals with overseas students. It is an education question, if anything, talking about overseas students and their employment, their visa status and their capacity to work. There are many issues involved in vocational training and, certainly, we have some very high quality educational institutions, whether it is Regency Park or the Light Square TAFE, and we have many trainees.

It is true to say that the Convention Centre is renowned for the high quality of its training. I believe they have 300 staff in training, and they play a very important role. They are actually an RTO, as I recall. Being an RTO, their core business is training young people, and that is an important role. However, to expect the Minister for Tourism to quote the employment figures of

international students is, I think, beyond the remit of the budget documents for this part of the budget estimates inquiry.

Mr PISONI: I refer to Budget Paper 5, page 47, the upgrade of the Entertainment Centre. I would like an update on the completion date for that project. This came to the Public Works Committee on 15 October last year. In the report to the Public Works Committee, the completion date was 10 February 2010. It now appears from these budget papers that the completion date has been pushed way out to June 2010.

The Hon. J.D. LOMAX-SMITH: Could you repeat the reference?

Mr PISONI: It is the Capital Investment Statement, Budget Paper 5, page 47, Adelaide Entertainment Centre. The estimated cost is \$51.930 million. The proposed expenditure for 2009-10 is \$38.93 million. In the budget papers, the expected completion date is June 2010. However, the Public Works Committee was told that the completion date was going to be 10 February 2010. So, there has obviously been a significant delay.

I recall from the report that timing was critical for that project to be finished in February—I can find that here and read it to you, if you wish—and that is why the February date was given to the Public Works Committee. Can we have an explanation as to what the delay is and whether it will be up and operating on 10 February?

The Hon. J.D. LOMAX-SMITH: I refer the member to the document that he has referenced. If he would like to turn to Budget Paper 5, page 47, there is an annotation which explains that this is the date when final expenditure occurs. The member for Unley may not be familiar with budget documents and the way Treasury treats these major capital works projects, but I will refer him to reference (a):

The expected completion date given for each project indicates the date at which final expenditure on each project occurs. This date is often at variance to the date at which the project first becomes operational.

Mr PISONI: So, when will it become operational?

The Hon. J.D. LOMAX-SMITH: I just explained that this date is a financial end point for payment.

Mr PISONI: Yes, I understand that, but I am asking when the extension, or the new works, will become operational? When will you be taking bookings?

The Hon. J.D. LOMAX-SMITH: We believe that this project is on time and on budget.

Mr PISONI: So, 10 February, is that when it will be finished?

The Hon. J.D. LOMAX-SMITH: We believe that it will be completed in February 2010.

Mr PISONI: Not 10 February. It says 10 February in the Public Works Committee papers.

The Hon. J.D. LOMAX-SMITH: I believe that it will be completed on time and on budget.

Mr PISONI: I have completed my examination of the Convention Centre and the Entertainment Centre, Madam Chair.

The CHAIR: Thank you, member for Unley. I am sure that some of the advisers will be very pleased to leave.

The Hon. J.D. LOMAX-SMITH: I thank you, Madam Chair, and our advisers for their assistance.

Membership:

Mr Kenyon substituted for Ms Simmons.

Departmental Advisers:

Mr A. McEvoy, Chief Executive, South Australian Tourism Commission.

Mr A. Wroniak, Manager, Corporate Services, South Australian Tourism Commission.

Mr PISONI: I refer to Budget Paper 4, Volume 3, page 10.7, Investment Payment Summary. Can the minister advise what are the works that involved an expenditure of \$2.506 million in both the budgeted and estimated results?

The Hon. J.D. LOMAX-SMITH: That payment relates to the fit-out costs to new premises. Clearly, it is capitalised, and it is associated with the move into the new building, which occurred in August 2008. It is an important date, I think, if you are interested in history. Interestingly, I think it is 100 years since the SATC, in its previous incarnation, was on an identical footprint in King William Street.

Mr PISONI: I refer to the same budget paper, page 10.13, Tourism Events: Targets and Highlights; the World Food Exchange. In last year's budget papers, there was an allocation of funding for two years for the World Food Exchange. There was also a notation under Highlights: Program No. 3: Tourism Events, which stated:

South Australia will continue to play a major role in managing major roles in 2008-09, namely, the inaugural World Food Exchange, the Credit Union Christmas Pageant and the Tour Down Under.

How much money was spent in September 2008 on the inaugural World Food Exchange?

The Hon. J.D. LOMAX-SMITH: The funding for the event the member for Unley describes was over four years, and it staged together the Adelaide Food Summit and the World Food Exchange on alternating years. These events are managed with the support of PIRSA and DTED, and they have both been very successful in bringing together experts in the tourism industries to do with the food and wine.

What is particularly interesting about these events is that they perhaps do not line up with our normal suite of major events, because these are industry development ventures. One of the areas we have to be mindful about in tourism is the need to stay ahead of the game in terms of marketing food and wine. It is easy to become complacent because, of course, we do have the best wine in the world, and we have fabulous food products, but it is important that we continuously develop new destinations, new products and new ways of marketing. In terms of our Strategic Plan, food and wine marketing has been a very important area of concern for us, and we do need to keep investing in this area.

Mr PISONI: How much was spent? I am not sure whether I was dreaming; I do not think I heard that mentioned.

The Hon. J.D. LOMAX-SMITH: Well, I did explain that \$900,000 was spent over four years, and these are biennial events. So, in 2008-09, I understand it was \$240,000.

Mr PISONI: So \$240,000 was spent on the World Food Exchange last year?

The Hon. J.D. LOMAX-SMITH: Yes, that is what I am informed. The next one will occur in September 2011.

Mr PISONI: How much revenue was generated from ticket sales for its various functions, and what was the budgeted revenue?

The Hon. J.D. LOMAX-SMITH: I have explained that this is an industry development program, and much of the work that the SATC forms is not about ticketed sales but about product development. We operate in very difficult economic times and it is important that the SATC spends significant sums of money, as it has done this year with the largest and most expensive winter campaign ever, as we have seen, with an investment of an additional \$12 million into marketing. It is important in these difficult times that we do invest significant sums of money not just in marketing but also in product development.

