

HOUSE OF ASSEMBLY
Wednesday 1 July 2009
ESTIMATES COMMITTEE A

Chair:

Ms M.G. Thompson

Members:

Ms V. Ciccarello
Mr S.P. Griffiths
Ms E.M. Penfold
Ms L.A. Simmons
Hon. L. Stevens
Mr M.R. Williams

The committee met at 09:02

DEPARTMENT OF PLANNING AND LOCAL GOVERNMENT, \$18,002,000
ADMINISTERED ITEMS FOR THE DEPARTMENT OF PLANNING AND LOCAL GOVERNMENT,
\$2,215,000

Witness:

Hon. P. Holloway, Minister for Mineral Resources Development, Minister for Urban Development and Planning, Minister for Small Business.

Departmental Advisers:

Mr I. Nightingale, Chief Executive Officer, Department of Planning and Local Government.

Ms A. Nicholls, Director of Legislation and Governance, Department of Planning and Local Government.

Ms L. Boswell, Director, Strategy and Sustainability, Department of Planning and Local Government.

Mr A. Gear, Director of Planning, Department of Planning and Local Government.

Mr E. Heapy, Chief Executive Officer, Adelaide Cemeteries Authority.

Mr A. McKeegan, Assistant Manager, Finance, Department of Planning and Local Government.

Mr G. Smith, Chief Executive Officer, West Beach Trust.

Mr P. Smith, Director Assessment, Department of Planning and Local Government.

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 changeover of departmental advisers. I ask the minister and the lead speaker for the opposition if they could indicate whether they have agreed on a timetable for today's proceedings.

The Hon. P. HOLLOWAY: Yes, Madam Chair.

The CHAIR: Member for Goyder?

Mr GRIFFITHS: Yes, Madam Chair.

The CHAIR: Changes to committee membership will be notified as they occur. Members should ensure the chair is provided with a completed request to be discharged form. If the minister undertakes to supply information at a later date, it must be submitted to the committee secretary by no later than Friday 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 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 committees, television coverage will be allowed for filming from both the northern and southern galleries.

I declare the proposed payments reopened for examination and refer members to the Budget Statement, page 2.11, and the Portfolio Statements, Volume 1, Part 4.

The Hon. P. HOLLOWAY: Madam Chair, it would be useful if there were to be any questions on the Adelaide Cemeteries Authority or Adelaide Shores if we could perhaps deal with those early, then we could let those two CEOs go back and do some work.

The CHAIR: Does that fit with your arrangements, member for Goyder?

Mr GRIFFITHS: Yes, Madam Chair.

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

The Hon. P. HOLLOWAY: No, Madam Chair. I am happy to forgo that to give extra time for questions.

Mr GRIFFITHS: No, I do not have an opening statement either, Madam Chair.

The CHAIR: Please proceed with questions then.

Mr GRIFFITHS: My first question is in regard to West Beach Trust. I refer to Budget Paper 5, Capital Investment Statement, pages 56 and 57. I note that \$3.4 million will be invested in new works and \$650,000 in the trust's annual program. However, in looking at last year's figures, I note that \$3.16 million was proposed on annual programs. I am interested as to why there has been a cut in the investment in annual programs this year for the West Beach Trust.

The Hon. P. HOLLOWAY: I will ask Gareth Smith, the Chief Executive of the West Beach Trust, to explain that. You said it was page 56?

Mr GRIFFITHS: Pages 56 and 57. In looking at page 56 from last year's document, it referred to the fact that annual programs would be \$3.161 million, whereas this year it appears to be \$650,000. I am looking for the details on the significant difference.

The Hon. P. HOLLOWAY: Obviously, I do not have last year's budget papers with me.

Mr G. SMITH: Certainly, when we are establishing our programs, it is based on the forecast surpluses for each year. Without having last year's papers before me, certainly, in the last financial year, our surpluses were quite significant. This year, with the economic climate and some other additional services and increasing service standards for our customers and the community services and environmental services we provide, our surplus will be reduced this year, which is essentially available for those capital works and other programs.

Mr GRIFFITHS: To clarify, therefore, the annual program is really only what the surplus is anticipated to be for that year, so the total return is invested back into the trust?

Mr G. SMITH: Correct; yes.

Mr GRIFFITHS: If I can ask a further question in relation to that, what is the occupancy rate of the facility?

Mr G. SMITH: Historically, our cabin occupancy sits at about 70 per cent which is quite reasonable in the industry; anything over 60 or 65 per cent is quite significant. Our caravan occupancy sits as about 40 per cent. We have about 365 sites. Our cabins sit at about 180, and

they have about 70 per cent occupancy, and we expect that to be a similar forecast for the upcoming year.

Mr GRIFFITHS: Having previously been involved in a local government authority which had 15 caravan parks that operated within its structure with three or four different methods, I know there always has to be return on investment also. Are you able to provide me with details on how the West Beach Trust has performed in recent years?

Mr G. SMITH: Quite strongly. Last year (the 2007-08 financial year), we had a cash surplus of over \$3 million—that was the highest cash surplus that I am aware of that we have had in history. This year we are expecting a forecast of about \$2.2 million in cash surplus, which includes depreciation, etc.

Mr GRIFFITHS: What is the actual value of the asset?

Mr SMITH: The asset is being revalued at the moment but at the last valuation, which occurred four years ago, total property value and assets were \$55 million. Off the top of my head I believe the actual built assets value to be about \$35 million.

Mr GRIFFITHS: Those are all my questions on the West Beach Trust, Madam Chair.

The Hon. P. HOLLOWAY: If the honourable member, or anyone else, wishes to look at the facilities down at West Beach I am sure the trust would be happy to facilitate that.