In terms of product development, we have to understand that we cannot rest on our laurels and keep having the same assets and same destinations. We need to develop the industry. So the SATC spends a considerable amount of money and effort in product development, developing investment opportunities, and also in promoting elements of the industry to enhance their appeal and skills. To that end, we have been funding the new industry body, SATIC, to start its management and advocacy of the industry.

Clearly, in terms of product development, the World Food Exchange, as a destination development tool, is an important activity. I understand some 660 attendances were clocked up, and the people involved were in the media and the industry. If the member had a chance to speak to those people he would have learned that the experience was beneficial to these operators. They valued the additional ideas, mentoring and support they were given, and it is has made a difference in the way they run their business.

Mr PISONI: How much was generated from ticket sales?

The Hon. J.D. LOMAX-SMITH: I have explained that this is not—

Mr PISONI: So tickets were not for sale?

The Hon. J.D. LOMAX-SMITH: This is not an event in the way that the member understands. This is not a mass event. It is a small industry development event which was shaped according to the desires of the industry. We were involved in considerable consultation with the industry about its members' needs, the needs in developing new product and new destinations, and whilst there were delegate fees of around \$80,000 the point of the event was not to sell tickets: it was industry development.

Mr PISONI: Did you have a budget for ticket sales, and was it met?

The Hon. J.D. LOMAX-SMITH: Clearly, ticket sales were involved in attending the event, but that was not the purpose of the event. The KPIs were not ticket sales. They were involvement in business development—

Mr PISONI: I understand that, minister, but—

The Hon. J.D. LOMAX-SMITH: I am sorry, but if the member for Unley wants me to answer he has to stop speaking.

Mr PISONI: You are not answering. It is a simple question.

The CHAIR: Order, member for Unley!

The Hon. J.D. LOMAX-SMITH: The member for Unley might not like my answers—

Mr PISONI: What was the budget and was it met?

The CHAIR: Member for Unley, please remember your manners.

The Hon. J.D. LOMAX-SMITH: I am afraid the member for Unley might not like the answers I give, but they are honest answers given from the information I have. I have explained—

Mr PISONI: You have not answered it at all; you have waffled.

The CHAIR: Member for Unley! I have had citations from the member for Flinders about what is happening elsewhere. This committee has been proceeding with respect and allowing ministers to answer questions from the information they have available. We will proceed that way.

The Hon. J.D. LOMAX-SMITH: As I have explained, the purpose of this event is industry development. We appropriated \$240,000 and had approximately \$80,000 of delegate fees. The estimated expenditure, the entire budget, was \$322,000. It was within budget, it achieved its purposes, and those who attended were delighted. As ever, the member for Unley would choose to denigrate everything—

Mr PISONI: Point of order! I am just asking questions.

The CHAIR: The member for Unley is exaggerating.

Mr PISONI: I believe it is the minister who is exaggerating. She has answered the question; now she is berating me—

The CHAIR: Order!

Mr PISONI: —and her purpose here is to answer questions, and you are not offering any protection. You offer her plenty of protection.

The CHAIR: If the member for Unley does not make constant interruptions, nobody else will interrupt.

The Hon. J.D. LOMAX-SMITH: I have finished my comments on that matter.

Mr PISONI: What is the date of the next World Food Exchange in Adelaide?

The Hon. J.D. LOMAX-SMITH: September 2011. We are very happy to invite you, if you are still the representative of the opposition on this topic.

Mr PISONI: Thank you very much. I refer to Budget Paper 4, Volume 3, page 10.14, Tourism Events and the Great Australian Outback Cattle Drive. What was the cost of the media familiarisation undertaken by the SATC and what return do you expect from the cattle drive in 2010?

The Hon. J.D. LOMAX-SMITH: The Great Australian Outback Cattle Drive was a fabulous event that began in the Year of the Outback. I think it was planned by one of the member for

Unley's predecessors, Joan Hall. She was a creative and imaginative minister, and I have to commend her for the support she gave to this event. It was at a time when we had an opportunity to claim the Outback as ours. We have great expanses of regional areas that are exquisite visually: they have marvellous flora and fauna, and they often have a cultural history that is quite enticing.

The opportunity to run the Outback Cattle Drive allowed extraordinary innovation in terms of developing the product, which has found a place within international media. We traditionally have run an event prior to the main event, which is essentially a media event to get marketing activity and media dollars from those events. The smaller event is, of course, organised on a different scale to the larger event, but continues with infrastructure that has been built for us. Our infrastructure involves an amazing lorry with hot showers, lavatory facilities, comfortable tents, which we own, and all the stretcher beds and facilities, as well as the opportunity to have campfire entertainment and, of course, horse riding.

The event has traditionally been run with the support of Anna Creek. I am pleased to say that it has also received federal funding of half a million dollars to support the event, because it is seen as an iconic Australian event. When the event runs, I think there are 700 'saddles', as they are called, for sale, and these are short experiences—four or five days—around a circuit, droving cattle and riding during the day.

The event that is run in the previous year is one that has journalists, and this year I had the opportunity to travel with them, with a Danish newspaper called *Jyllands-Posten*. I have to say that I have seen a copy of the article they have written, and I could not understand a word, but the photographs were nice. *The Age*, *The Daily Telegraph* and Channel 7 were involved, and there were journalists from the United States and people from France, Italy and the UK.

We have already assessed the media value of this event as \$10 million, with media coverage, and, certainly, all the media has not yet come in. This is our marketing schedule. This is part of our marketing dollars, because, unless we can get media coverage, it is hard to target all people around the world interested in a cattle drive.

This is a way of getting media coverage ahead of the event to improve our bookings. We expect this event to be very successful. I believe that we have already sold some saddles. I think that the cost of the Media Famil is clearly an investment that is well made. Currently, we have an annual expenditure line within that event, but I cannot give the honourable member the exact cost of the Media Famil. We can extract that at later date.

It is worth also pointing out that, since the success of the Outback Cattle Drive, other operators in South Australia have started these events, and wonderful wine, food and horse riding experiences are being run in the northern Flinders Ranges, so there has been product development even aside from our iconic event.

Mr PISONI: Will next year be a full complement or will stages be axed as in previous years?

The Hon. J.D. LOMAX-SMITH: A full complement?

Mr PISONI: Yes.

The Hon. J.D. LOMAX-SMITH: Will the honourable member explain his comments?

Mr PISONI: Back in November 2008 it was reported that you claimed that locals wanted to scrap the first three stages. However, a spokesman for the Oodnadatta Progress Association said on radio that the committee had been left scratching its head over the decision. My understanding is that several stages were drawn up in the original plan and, for a number of years now, the fully-staged cattle drive has not been operating.

The Hon. J.D. LOMAX-SMITH: I think that the member for Unley seems to be ignorant of the climatic conditions affecting Outback South Australia. He may not be aware that there have been drought conditions, he may be ignorant of the destocking of some of the significant stations, he may not be aware of the cost of feed and he may not know of the fragility of the earth around these areas. I think that with all these plans we have had to stage this event not at regular cycles because we have always been mindful—

Mr PENGILLY: How much is a bale of hay?

The Hon. J.D. LOMAX-SMITH: It has gone up very significantly.

Mr PENGILLY: Do you know what it is?

The Hon. J.D. LOMAX-SMITH: Not now, do you?

Mr PENGILLY: I am just saying: he does not know and you do not know.

The CHAIR: Order!

The Hon. J.D. LOMAX-SMITH: This year has been a better season. The costs have gone down significantly. There has been quite a lot of rain in the northern regions, but the last cattle drive did suffer because it was in a severe drought.

Mr PISONI: What is happening next year then?

The Hon. J.D. LOMAX-SMITH: I think that the level of destocking was so significant in terms of those stations and there was such fragility and disquiet in the industry that it was not a favourable moment to have extensive activity across the land. This was unfortunate, but, clearly, it is a popular event and we have persisted with it despite adverse circumstances.

Of course, one of the reasons we persist with this event is that it is iconic, it makes us own the Outback; and, whilst the member for Unley might like to undermine the quality of this event by talking it down, this is a popular event that gives us enormous international coverage—as I said, \$10 million already from this year and our sales are certainly ahead of previous years because of the positioning, the marketing and the media activity. I understand that the member for Unley, perhaps, does not support this event.

Mr PISONI: That is not true at all. I am asking questions about it. It is your typical style to insult anyone who questions the way you are managing your portfolio.

The CHAIR: Order, member for Unley!

Mr PISONI: Could the minister clarify for me, then, is a supply problem the reason we do not have the full set of stages in this drive or is it a demand problem? You are telling me that you have to turn people away because of the drought. Is that why the stages were dropped or was it because it could not be sold?

The Hon. J.D. LOMAX-SMITH: This is a popular event. Our sales are ahead of previous years. I think it would be inappropriate for the member to suggest that it was an unpopular event.

Mr PISONI: I was not suggesting that at all. I was trying to get some idea as to whether the reduction in the stages was because of the drought, as you claimed, or because of ticket sales not eventuating, and if it was the drought, as you claimed, then I would suggest that there would have been people who have applied to go on the cattle drive who were told that it was full. Is that the case?

The Hon. J.D. LOMAX-SMITH: The member seems to have difficulty in understanding what I said. The stages were pulled back last time the event was run because of the drought.

Mr PISONI: So, you had a waiting list or people who were knocked back; is that right?

The Hon. J.D. LOMAX-SMITH: The event was pulled back at a time when the drought was obviously causing difficulty. The stations were destocking and there was every indication that there was going to be a struggle with the volunteers. I think if the member wishes to delve into the past he should perhaps remember that he should be focusing on the 2009-10 budget papers, not historic information.

Mr PISONI: Well, there is plenty of historic information in these papers, minister.

The CHAIR: Member for Unley, next question, please.

Mr PISONI: Can the minister advise what financial support was given to last year's Christmas Pageant and how much has been given to this year's Christmas Pageant?

The Hon. J.D. LOMAX-SMITH: We are one of the sponsors of this event. There is significant sponsorship from other organisations, and I do not believe that their sponsorship is something that we would want to discuss. It is certainly one of the managed events, as the member for Unley knows. I can assure the member that the credit union Christmas Pageant will continue into the future and is funded adequately.

This year we have not been producing as many new floats. Last year was a very special year in terms of an anniversary and there was a special, additionally expensive, float produced, but this year we are back to our standard event, with some new structures but not the extremely exotic ones that were produced last year.

Mr PISONI: So, you are not prepared to tell me the amount. Are you able to tell me whether the pageant is supported this year to the same degree as it was last year, or is there more support or less support this year?

The Hon. J.D. LOMAX-SMITH: I am not sure how the sponsorship has changed, I do not have that information, but the overall cost is in excess of \$1 million, and that is made up of government and non-government contributions. It is an extraordinarily popular event. I think that it is safe. It has not been defunded and I have every confidence in reassuring the committee that the Christmas Pageant is safe.

Mr PISONI: I was asking about the SATC commitment, minister. Do you know whether there is a bigger contribution this year than there was last year, whether the contribution is the same or it has been cut?

The Hon. J.D. LOMAX-SMITH: The contribution has remained unchanged and the event is safe.

Mr PISONI: Events SA attended Sportaccord in the USA earlier this year, and as a result of this trip can you provide details of what new international events have been bid for, and won, and the total cost of the trip?

The CHAIR: Do you have the budget line, minister? Are you able to identify it?

Mr PISONI: It is the same as the others.

The Hon. J.D. LOMAX-SMITH: This is taken from Tourism Events, program 2, page 10.14, I take it?

Mr PISONI: It is the same as the other references: page 10.14.

The Hon. J.D. LOMAX-SMITH: I think that, clearly, there are many opportunities that South Australia can gain from major events. One of the achievements that we should commend our staff for is their capacity to seek new events and have them run throughout the calendar.

It is really important that we support the industry by finding ways to keep our tourism and hotel operators busy throughout the calendar year. Finding events that can fill up that calendar is a key plank of our strategy. Attending these Sportaccord events allows us to keep a weather eye on new events that may become available and allows staff to network with the important organisers and put forward bids into the future.

From memory, the significant win of this Sportaccord was in the past couple of months with the World Surf Life Saving Championships. I am informed that there will be 4,500 competitors and that the impact on our economy will be \$10 million. We currently have some other bids that are live which have come out of that event activity, but I am not able to inform the committee of the nature of those activities because, of course, they are still commercial-in-confidence.