Mr GRIFFITHS: I am grateful for that. I have relatives who stay there quite often, and they tell me it is very nice. I would now like to ask some questions on the Adelaide Cemeteries Authority, and I refer to Budget Paper 5, page 46. I note that the total proposed expenditure for the Adelaide Cemeteries Authority is \$1.761 million. In reviewing last year's budget papers I also note that there was an intention to expend funds on office administration and customer service improvements, which at that stage were due to be completed in January 2009. Has that been completed?

Mr HEAPY: Yes; the building is now completed and occupied.

Mr GRIFFITHS: As I understand it the projected cost was \$1.4 million. In fact, was that the sum expended, or was additional or less money required?

Mr HEAPY: No; the project actually came in just under budget.

The Hon. P. HOLLOWAY: It will be officially opened very shortly—in fact, next Tuesday. The invitations have just gone out, and I would imagine someone from the opposition has been invited. It would be a good opportunity for someone to have a look at it then. If you have not received an invitation I would be happy to make sure that you get one.

Mr GRIFFITHS: When I was a local government person for a very short time I actually sat on the Cemeteries Board of South Australia. I enjoyed it, actually, because, coming from a regional area where cemeteries are respected but in no way developed to the extent that they are in the city, I found it rather interesting. In relation to the West Terrace Cemetery, in particular, can the minister advise whether the authority has started to re-use grave sites there?

The Hon. P. HOLLOWAY: I think there was some re-use. Of course, the West Terrace Cemetery is cross-subsidised by the other activities of the Adelaide Cemeteries Authority. Clearly, it is a heritage cemetery and there are some very historical sections. I will let Mr Heapy speak about it, but there were some parts with limited re-use.

Mr HEAPY: If we go back in time, there was certainly some re-use that occurred, probably more in the 1970s and 1980s. The current policy of the authority is that we will not be re-using graves at West Terrace Cemetery.

Mr GRIFFITHS: As an extension of that, across all the cemeteries controlled by the Adelaide Cemeteries Authority, how many graves were re-used in the 2008-09 financial year? Are those figures available?

Mr HEAPY: For total re-use?

Mr GRIFFITHS: Yes.

Mr HEAPY: The re-use is solely at Cheltenham Cemetery, and that would probably take in about 450 interments per year. Some of those are in re-used graves, others are in existing family graves.

Mr GRIFFITHS: Given that the response referred to Cheltenham predominantly, what happens to the remains when they are exhumed for a grave to be re-used?

The Hon. P. HOLLOWAY: That is definitely your territory, Eric.

Mr HEAPY: The remains stay within the existing grave and are re-interred at a greater depth.

Mr GRIFFITHS: And the headstone and other improvements that would have been on the grave, what happens to them?

Mr HEAPY: The headstones are digitally photographed, so that we can capture the inscription, and are stored for a period of, currently, about two years at Enfield Memorial Park or Smithfield. We retain them at a compound in the hope that families may come forward to claim them. In the event that they are not claimed they are eventually crushed, but the material is re-used only within cemeteries, for topping graves, etc.

The Hon. P. HOLLOWAY: There have been some issues raised in relation to ownership of those, which we are currently having examined. We may have to amend the regulations or the act to sort out some of those issues.

Mr GRIFFITHS: I can understand that the ability to contact these people for some of these leases that might have been in place for a long time would be very difficult. I think you referred to 450 in the last financial year. For how many of those 450 graves were you able to actually identify the relatives to enable them to extend the lease or claim some of the remains, if they wanted to?

Mr HEAPY: The return in terms of contact from families is very difficult, as you have expressed, in the fact that the graves that have been reused at Cheltenham are 99 year old lease graves, and so the contact has been lost. I would estimate that probably only 3 or 4 per cent would come forward. We get a greater contact from the public notification period, and we do get families who are interested coming forward. I would say that the maximum would be about 7 or 8 per cent of the total. Some of those families will renew the lease, and we encourage them to do so. Others will make a particular choice not to, but would appreciate copies of the photographs of the inscriptions and so on.

Mr GRIFFITHS: In relation to the renewal of the lease option, what cost is that to the families of the deceased?

Mr HEAPY: It varies in each different cemetery and each different development, because grave sizes vary from, in the old terms, the three foot graves to the four foot six, in particular, at Cheltenham. So, at Cheltenham we are probably talking about an average of about \$3,500 for a 50 year licence.

Mr GRIFFITHS: I can understand why that puts some families under deep pressure to consider what they want to do.

The Hon. P. HOLLOWAY: That is width, not depth.

Mr GRIFFITHS: If I could continue this line of questioning in relation to the Cemeteries Authority, I am advised that issues concerning seepage from the lake at Smithfield cemetery have been resolved. If, in fact, this has happened, what compensation was paid to families, if any, for any grave markers that were damaged as a result of the seepage?

Mr HEAPY: Prior to the authority taking responsibility for Smithfield Memorial Park, it was owned by a conglomerate of, I think, three councils through the Northern Economic Development Board. The staining that you refer to occurred from the iron and salt content of the bore water that was used for irrigation. That staining occurred prior to the authority taking it over, so I am not aware of any compensation that may have been paid prior to the authority taking it over.

Mr GRIFFITHS: But there have been no demands financially upon the authority since assuming control?

Mr HEAPY: Sorry?

Mr GRIFFITHS: There have been no demands upon the authority, since assuming control, for compensation?

Mr HEAPY: No.