Mr PISONI: And the cost?

The Hon. J.D. LOMAX-SMITH: I think the whole event would have cost in the region of \$20,000, which would have included exhibition fees. It is one of those events where you set up stands and tout the strengths of South Australia as a destination. We do have a high reputation around the world. We have managed everything from Formula 1 to Classic Adelaide type racing. We have a whole range of mass participation events, whether they are Golden Oldies or the Police and Fire Games. Of course, the jewel in the crown has to be the Tour Down Under.

Mr Pengilly interjecting:

The Hon. J.D. LOMAX-SMITH: I know that those opposite have called it a B grade event, and I was very shocked when they did that.

Mr Pengilly interjecting:

The Hon. J.D. LOMAX-SMITH: It was highly supported, I agree, by the previous government. I commend Joan Hall for her diligent advocacy on this matter. We have built on the strengths of those who went before.

Mr PISONI: So, about \$20,000. I would be happy if you could bring back a cost including staff costs and so forth, if there are any involved.

The Hon. J.D. LOMAX-SMITH: I can give you the exact amount: it is \$20,585. That includes exhibition fees, I am told.

Mr PISONI: This refers to the same budget paper at page 10.6, Targets and Highlights, Australian Tourism Exchange. There was a \$2 million expenditure announced on 24 June this year, I think on the eve of the Melbourne Exchange. On 16 June 2008, there was an allocation of \$1.5 million that was announced in a government media release. I clarified whether the \$2 million is on top of the \$1.5 million or whether it is simply a 25 per cent increase on the original announcement and, if so, what were the reasons for the increase?

The Hon. J.D. LOMAX-SMITH: The member will appreciate that these large events are often organised over several financial years. Bookings have to be made and events have to be organised. So, the \$2 million comprised two allocations of funding, the first in 2008-09 and the second in 2009-10. As I understand it, they add up to \$2 million.

Mr PISONI: So, the \$1.5 million first announced was incorrect—is that right?

The Hon. J.D. LOMAX-SMITH: No. There were two allocations of funding for two financial years with a total cost of \$2 million.

Mr PISONI: There was a press release put out by the Premier (and perhaps the Premier got it wrong) stating:

Rann government allocated \$1.5 million over two years in this year's state budget to secure the 2010 event for Adelaide.

It is obviously referring to the Australian Tourism Exchange. That was on 16 June 2008. Your press release 12 months later stated that tourism minister Jane Lomax-Smith said the 2010 event would be supported by \$2 million from the state government. I am trying to establish whether—

The CHAIR: We have discussed previously with the deputy leader that utterances by other ministers are not the subject of this discussion. If you can provide exact copies of what they said, the minister may be able to assist you; otherwise, the minister is at somewhat of a disadvantage.

The Hon. J.D. LOMAX-SMITH: I repeat my response. The overall cost of the event will be \$2 million. It has been provided in more than one budget. The total cost is \$2 million, but in order to book the venues and organise an event you have to make those bookings and make payments the preceding year. One of the difficulties in understanding the budget—and I appreciate how the member for Unley struggles—is that a lot of the money fluctuates year on year, and the expenditure is often over two, and sometimes three, years to fund a major event. Sometimes with a major event, even before the venues are booked, organising committees have to be funded, and there have to be trips to the preceding venue for the event, such as the World Police and Fire Games. There is an enormous amount of coordination between different elements of government, and it all costs money.

When Joan Hall won the World Police and Fire Games it was at the culmination of six years of international flights around the world, bidding, lobbying and approaching the organisation. Even as far back as 1998 there were hosted functions for the visitors. There is enormous cost in mounting a bid and enormous cost in running the pre-event organisation, and that is why the sums of money are expended and allocated over several financial years.

Mr PISONI: It does not explain why two different sums have been announced. I refer to Budget Paper 4, Volume 3, page 10.17, Subprogram 3.2: International Marketing. I refer to marketing by the public relations company based in Tokyo. Will the minister advise the name of the company undertaking this contract in Tokyo, what is the cost of such arrangement per annum and what process was undertaken by the South Australian Tourism Commission in gaining these services?

The Hon. J.D. LOMAX-SMITH: It must be jolly difficult for the member for Unley to think of negative elements when we have invested so much extra into marketing this year. I had the biggest domestic marketing campaign ever in the winter months, as well as—

Mr PISONI: Minister, I am asking questions.

The CHAIR: Order!

Mr PISONI: What is negative about asking you questions?

The CHAIR: Order!

Mr PENGILLY: You want to stop us!

The CHAIR: The minister has far more discretion than do members.

Mr PISONI: We know that.

Mr PENGILLY: You are totally biased.

The CHAIR: Order!

Mr PENGILLY: You are—you are totally biased.

The CHAIR: Order!

Mr PISONI: That was just an unprovoked attack.

Mr PENGILLY: You are trying to be a control freak up there and you let the minister go at us.

The CHAIR: The member for Finniss will keep quiet and read his book.

Mr PENGILLY: I beg your pardon?

The CHAIR: Be silent: do not enter into interjections or debate.

Mr PENGILLY: You give our side a fair go.

The CHAIR: Order!

Mr PENGILLY: You are not doing it, you don't do it. You make a laughing-stock of it.

The CHAIR: The member for Finniss will be quiet.

Mr PENGILLY: If you want to go on, you go on, but I'll tell you what: you need to be less biased than you are.

The CHAIR: The member for Finniss! Thank you, member for Finniss.

Mr PENGILLY: Biased!

The CHAIR: I follow the rules, member for Finniss.

The Hon. J.D. LOMAX-SMITH: I apologise for the interruption. It is difficult to be negative about the tourism budget this year. In very hard economic times we have a very powerful, disciplined and vigilant board. We have a great CE and wonderful staff who are—

Mr PISONI: Well, you won't mind being questioned then.

The CHAIR: Member for Unley, don't interrupt. The minister.

The Hon. J.D. LOMAX-SMITH: Frankly, this is a very exciting year for tourism because, despite the economic instability around the world, South Australia has withstood some of those shocks far more safely than have other parts of the country. We are investing record sums of money in domestic marketing. We are maintaining our international presence. We are reshaping some of our overseas market representation and, in doing so, we are being very strategic. We want to spend as much money as possible marketing, and I do not think we have ever as an organisation (and I must commend the board and the CE) spent more money on marketing. It seems to me that the only individual in South Australia with a negative view who wishes to talk down the industry is the member for Unley. Having said that—and I recognise his inability to think positively or support the industry—I am happy to give the name of the firm: it is called Milepost.

Mr PISONI: What is the cost of such arrangement per annum?

The Hon. J.D. LOMAX-SMITH: May I ask to which year you are referring?

Mr PISONI: What do you mean, which year? We are into the current budget year. You are being a bit cute, minister. How much does it vary from year to year?

The Hon. J.D. LOMAX-SMITH: I think the member for Unley has been drilling back into the long distant past. It is the current year, 2008-09.

Mr PISONI: That will do.

The Hon. J.D. LOMAX-SMITH: If the member for Unley wants the current year, 2008-09, the overall budget in Japan would be in the region of \$335,000.

Mr PISONI: I refer to the same budget paper, page 10.14, Tourism Events, Performance Commentary, Tour Down Under. Can the minister detail all payments made by the government, including gifts, to Lance Armstrong, his companies, charities or representatives?

The Hon. J.D. LOMAX-SMITH: I have to say that I hate to hark back to that previous minister, Joan Hall. She ran a very good event and should be commended for her advocacy of cycling. I think she played a very important part in making sure that South Australia was the cycling capital of Australia and the most important cycling destination in Australia. We have continued that push, not only with extra cycle paths, mountain bike tracks and promotion of recreational cycling, but also through developing a ProTour status event. I would remind the member for Unley—and he clearly is not very supportive of our highly successful Tour Down Under, which went from 17.3—

Mr PISONI: Madam Chair, I have a point of order. The minister is deliberately verballing the member for Unley.

The CHAIR: There was no evidence that the member for Unley was not supportive.

The Hon. J.D. LOMAX-SMITH: I apologise if he is supportive. Thank you.

The CHAIR: I have heard comments from other members who normally sit on my left.

The Hon. J.D. LOMAX-SMITH: The Tour Down Under was one of our amazingly successful events. In 2009, it had a \$39 million impact on the South Australian economy, up from \$17.3 million in 2008. That is an increase of 125 per cent on top of an increase—

Mr PISONI: Madam Chair, I have a point of order. My question is specifically about details of payments made by the government, including gifts, to Lance Armstrong and his companies, charities or representatives. I am fully aware of the benefits of the Tour Down Under in South Australia. What I am keen to understand is the cost of bringing Lance Armstrong to South Australia.

The CHAIR: The minister is providing the information she has.

The Hon. J.D. LOMAX-SMITH: This was a highly successful event, and I would support the decision by Joan Hall not to divulge the details of team sponsorship and organisational sponsorship. That has always been confidential. It was confidential in the time of the previous government.

I would also like to remind the member for Unley that, if he would like to portray himself as a loyal South Australian, he might like to recognise that members of parliament in Queensland have been sniffing around and complaining about our claiming the International Rugby Sevens. Melbourne has been trying to take the Tour Down Under and has been looking at UCI involvement. It is really important that we get behind our events and support them and not give assistance and succour to other states' organisations that would be very happy to steal these successful events.

Mr PISONI: With that in mind, as the sponsorship of this year's Tour Down Under was undertaken by the state government, will the minister advise whether a sponsor is being sought for this event in 2010?

The Hon. J.D. LOMAX-SMITH: Of course, we have a very active sponsorship division. It would be remiss of me to comment on those sponsorship discussions in public. Our sponsorships are never made public. I do not believe ever in the time of that wonderful minister, Joan Hall, that they were made public and certainly not by this government.

Mr PISONI: I am asking whether you are pursuing a sponsor for 2010 or whether you again intend to sponsor it as a government event.

The Hon. J.D. LOMAX-SMITH: We have dozens of sponsors. The member for Unley clearly wants to talk down this event and pretend it does not have sponsors. His implication is that—

Mr PISONI: I have a point of order. There is no implication; I am simply asking questions.

The CHAIR: Minister, I did not understand that implication.

The Hon. J.D. LOMAX-SMITH: I am sorry: that was not a simple question. That was an assertion that there were no sponsors last year. There was a clear assertion that it is an unpopular event, it is not worth the money, and there were no sponsors last year. There were sponsors last year and they were very happy with their sponsorship deals, and we will continue to have sponsorship next year.

Mr PISONI: If there was an assertion, the assertion was that the Premier felt there was no room for anyone else in this event. There was no effort to pursue a major sponsor, so the Premier could put his name on this event. If there was any assertion to be drawn from my question, perhaps

it could be that one. Will the minister advise the cost to SAPOL for being a corporate sponsor of the 2009 Tour Down Under? What did SAPOL receive for its sponsorship?

The Hon. J.D. LOMAX-SMITH: Can I defend the Premier and suggest that it is unseemly for the member for Unley to attack him in his absence, when he cannot defend himself. I find it reprehensible that he should make these assertions in the absence of the Premier. I suggest that he have the courage to suggest this when the Premier is present.

The reality is that we have many sponsors for the Tour Down Under. It is a popular event and the sponsors to whom I have spoken have got great benefit from sponsoring this event. Certainly, over the course of time we find new sponsors and the sponsorship suite changes from year to year, but I reject the assertion that this is an unpopular event without sponsors.

Mr PISONI: I refer to page 10.16, Domestic Marketing. The commission has provided sponsorship to channels 7 and 9 for the *Discover* and *Postcards* programs. Will the minister advise what the sponsorship for these programs has entailed in the past and how many Tourism Commission staff are allocated to this function?

The Hon. J.D. LOMAX-SMITH: I think the member for Unley asked about members of staff.

Mr PISONI: Yes, I am asking whether any Tourism Commission staff are allocated for the sponsorship provisions for channels 7 and 9.

The Hon. J.D. LOMAX-SMITH: I wanted to clarify the matter about which the member was asking. We have staff who manage the relationship, but they do not work on the set or for the television companies, if that was the implication of the question. Certainly, we have staff who as part of their PR function manage the relationship with these organisations.

Mr PISONI: Is that one or two staff?

The Hon. J.D. LOMAX-SMITH: No full-time equivalent, but it would be part of our normal relationship building.