Mr GRIFFITHS: Just one last question on this area. There was some considerable publicity given to the DNA testing intended to be undertaken on the remains of former premier

Kingston, whose body was exhumed. Are you in a position to give the committee any details of what has transpired there?

The Hon. P. HOLLOWAY: No, because that did not take place under the Adelaide Cemeteries Authority. Clearly, the Attorney has responsibility for the exhumation. The Cemeteries Authority does not have any information in relation to that, but I guess it will be of some interest to historians of Adelaide. His picture is not up here, is it?

Mr GRIFFITHS: I do not think so, no.

The Hon. P. HOLLOWAY: I am not sure whether you would put it up or take it down.

The CHAIR: No, we have his bust in the lobby. We members of the south are particularly proud of Kingston's bust there.

Mr GRIFFITHS: Madam Chair, I confirm that is the end of my questioning on the Adelaide Cemeteries Authority.

The Hon. P. HOLLOWAY: As I said earlier, this is really the first estimates since the new department has been established. The establishment of a new department is a very significant step for the state. The planning authority has had a number of homes down the years. I think it began with Environment and has been with Transport and then PIRSA. Following the recommendations of the Planning Review, cabinet accepted them and the government has now established a new department. The old office of local government, which had also had a number of homes, has now been merged with this department and I think they are a very good fit. That indicates that Planning has now assumed a rightful place within government as a separate entity where it is not really secondary to another department.

It has been a big year for Planning in terms of the introduction of the Residential Code and the implementation of the other major recommendations of the Planning Review. We are on the verge of releasing the 30-Year Plan for Greater Adelaide, and there have been a number of important initiatives. However, I will not take up any more of the committee's time as I am sure we will cover those as we go through the questioning.

The CHAIR: Do you wish to make a statement, member for Goyder?

Mr GRIFFITHS: Not an opening statement, Madam Chair; just go straight to questions. Minister, you just briefly mentioned the 30-Year Plan for Greater Adelaide. Recognising that it has not yet been released, are you able to tell us about some of the conceptual issues that will be included in it?

The Hon. P. HOLLOWAY: It is a bit difficult to do that because it has not been released. The release of the report is imminent but one of the reasons why it was delayed was that we were waiting for the report on water security and the Water for Good statement (which has now been released). As we were planning for 30 years of Adelaide it was important that we did so on the basis that our water security position over that period was known and the position, as far as water was concerned, was secured. I think that is now the case with the release of that report.

I have given some public indication in relation to what the general targets are. First, I will go to some of the background of how it was developed and that might answer the issues raised by the honourable member. Back in June last year (so just on 12 months ago), I announced the comprehensive package of reforms to the planning system. Those reforms included streamlining development assessment, securing long-term land supply, improving the management of state significant developments, and improving institutional arrangements. That package, of course, came out of the recommendations of the Planning Review.

A crucial element of the reform package that came from that Planning Review was the decision to prepare a new 30-Year Plan for Greater Adelaide and new plans for the regions of South Australia. Some of those plans for the regions have already been released. Collectively, these plans will make up the new Planning Strategy for South Australia. KPMG and its consortium partners (comprising Connor Holmes, ARUP, the University of New South Wales City Futures Research Centre, and Six Degrees Architects) have been appointed to lead the development of a world's best practice plan.

In November 2008, I released the directions for creating a new plan for Greater Adelaide which provided the foundation for detailed discussions with local government at a regional level about where housing growth will occur, where land will be set aside for jobs, where transport and infrastructure investment will be prioritised, and where major environmental and conservation assets will be set aside.

The plan will be a detailed document to guide growth and development and to stimulate investment. When it is completed, the plan will have the following functions: it will provide regional targets for housing and population growth; that is, it will project the number of houses needed to meet the needs of a growing and ageing population by region, and it will identify the areas where housing growth will occur. That is the first one: regional targets for housing and population growth. The second is: related targets for the number of jobs needed to support population growth, and it will identify where those jobs may be located and where specific employment land should be set aside.

It will provide strategies to position Greater Adelaide to respond to climate change. That is the third one. Fourthly, it will identify major transit corridors and growth precincts within Greater Adelaide, and land use priorities will be integrated with long-term transport and infrastructure planning for Greater Adelaide, building on the Strategic Infrastructure Plan for South Australia. Fifthly, it will clearly identify areas for conservation and protection, including high value environmental and agricultural lands. Sixthly and finally, it will be the principal document to set policy and principles that guide the preparation and updating of local government strategic plans, section 30 reviews and development plans.

Following extensive consultation with local government, state agencies and peak bodies representing private development building and planning sectors, that 30-year plan is now being considered by government and, as I said, its release will be in the very near future. In accordance with section 22 of the Development Act, the 30-year plan will be released for public consultation later this year. Once it is released it will be up for public consultation, but it will, I think, be the most comprehensive plan for Adelaide we have had since the one back in the 1960s.

Just as that plan has guided Adelaide for, really, the last 40 or 50 years, I think that this plan should guide the growth of Adelaide for the next 30 years, because a significant amount of work has been undertaken across a number of government agencies to put input to it. It ties up infrastructure, transport issues, water issues and the other areas of government, and that is why it has been such a major exercise.

Mr GRIFFITHS: I can understand that it is an enormous challenge to ensure that the planning needs of our state are appropriate for the next 30 years, especially given the comments made by the Treasurer in estimates last week. It has been announced publicly that the two million, as part of the State Strategic Plan for the population of state, will be achieved by 2027, down from the original 2050 date.

I want to pick up on a few points in relation to the 30-year plan. You mentioned water security. Certainly, all South Australians respect that as an absolute key issue but, from the perspective of the 30-year plan, is water consumption for these growing areas based upon the restrictions currently in place for water usage within residential properties, or is it upon the system in place until five years ago where no restrictions were in place? What sort of water usage does it envisage?

The Hon. P. HOLLOWAY: When it is released, the 30-year plan will be consistent with the Water for Good document and, obviously, that really is the responsibility of the Minister for Water Security. However, it has been made clear in that document that, with the increase in the desalination plant, Greater Adelaide should certainly be free of restrictions. After all, if you have 100 gegalitres of water available from desalination, clearly, unless you have absolutely extraordinary conditions for the remaining part of your catchment, that should enable Adelaide to lift those restrictions.

That has been the point made by the Minister for Water Security but, really, you should address your questions to that area. From the point of view of the 30-year plan, we have made sure that the Water for Good plan fits in seamlessly with the 30-year plan. One part of that is that this Water for Good program also incorporates—as our plan for Greater Adelaide will—water sensitive urban design. That has been a key part of it.

Mr GRIFFITHS: The minister earlier referred to regional opportunities and targets set within planning guidelines. I know that SA Water has done a long-term water planning study for Eyre Peninsula, and the member for Flinders would be very aware of that. It is going through a similar exercise for Yorke Peninsula (so my electorate is involved), and one is planned for Kangaroo Island. It appears that on Eyre and Yorke peninsulas many communities would have greater opportunity to expand if they had a greater reticulated potable water supply. It is a very important question.

Coming from a local government background where communities were forced to expand on the provision of dry allotments and not reticulated allotments, I believe it is an important issue that needs to be considered. On Yorke Peninsula, in my electorate, there are 16 communities—admittedly small but still with needs—that have no reticulated water supply. I ask this question in all seriousness because it is an important issue.

There is an expectation by South Australians that a standard of water quality will be provided, and that is being met by SA Water, but the volume of water available is also a key issue. The 100 gigalitre plant will assist enormously in overcoming challenges in future, but if our population is to increase from 1.6 million to two million over the next 18 years—and presumably people still want to use a reasonable volume of water—real issues need to be identified. I am pleased the minister is talking about stormwater capture opportunities being considered, along with the 30-year plan, and so on, but the overall challenge is an enormous one. I am interested, from the planning perspective, in what work is being done to ensure a guaranteed water supply in future.

The Hon. P. HOLLOWAY: The 30-Year Plan for Greater Adelaide fits seamlessly with the population targets the member was talking about earlier. As is appropriate within government, it brought the new population targets across government and we had accepted early in the piece that, if we were going to plan, we needed to understand what the population targets were likely to be. The planning people had been working closely with those doing the water strategy to ensure they fitted together. That Water for Good strategy is based on the projection that the population will reach two million by 2027, and similarly our plan for Greater Adelaide is based on that. If you are talking about regional water supplies outside the 30-year supply, they are more matters for the Minister for Water Security.

There is mention here in this comprehensive document about smaller scale desalination plants, but clearly if you are to have the capacity to have 100 gigalitres of water for Greater Adelaide, which is roughly 50 per cent of its requirements, you are taking a big load off the River Murray—and some of the areas on Yorke Peninsula are supplied through pipelines there—and that will obviously have a corresponding beneficial effect. They are really matters for the Minister for Water Security rather than the planning portfolio, but I make clear that our 30-year plan will tie in very neatly and closely with that Water for Good document and the population targets.

Mr GRIFFITHS: Will the plan include comment about the funding of the infrastructure needs for the 30-year plan growth areas? Some local government authorities consider that, as a principle attached to their development approvals, there is a need, in relation to each block approved, to provide funds for infrastructure exterior to the development they are considering. Will your 30-year plan consider that it is that sort of infrastructure that supports growth opportunities, albeit beyond the boundary of the growth area but needing to be a connecting link, and will it be funded solely by developer costs or will there be a government contribution towards the funding of that infrastructure?

The Hon. P. HOLLOWAY: One only has to look at the transport money that this government has committed to go out to 2016, and so on. Millions of dollars have been committed to improving the public transport infrastructure in relation to those areas. It would be the most massive spend that this state has ever had. Certainly, the capital expenditure of this government is, I believe, five or six times the level that it was when we first came to government. So, there will be a massive government spend, and a lot of that, particularly that public transport spend, will be related to providing those facilities that are necessary for the growth of Adelaide.

Clearly, the government will not put a budget out for 30 years ahead. What we will be talking about when we release the 30-year plan will be 30 years of growth and, like all past growth phases of government, that will require some government expenditure in relation to the things the government normally provides. It will also require some local government provision, which it will recover with the additional rates it receives from expansion. And, of course, there will need to be some contribution from developers.

What has happened in recent years in Mount Barker, for example (and other councils; that is just one example), is that it has negotiated agreements, obviously, to provide infrastructure, and I guess that will be the sort of solution that we will increasingly find. This government does not support developer levies like they have had in some other states. Nevertheless, infrastructure has to be provided. Government cannot provide it all, neither local nor state, so there clearly will have to be contributions from those who are making significant capital gains on their property. That will be (and it is currently, as it has been in the past) a matter of negotiation between state and local government and developers.

Mr GRIFFITHS: I have gone quite broadly beyond the particular scope about which we are asking questions today, so I thank the minister for that. When will the plan be presented to the public for consultation; do you have a date in mind?

The Hon. P. HOLLOWAY: Very soon. The *Sunday Mail* was suggesting 7 July. That is not correct, but it will be fairly close.

Mr GRIFFITHS: Has the plan been prepared predominantly from in-house resources, or have consultants been used?