Mr PISONI: I refer to the same budget paper, page 10.17, International Marketing and the Performance Commentary. With Tourism Australia closing overseas offices in Thailand, Taiwan and Dubai, will the minister advise what effect this may have on international marketing for South Australia?

The Hon. J.D. LOMAX-SMITH: We actually have an extraordinarily good relationship with Tourism Australia. As you know, the CE used to work for them and so he has good contacts within the organisation. In terms of our international marketing, it is noteworthy that we are investing heavily in these programs. Certainly, if you look at the increase in expenditure, part of that is to do with the tourism exchange, and you can see that we will be spending \$8.5 million as budget this year.

In terms of the markets that Tourism Australia is reducing activity within, they are not our priority markets. They are not priorities in terms of our strategic plan and, as in any large organisation, rather than producing a veneer of small expenditure in order to be noticed, our marketing requires us to be serious about the markets we operate in and not to have minor activity.

We know where our key markets are; we know which countries our tourists arise from; we know how they get here. In fact, one of the success stories in tourism in South Australia has been to improve the access of planes coming into South Australia. Of course, our marketing tends to match the origins of the visiting tourists. I am very pleased with the massive increase in the number of inbound seats that we have developed over the course of this government's period in office. When I first noticed and measured the weekly inbound seats for international airlines, there were just over 2,000 seats, and currently we have almost 6,500 inbound seats; that is, in 29 international flights per week.

The reason this has occurred has been that the SATC has had a strategic approach to increasing airline access and our marketing meshes with our airline access, because there is no point in spending money in a market that does not have any direct flights. Direct flights are the key to inbound tourism and that is why we have had such a stellar result in terms of visitors from New Zealand, because, of course, we worked hard to get regular inbound flights from New Zealand via Auckland to Adelaide. They connect brilliantly via Air New Zealand to the United States. I think at some stages of the year, it is 16 or 17 hours LA to Adelaide, with one hour on the ground in New Zealand. It allows us to market both in the United States and New Zealand, and New Zealand has had a very significant improvement.

Mr PENGILLY: Thanks to Jade Wilson.

The Hon. J.D. LOMAX-SMITH: We have excellent staff in New Zealand, but the key is airline access. If you have airline access, they will come. There is very little point in worrying about a market that is impossible to transit from, therefore we target those countries where we have good airline access and put extra marketing dollars into promoting those new routes. While I am discussing the internationals, it is also worth noting that we have increased our domestic seats in Adelaide as well—up from 45,500 in 2003 to 70,000 domestic seats currently per week (from the last figures I have).

This is a very important element for us as well, because, increasingly, we know that, in hard economic times, when people are not taking long haul flights, they are taking shorter haul flights, and of course domestic travel from the Eastern Seaboard has great opportunities in this economic downturn for us. I would also mention the increase in cruise ships. I have to say it is great that we now have Southern Ocean Cruising, with cruise ships docking, embarking and disembarking in Adelaide.

It gives us a great opportunity to have cruise ships using Outer Harbor as a home base and visiting KI and Port Lincoln. This is another string to our bow and next season it will be brilliant. Last year, we had 21 cruise ships; next year 27. I have to say I am delighted by the Southern Ocean Cruising concept, because we now have a third ship that will be based on our coast and that will give us extra opportunities for coastal cruising.

Mr PISONI: I refer to the same Budget Paper, page 10.17, International Marketing. Can the minister advise how many overseas postings and/or agents the SA Tourism Commission has and what is the annual cost of these postings and/or agents?

The Hon. J.D. LOMAX-SMITH: Can I clarify the question that the member asked? Was he asking about employees?

Mr PISONI: Employees and/or agents of the commission.

The Hon. J.D. LOMAX-SMITH: I believe that we have 21 people working on our behalf, and that would amount to approximately \$6 million in costs, in arranged markets. I can clarify that: that is the cost of all the marketing activity, including representation and local in-market activity.

Mr PISONI: I would like to explore that a little more. I am not singling out any particular agent or representative, but I thought I would use the tourism ambassador located in India to try to get some idea of how the system works. Are you able to provide the terms of the contract between the tourism ambassador in India, Mr Vinod Advani, and the SATC?

The Hon. J.D. LOMAX-SMITH: I do not believe we provide employment contracts for anyone engaged in activities on our behalf, but I am very confident about the activities that are supported in Mumbai. I have, in fact, visited Mumbai where there have been trade events and support not just for tourism but also for education inbound activity. Certainly, we understand that India is an emerging market. We have a presence in that market—not a substantial presence, but one that keeps our foot in the door. We have very good contacts which give us some excellent yield from that activity.

Currently, the IVS (International Visitor Survey) demonstrated 3,800 visitors to South Australia in the 12 months to December. This is a smaller market than China, which is over 7,000, and Hong Kong, which is over 5,000.

Mr PISONI: Did you say that you do not have the agreement or the contract, or you cannot talk about the agreement or the contract, for Mr Advani?

The Hon. J.D. LOMAX-SMITH: My sense is that individual contracts for services are confidential and part of an agreement with the staff. I am happy to take advice.

Mr PISONI: I received it under FOI, so I suppose I can move forward and ask: is this a typical contract for overseas tourism ambassadors?

The CHAIR: Order! That is not an estimates question. You are welcome to ask it during question time some time.

Mr PISONI: It is an estimates question. It specifically relates to international marketing and the cost of providing international marketing for South Australia; and the role of estimates is to explore the budget and discuss how taxpayers' money is spent and give ministers the ability to explain why they have done things and how they have done them so that members of the public can access that information in *Hansard* any time they like.

The CHAIR: Member for Unley, you might like to talk to the table officers at some time about the role of estimates. Questions must be based on lines of expenditure in the budget papers and must be identifiable or referenced. As I heard your question, you were basing it on an FOI question. Do you have another question?

Mr PISONI: Can the minister advise of the selection process undertaken for the position of the tourism ambassador in India for the South Australian Tourism Commission?

The Hon. J.D. LOMAX-SMITH: I am unable to tell you the start point of the agreement. I cannot give you the date, but I am happy to find out when that occurred.

Mr PISONI: I have the date and the letter of engagement here. This was signed on 1 October 2007. The question is: can the minister advise of the selection process undertaken for the position of the tourism ambassador in India for the South Australian Tourism Commission? You must have a process in place for selecting your agents and representatives.