The Hon. P. HOLLOWAY: No, as I indicated earlier, KPMG and its consortium partners were appointed to lead the development of that plan. However, clearly, it has had a lot of input from local government. A number of forums have been held around the state to obtain feedback from local government. I might in a moment ask Ian Nightingale to give some details about the consultation that has gone on.

Also, there has been a lot of tick-tacking by other government departments—we have mentioned water and transport. Clearly, to fit those together there has been a lot of cooperation between government agencies but, because it was such a major task, we have used KPMG and its consortium partners. Jennifer Westacott, who was a member of the planning review previously led this. I take this opportunity to compliment her and her team on the work they have done.

I have just received information that 21 forums with local government have been held, and that is based on seven regions. So, the report when it comes out will look at those regional targets for housing, population growth, jobs, and so on, over the seven regions. That has come out of 21 forums with local government. Obviously, they will be looking with some interest at the release of the plan, but they have had significant input into getting that basic information.

Mr GRIFFITHS: What has been the cost of using the services of KPMG in the 2008-09 financial year; and, indeed, what do you consider the consultant costs will be, in total, by the time the report is presented to South Australians?

The Hon. P. HOLLOWAY: The total contract price to KPMG (and I guess that would be all the subcontractors below that that I mentioned earlier) to undertake the plan is \$1.1 million, and the delivery date for the final report is 31 July this year; that was the contract. To date, I am advised that just over \$700,000 has been paid in relation to that.

Mr GRIFFITHS: I now move to transport oriented developments and announcements made last year. You released a directions document which outlines the state government's broad directions for Adelaide's growth and development. The first direction in the document concentrates on transport oriented developments (TODs). My understanding is that as part of the investigation there was a trip overseas involving, amongst other people, you and minister Conlon.

The Hon. P. HOLLOWAY: That is correct.

Mr GRIFFITHS: Can you confirm how many site visits were arranged as part of that tour?

The Hon. P. HOLLOWAY: I can go through them. Originally, we began in the Bay area of San Francisco. They had a freeway around the front of the port area and, following an earthquake, the community went through significant discussion and they replaced it with a boulevard which now has trams running along it. There were other issues we covered in San Francisco. They introduced the BART (Bay Area Rapid Transit) system back in the 1970s. I remember that I was studying electrical engineering at that time and it was in all the documents I used to read from the Institute of Engineers because it was the leading public transport system at the time. That was a park and ride system, but, increasingly, at the outposts of the system they are now replacing it with what we would know as TODs.

We then went to Portland, which is one of the major cities and which is widely regarded as being the frontrunner in the US in terms of transit oriented development. We also went to Denver, Colorado, which is a city that has had much more car dominance, but for about 10 years it has been trying to wind back that dominance. It has some similarities to Adelaide in that its new light rail development has been built on some of the former diesel and freight corridors.

We then went to Washington, which has some good examples, particularly in the Arlington district of Washington. In Jersey City, opposite the Hudson River in New York, there have been some developments. Some former industrial areas have been revitalised using light rail.

We then went to Kassel and Freiburg in Germany. They are both extensive cities and they have examples of public transport which has been developed for some time now. We then went to

Nantes, France, the sixth largest city in France. It lost its shipbuilding industry some 20 or 30 years ago, and there is an island in the middle of the city which they are redeveloping. They also have strongly focused their growth around not only light rail but also a bus system that runs down the centre of the road as a forerunner to introducing light rail; so that was a very good example. It is the sixth largest city in France, with a population of about 800,000 people, and there are university and technology centres there, as well. Whatever that adds up to, they were the scheduled visits.

Mr GRIFFITHS: So it was nine visits.

The Hon. P. HOLLOWAY: We went to Paris as a stopping-off point but, essentially, the examples we saw were in those nine cities.

Mr GRIFFITHS: I presume that within the nine cities you attended a variety of functions, too.

The Hon. P. HOLLOWAY: Yes. For example, in Freiburg there were two in particular. Vauban was one, and I think some media coverage has been given to that in *The Advertiser*. I think that was a former military base in that city that had been redeveloped, but again it was redeveloped as pretty much a car-free zone. I think the real key issue that came out of that visit is that other cities have looked to the future. Obviously, they do not have the energy security that a country like Australia does, and clearly, with their total dependence on imported fuels, obviously, for some time, they have been moving—and this is now happening increasingly in the US—away from car dominated cities.

What is important is that, within those cities, people like the result. They oppose it initially, but when they see what the public transport can do—the trams through the heart of the city—they would never go back to a city that is totally dominated by the car. What we are seeing in cities like Denver, Portland and others in the US is that people are moving back into the cities. They are living closer to the CBD. They still have cars; cars still have their place. The important thing is that cars do have their place, but they do not dominate those cities quite to the extent that happens in Australia.

If one looks at our dependence on the motor vehicle, we are increasingly out of step with the rest of the world. If we do not do something about it, given that fuel prices are likely to rise in real terms, we will be exposed, unless we move in that direction. I think the higher fuel prices will be the real driver. Not only do we need to move in this direction to have more liveable cities but just the fuel issues alone will be an important driver for that change.

Mr GRIFFITHS: Minister, I commend you on your recollection of each place you visited, too. Obviously, you took a very detailed interest in this issue. Coming from your studies in the 1970s, it has been on your mind for some number of years. How many people were involved in the tour?

The Hon. P. HOLLOWAY: We had a little over 30; I think about 33, depending. Some people just came for the European leg; others could only be there for the US leg. There were about 30 people. As I said, there were key people from groups like the UDIA, the Property Council and representatives from some of the major property developers. Most of the property developers in the state, if not all, had representatives there. What was important from my perspective was that, when they came back, all of them agreed that what we saw over there was the direction in which we have to move; that is, we do have to develop a city that is less car dependent. There were also three local government representatives and four state government representatives out of that.

Mr GRIFFITHS: Minister, I take it that you and minister Conlon were involved for the total length of the tour, though.

The Hon. P. HOLLOWAY: Yes, sometimes I had different functions. For instance, while I was in Denver, I had an evening meeting with some mining people. Given that I was in the town, it was a good opportunity to meet with the miners, because Denver is a very important mining centre in the US, and so I used that opportunity. Similarly, I think minister Conlon, at one stage when we were over there, might have left the tour. I think at one stage he had some contracts for trams, or something that he had to deal with—

Mr GRIFFITHS: Sorry, part tracks for trams?

The Hon. P. HOLLOWAY: Yes, something he was fixing up obviously while we were over there. If you are in those cities, it makes sense to do that but, by and large, yes, we were involved for most of that tour.

Mr GRIFFITHS: I can understand, too, that other issues have to be dealt with, but certainly all commitments that had been given prior to leaving for the tour were met. Whenever an arrangement was in place for, say, you and minister Conlon as the leaders of the tour to be at a particular function, you were both there?

The Hon. P. HOLLOWAY: I think in one case there was a cancellation of one visit, as always happens on that sort of tour, but 90 per cent. I think the feedback we got was that some of them were run off their feet at the end of it. It was a very full tour of visits. As I said, within some of those cities we visited two or three different locations.

Mr GRIFFITHS: And you were away for how long?

The Hon. P. HOLLOWAY: Two weeks and a day—14 or 15 days. Can I say that the benefit of doing that is, if you are the minister and fortunate enough to travel to examine those sorts of issues, you obviously arrange access to some of the key people. So in some of those cities we met with mayors and some of the key transport planners: we had the opportunity to do that. The advantage we had for the 33 people on the delegation was that all of them (representing, as I said, developers and local government) had the opportunity of the benefit from those briefings which would normally be available only to government. So in two weeks we were able to get this very concentrated program of briefings.

As I said, we spoke to people such as the mayor in the Arlington district in Washington, who gave up his time to personally brief us on some of the issues and the background to the development in that district. So, the benefit of a tour such as that is that it gave 33 people, rather than just a couple of government ministers, the opportunity of that experience. It is something that I think those people would not have been able to get if they had just organised a tour for themselves. So, in my opinion, it is a very efficient way of carrying people with you in terms of giving that wide exposure to the sorts of issues we were fortunate to see.

Mr GRIFFITHS: Minister, there is certainly no criticism from me about the tour, and it appears from your answers that, collectively, the 33 people represented South Australia very well and that the time invested and the funds that went towards that were well placed, especially given the particular opportunities and needs that Adelaide will have over the next 10 years or so. I am sure that, other than the one function that had to be cancelled, benefits were quite significant and there were no problems encountered during the trip?

The Hon. P. HOLLOWAY: No, I do not think so. Someone lost their luggage but, apart from that, the organisation was very good. I think that was due to the Department of Trade and Economic Development: a couple of officers accompanied the tour and it was very well planned. Of course, you face problems moving through airports these days, and there was a security scare in the United States when we were in Denver, and it took two or three hours to get through an airport. Given that we were moving around and had no more than two nights in any particular location, and the time it takes, I think it was a very efficient way of doing it.

Incidentally, in planning terms, in places such as Europe now people are taking the fast trains. There is massive investment in fast trains that travel at over 300km/h. I believe they are developing a train that will travel at up to 500km/h now. Within a 400km radius of major cities in Europe you will take the train rather than fly, because it will take you longer getting through security at airports. So it is making a huge change to the way those cities develop.

I think I should also point out that, of course, all the private parties paid their own way. The benefit that they got was that they were able to sit in on the briefings that would have been provided to government, anyway. That was really the efficiency that I think this visit was able to bring. Now I think if government talks about these major planning issues with some of the key people in our industry—the Urban Development Institute or the Property Council and the like—we are all on the same page in terms of having seen and learnt from the experience of some of these key locations.

Mr WILLIAMS: Minister, I have been listening with interest to what you have been talking about on the topics that have been raised so far, particularly with regard to the 30-year plan for Adelaide and the information you have given the committee with regard to your recent trip, looking at transport oriented developments. I have been sitting here reading the water document you referred to that was released only this week. It predicts that South Australia's population will grow to 2.49 million by 2050 and that Adelaide's population will grow to about two million by that time, which is almost double what it is today.

You have travelled to a number of US cities, all of which I regard as being relatively modern cities, in the sense that Adelaide is a relatively modern city. In my experience, all the cities of that era differ greatly from some of the really old cities in Europe, where the transport infrastructure has grown with the city but in a different era from today. They have a completely different style, particularly from Australian cities, but also, I imagine, from American cities.

Currently, there is a lot of debate about the urban growth boundaries around Adelaide, and there is significant debate in the Gawler area, to the north, and parts of the Barossa Valley. I think there is even discussion in this morning's local press about the growth around Mount Barker in the Adelaide Hills, which I understand is one of the fastest growing communities certainly in South Australia.

Is it expected that your 30-year plan will be decisive and will say that we need to change the way we think about urban development and that we need to look more to a more concentrated population, particularly in metropolitan Adelaide and maybe in even some of the outlying but closer communities, such as Gawler and Mount Barker?

Will we continue down this path, where we see the greater metropolitan area continue to expand with a plethora of, although not quarter-acre blocks these days, blocks which have a house with a front yard, a backyard and a substantial area to water and look after and which also entail obvious transport linkages, as well as other services, such as power, water and telecommunications, to extend and extend over such a vast area?