The Hon. J.D. LOMAX-SMITH: I think the member for Unley is straying into extraordinary detail into the employment conditions of those acting on our behalf and for the education portfolios as well. The reality is that—

Mr PISONI: It is public money, minister.

The Hon. J.D. LOMAX-SMITH: —he might not like what I told him about the dates but, clearly, the individual in question, whom I have always found diligent, well connected and energetic in his activities—and I am sure that the member for Unley has met him and would agree with that—has been engaged in activities on our behalf for some years. Whatever the basis of the document from 2007, it was not the initial document that allowed this individual to be recruited.

Mr PISONI: So, was there a selection process?

The CHAIR: Member for Unley—

Mr PISONI: Do you have a selection process for tourism ambassadors or agents?

The Hon. J.D. LOMAX-SMITH: I think that the tourism portfolio's method of engaging those who act on our behalf has been in place for some time. I have explained that this individual has been working on our behalf for several years, and that was the latest iteration of that arrangement. I have explained before that I do not have it before me. The minister does not usually deal with contracts of this sort. There is a delegation within the organisation that allows for other individuals to deal with these contracts. I have told you that I am happy to look at the original conditions, but you are indeed straying far from the purpose of budget estimates.

Mr PISONI: Surely, the correct answer, minister, should be: yes, the normal processes were undertaken.

The CHAIR: Order! The member for Unley will ask another question. This line of questioning is about the detailed administration of the department. I am additionally uncomfortable because it relates to a single individual. Will you proceed to a question about this year's budget and not the administration of the department.

Mr PISONI: Can the minister advise of the success or otherwise of the services provided by the ambassador for India under the terms of his agreement? I ask that question because I am looking at a document here that has been produced by Tourism Research Australia, which gives us an indication of the growth of Indian tourism to Australia by state. In 2006, we can see that South Australia had a growth of 3.7 per cent, while Western Australia had a growth of 49 per cent; Tasmania, 144 per cent; Northern Territory, 109 per cent; the ACT, 102 per cent; Queensland, 40 per cent; Victoria, 32 per cent; and New South Wales, 13 per cent.

In 2008, we saw a growth in most of those markets again, with a decline in the South Australian market of 15.6 per cent. So, what has the ambassador undertaken to market South Australia in India?

The CHAIR: Member for Unley, I have already made it clear to you that the minister is not here to answer questions based on information other than that which is contained in these documents. You are reading into the *Hansard* record statements that you assert to be true, with no documentary evidence to support your assertion. It is entirely out of order. The minister may continue to provide information of a general nature, but she is not here to respond to questions based on anything other than figures and statements contained in these documents.

Mr PISONI: If we were satisfied with information of a general nature, we would make do with the budget speech on budget day. That is an outrageous suggestion, Madam Chair.

The CHAIR: Order!

Mr PISONI: The budget estimates—this is public money being spent, and we are talking—

The CHAIR: Member for Unley, are you able to point—

Mr PISONI: There is a line here in the budget, Performance Commentary. This is all about performance, Madam Chair. I know that you have never been in the private sector, but maybe you have some understanding—

The CHAIR: Order, member for Unley! That is entirely out of order as well as being untrue. However, I will give you a couple of minutes to compose yourself and reflect on the purpose of budget estimates and the information about the source of questions that are legitimate.

Mr PISONI: Are you ruling, then, that under Performance Commentary I am not allowed to ask questions about the performance of an agent of the South Australian Tourism Commission?

The CHAIR: I am not ruling anything, member for Unley. I am indicating what is the proper nature of estimates questions.

Mr PISONI: In that case, I will ask the question. What has the ambassador undertaken to market South Australia in India, and how many trade shows and functions has South Australia attended in India as a result of the ambassador? What publications has South Australia featured in as a result of the work of the ambassador, and how many trade and media famils have been undertaken as a result of the ambassador? I am happy to have you take those on notice.

The CHAIR: That is not the question you asked earlier, which was entirely out of order. You may be able to assist with this, minister.

The Hon. J.D. LOMAX-SMITH: It is clear that this is a vendetta on the part of the member for Unley.

Mr PISONI: Point of order! That is an outrageous allegation. I am simply asking questions. I explained earlier that I have chosen an agent at random to try to understand how the agents work.

The CHAIR: Member for Unley, we have heard some of your outrageous claims. The minister will provide what information is appropriate in the circumstances.

The Hon. J.D. LOMAX-SMITH: I am very happy to help the member for Unley, as I realise he struggles to frame a question that has any relevance, but I am happy to talk about India. I am very happy to talk about India, as this seems to be something that interests him enormously.

Mr PISONI: There are a lot of people there, minister, a lot of money and a lot of opportunity, and on the figures that I have seen, we're missing out.

An honourable member: That's only your opinion!

Mr PISONI: Read the report!

The Hon. J.D. LOMAX-SMITH: Part of the SATC's strategy to focus on the emerging Chinese market has allowed us to put more money into China at the moment (because we see more opportunities there) but retain the relatively lower level of activity in India. According to our IVS figures, with 3,800 Indian visitors to SA in the 12 months ending December 2008, there were 7,300 visitors from China for the same period and 5,300 from Hong Kong.

In terms of overall volume to Australia, China delivers three times the volume of India. The SATC, however, regards India as an important emerging market for South Australia, and Vinod Advani is a radio and media personality who was appointed as tourism ambassador for South Australia in November 2004, and the SATC continues to use his services.

The major outbound tourism regions in India are Mumbai, which has over 19 million people; Delhi, again, 19 million; and Bangalore, seven. Vinod Advani liaises with the Department of Trade and Economic Development's representative based in Chennai. However, activities in Chennai are limited, as this is not made a major source market of visitors to Australia.

The travel distribution system in India is highly fragmented. The SATC has continued to develop relationships and work closely with the top wholesale agencies and the top Aussie specialist agents to leverage activity out of this market. Vinod Advani conducts training programs with travel agents and wholesalers and organises trade and media famils to increase exposure in

wholesale brochures much in the same way that the ATE leverages activity into those marketing documents.