The Hon. P. HOLLOWAY: It would be totally unsustainable for Adelaide to grow out the fringes. Over the past decade or so, of all the new dwellings I think approximately 50 per cent have been in the fringes; the other 50 per cent have been, in some cases, apartments in the city and, in other cases, brownfield or the two-for one type of developments you get in the suburbs.

As I said earlier in relation to our car dependency and so on, I think that is not sustainable into the future. Clearly, that sort of growth would significantly increase demand for water just because you have gardens and so on. It would also be a very expensive solution for government in terms of the cost of infrastructure and so on.

The focus of the 30-year plan—and I have already spoken about the main targets of the plan that we believe are feasible—is, at the end, to have no more than 30 per cent of that development at the fringes. In many ways, the plan is about trying to contain that urban sprawl. As I said earlier, it will reveal those population and employment targets for throughout the seven regions of Greater Adelaide and, clearly, to achieve those will be a challenge.

I think the strategy will take the benefit of the fact that we are the last major Australian capital city that still has diesel rail. Most of those rail lines, with the possible exception of the southern line, tend to go through industrial areas, and those industrial areas are now degraded. Essentially, the rail lines were to service industry rather than people. Earlier, I mentioned Denver, which in some ways has some parallels with Adelaide because it also has freight lines that have been converted to light rail.

We have the opportunity, through our major transport corridor, to accommodate much of our growth in the future. It will have to be a higher density but it can only be possible if we electrify rail lines because the public transport will have to be quicker and more effective and also much less polluting and quieter than you would get with diesel rail. Electrification is an absolutely central plank. When we began to go through the planning studies, it became obvious that if we were to cope with these issues we really have no option but to improve the public transport system and in particular electrify the rail system. That is a key component.

That will enable much of this growth to take place along those transport corridors. That way we can have minimum disturbance for the suburbs of Adelaide, which give it its character. It will mean better use of public transport because the more people who are living along there, the more people will use it and the more viable it is. That will take pressure off other infrastructure and it will make the city more sustainable.

Really, the 30-year plan will be about trying to bring all those issues together. The short answer to your question is yes. The strategy is really about trying to contain urban sprawl but at the same time one needs to be aware that the urban growth boundary was introduced in this state I think back in 2001. Part of the dilemma of course is that, if you have too little land within your urban growth boundary, people tend to sit on it and not release it because they are making a capital gain because you are constraining it.

I think what the Planning Review has recommended and the government has endorsed (and what the government, through some of its rezoning at the moment is trying to give effect to) is the fact that we will have a 25-year target for land within the growth boundary. That is commensurate with these targets we are talking about in terms of trying to contain fringe growth overall and keep a 25-year supply with 15-year/zoned-ready. That way there will be enough land that it will reduce the temptation for people to sit on the land in question, hold it and not make it available, because the other factor in all this, when we are dealing with water, transport and everything else, is affordability.

Affordability of housing is a key issue because, if we do not have land that is affordable, then that will blow it all out of the water anyway. Therefore, we have tried to tie this together, and the target of the 25-year supply in the urban growth boundary with 15-year/zoned-ready is specifically to try to deal with that problem of people sitting on land within the boundary.

Mr WILLIAMS: Thank you, minister. You did say at one stage 'the short answer is' and I think I got both the short and the long there, and I thank you for that. I also note with interest that I think it is the Land Management Corporation that might be guilty of sitting on a fair bit of that land.

The Hon. P. HOLLOWAY: I don't think that is true, actually. I haven't seen the figures recently—you would have to ask the responsible minister—but on the figures I did see a couple of years ago (at least until the boundaries were changed in December 2007), the LMC's landholdings were down to about 30 per cent but they had been as high as 60 per cent some years before that. So the LMC, I think, has done its job of putting land onto the market.

Mr WILLIAMS: It is certainly a major player.

The Hon. P. HOLLOWAY: Yes; and that is its charter, I guess, but the problem is where people have smaller landholdings of five or 10 hectare blocks. If they can see the price going up, then they will tend to sit on it and that is where urban growth boundaries can work in the reverse direction. I think the formula that the Planning Review has recommended with a 25-year supply and 15-year/zoned-ready will hopefully deal with that because that is the other factor in this that we cannot afford to lose sight of.

Mr WILLIAMS: On the same theme, with regard to population growth in particular, and South Australia's role in that, if I can just draw the analogy between the global warming and climate change debate that has been raging world wide for a few years now: a couple of years ago, on the question whether we should or should not sign up to Kyoto, the argument was that because we are a modern and wealthy economy we should show leadership.

I am wondering the same thing about population growth, because one thing that I fail to understand when people talk about global warming or climate change as a result of carbon emissions, is that nobody, to my knowledge, really talks about the nub of the problem, which is population growth world wide. Again, the government's Water for Good document, which has just been released, states, 'Strong and well managed population growth is a key driver of prosperity and good economic performance.' My question is: is it responsible for us to still stick with that 20th century thinking? If we do, are we sending the wrong message to communities all over the world, because everyone will be trying to do the same thing? Should we not be trying to work out a way to manage a well-functioning modern society without having to rely on ever-increasing population growth? I have heard you use the word 'unsustainable' a number of times. Population growth in South Australia probably is sustainable in the short to medium term but, certainly in the world, it is not sustainable. I would suggest that maybe we should be thinking about showing an example.