Participation in Tourism Australia's annual India trade mission is also a core activity used to increase visitation to South Australia. These are the facts that I have available, but I understand that the member for Unley would seek to criticise the direction taken by the SATC board and the activities of the administration.

Mr PISONI: I am merely asking questions, minister. Page 10.7 in the same budget paper refers to the program net cost of services summary. I refer to the additional funding in tourism marketing which, of course, we are very pleased to see. Can the minister advise whether the extra funds in her marketing budget have come about as a result of staff reductions within the South Australian Tourism Commission?

The Hon. J.D. LOMAX-SMITH: We have received an extra funding allocation of \$3 million per year, which is an important contribution. You will notice that our estimated result, which is the full-time equivalent cap imposed on the department, is 185 staff. The 2007-08 estimate was 175 and the estimate for next year is 177. So, whilst the numbers fluctuate somewhat, we are within the same ballpark as before.

Mr VENNING: I refer to page 10.18. In relation to income sales of goods and services, I notice that the income is down from \$9.061 million to \$8.260 million. We know or hear that tourism across Australia is down a little. Is this being reflected right across our state? In relation to the Barossa Valley, do you see a slight downturn this year, and what can we do about it?

The Hon. J.D. LOMAX-SMITH: The budget line that you are discussing is about sales of goods and services. I understand that that is to do with fluctuations in events and bookings, as far as I can tell. This number fluctuates from year to year. In relation to the Barossa—

Mr VENNING: Well, we are told that tourism is generally down across Australia. I personally do not see it in the Barossa. How does the commission see it? Is tourism holding up in the Barossa and, if not, what can we do about it?

The Hon. J.D. LOMAX-SMITH: I think it is fair to say that, whilst there has been a flattening of the number of visitors, their length of stay has increased and the yield has gone up. So, we are having a higher yield of longer staying visitors, which is obviously better because we make more money than we would in other circumstances.

In terms of the Barossa, we have been very keen to market winter activity. We are spending the highest number ever—in excess of \$7 million—of state government and partner funding this coming winter. I suspect that, with the Tour Down Under, there will be many advance bookings because, even if people do not quite know the routes yet, they will be imagining that it has to go through the Barossa. So, there are always advance bookings. It is one of our premier destinations. It is one of the reasons we have been so keen to push improved food and wine tourism opportunities, because we do have to keep replenishing the product.

I have to say that, every time I go to the Barossa, I am impressed by the quality of the operators in both the food industry and the wine sector. They have fascinating products—whether it is Penfolds' laboratory mixing programs, the three-wheel drive Harley-Davidson trucks or a whole range of activities. There are some absolutely amazing products, including hot air balloons. I just think the whole area is brilliant. In terms of the Barossa, we believe that the figures are rising. I will perhaps ask Mr McEvoy to give the precise numbers, if he knows them.

Mr McEVOY: A lot of the marketing that we have done has had a positive impact, and the Barossa has been part of that positive impact. Roy Morgan used to do a thing every quarter called the Holiday Tracking Study, and consideration for the Barossa is actually growing. It is a tough time for tourism in the country. We are holding up as well, if not better than most states and territories. In fact, consideration for the Barossa is rising. We are not giving up on it, we are going to make sure that we do as much as we can. We would argue that the Barossa is holding up very well.

Mr VENNING: So are we getting the wine train back? It is there. Is Mr Geber being helped at all, because he is keen?

The Hon. J.D. LOMAX-SMITH: We have tried to assist, but these are difficult times and this is an expensive venture. We are cooperating in whatever ways we can.

The Hon. L. STEVENS: Budget Paper 4, Volume 3, Sub-program 3.2, page 10.17, relates to the MOU that currently exists with Singapore Airlines. Can the minister give us some information about the outcomes as a result of that MOU?

The Hon. J.D. LOMAX-SMITH: Our MOU with the airlines has increased the number of inbound flights and also helped market it in countries of origin. We have been particularly well supported by Singapore Airlines. The MOU we have currently runs from November 2005 to March 2010. They announced, firstly, an increase in frequency of flights from four to five flights per week between Singapore and Adelaide, and then they went to daily flights in March 2006. This is a great outcome for South Australia. One of the reasons we have an access policy in getting more flights in is that we do need to keep maintaining new origins of airlines. One of the coups this year is to have attracted a special event to South Australia, which is also organised through collaboration with the Adelaide Airport. It is a scheme whereby we attract all the major airlines from around the world to South Australia for a kind of matchmaking convention—

Mr VENNING: Matchmaking?

The Hon. J.D. LOMAX-SMITH: The destination cities pitch to the airlines. It is called the Asia Pacific Routes Conference. The purpose of this is to collaborate between the airlines, which even in difficult times are looking for future profitable markets. We expect to have around 350 delegates and 120 airlines, and we will be pitching at some of those airlines to see whether we can lure them to South Australia: that is the point of pitching for the event.

As I recall, the event is being sponsored by Qantas and will be held in April 2010. This is a particularly important moment for us. As I have explained, we have worked very hard to get more international flights into Adelaide; there was a very low level previously. If you have airline flights, the people will come. We have found that with extra marketing we can really leverage from those extra flights. I would be very happy if the member wants to take a look at the Asia Pacific Routes Conference. The matchmaking scheme is a very interesting one, and it is also how it works for the Australian Tourism Exchange.

An honourable member interjecting:

The Hon. J.D. LOMAX-SMITH: The Australian Tourism Exchange I would more describe as a speed dating arrangement, because the operators set up stalls and, every 13 minutes, they meet another agent from around the world, who then puts their business in their magazines and into their marketing. They move from booth to booth, and they allocate space in their advertising in France, Italy, Germany, America or wherever, and that allows our operators to get front of mind, into the travel agents and into the brochures in other countries in a way they could never afford if they were marketing themselves.

So, this system of matching up buyers and sellers is a well tried system. Alex Gilbert is involved every year with a similar event in Frankfurt, which involves conference destinations and conference marketers and, again, they match up by going from booth to booth. So, this is a method that is well known in the tourism sector as a way of making connections and forming alliances.

The CHAIR: The time for questions in relation to this area having expired, I declare consideration of the proposed payments completed. Thank you minister, and thank you advisers.

At 19:04 the committee adjourned until Wednesday 1 July 2009 at 09:00.