The Hon. P. HOLLOWAY: That is a broader issue. As planning minister, essentially I see the functions dealing with the situation that we have. Our population projections are based on what we have experienced in recent years. This government has made no apology for trying to get the economy going by developing the defence and mining industries, and so on. As those industries grow, they will bring population. It is a very big issue, and there are probably others who are better qualified than me to debate it. What we do know from a planning point of view is that our population is ageing and, really, one of the key drivers for population targets, I think, has to be recognition that our population is ageing, and ageing more rapidly than in any other city.

The latest Australian demographic statistics by the ABS show that we have a population growth, but if we look at the demographics in the older age groups, they are quite significant. I think it would be fair to say that the ageing of the population will have as much impact on housing and the sort of housing we use as population growth. So, just the change in the demographics, even if we had no population growth, with people wanting to downsize or change their housing, will have

as big an impact as population growth. If we do not deal with the issue of a rapidly ageing population, we will have significant issues in maintaining our current economic standards. As I have said, that is a debate that some people would have.

To put it in perspective, we should consider the growth that we are talking about for Adelaide—an extra 400,000 people in just under 20 years. In Brisbane, there is an extra 80,000 people every year, so they will achieve that growth in five years. In Perth, there would probably be the same growth in six years. So, if we compare it in those terms, even while our population targets are, by historical standards, very high relative to what is happening in the rest of the country, they are very modest. We are talking about having the same growth in 20 years as Brisbane would have in five or as Perth would have in six. So, I think that puts it in some sort of perspective.

Clearly, within this country, people will move around for jobs, and people will go wherever the jobs are. So, if we are successful in developing—as we expect to be—growth in the mining and defence industries, and so on, people will come here for jobs. What is important is that we are able to cope with that population in a sustainable way. I think we can do that. The key issue there is that we use the planning tools to ensure that growth is sustainable.

In relation to water use, for example, we know that we can better use the resources we have. That is really what the water strategy and the 30-year planning strategy is all about: ensuring that we are sustainable, and that is a key part of it. In terms of the rest of the country, our population growth is a relatively modest target, even if it is quite a strong and aggressive target based on South Australia's history.

Mr GRIFFITHS: I have a supplementary question arising out of the answer. My presumption would be that the home occupancy rate in Western Australia and Queensland—states you have said have much greater growth rates—is somewhat higher than in South Australia. Is our average occupancy rate about 1.85 persons per home, and how does that compare with the Western Australia and Queensland figures?

The Hon. P. HOLLOWAY: Obviously, we have an older population; we know that much. Clearly, with an ageing population one might expect that that by itself would tend to give a lower occupancy rate. However, the population is ageing all over the country as well. Although we know that we are older than the rest of the country, we are not that much older—other parts, such as Victoria, are catching up quickly. What we do need to do to keep our economy viable is ensure that we have some population growth and that we balance up the ageing demographic of the population. We know that in the past one of the criticisms made about Adelaide is that our kids have to go interstate or overseas to get jobs. So, clearly, that is part of the solution.

However, the other thing that also needs to be stressed about our plans for Adelaide is that, as part of these transport oriented developments, the idea is to get jobs out into the regions so that people do not have to travel so far, and so they will use less liquid fuels. That is the key ingredient in sustainability, because that leads to a smaller footprint and lower greenhouse gas emissions, and so on.

So, through more efficiently organising your city, you can increase sustainability. Certainly, those cities we saw in Europe have been working on this for 20 or 30 years, I refer to cities such as Freiburg, where everyone uses pushbikes, which has become a solar city. They are exporting solar cells all around the world. Their ecological footprint would be very low for the number of people they have in that city. Clearly, we will have to work on reducing our footprint into the future, and we have to become a less car-dependent city and that, in terms of good planning, not only means better public transport but also locating people closer to their work.

One of the interesting planning concepts we did discover on our overseas visit—and it really came from Portland—was the idea of the trip not taken. People tend to focus on statistics about how many people use public transport and how many use a private car. However, the trip not taken—that is, trips people do not need to take either by public transport or by car because they are living closer to where they work—is a very important concept. I think that idea or concept provided food for thought for a lot of those of us on that visit. We have to be careful when we are just using statistics such as occupancy rates and so on, because there is a lot more to the story than just those things.

Mr GRIFFITHS: I can understand that it was quite optimistic of me to expect you or your advisers to have the Western Australian and Queensland home occupancy rates figures at your fingertips, but what is the home occupancy rate for South Australia and what is the projection for the number of homes required to house our population growth between now and 2027?

The Hon. P. HOLLOWAY: Well, the 30-year plan, when it comes out, will have the number of dwellings and population targets—all of that will be in there. There is not much point in pre-empting it because it is not far away, and the member will get all that information. As I have said, it will be done for each of the seven regions and overall. So, all that information will be readily available.

Mr GRIFFITHS: I will wait for it with great anticipation, then, minister. I refer to Budget Paper 4, Volume 1, page 4.8, Program 1: Urban Development and Planning. Part of the description/objective of the program states: 'leading and presenting South Australia's land use and development planning'. There is no doubt that in the western suburbs the Cheltenham racecourse issue has been quite emotive for many people, and I am a little bit interested in that. Is there any potential liability attached to the state for the approvals that have been given for that? Have you had any advice on that?

The Hon. P. HOLLOWAY: As the member is aware, the Cheltenham Residents Association did challenge in the courts my decision to rezone the Cheltenham racecourse. That case has been held and I think the decision has been reserved. We are awaiting a decision on that, so I do not think I should make any comment on it. Hopefully, the matter will be resolved fairly soon, but the judge reserved his decision a couple of weeks ago.

The land at Cheltenham was owned by the South Australian Jockey Club. There was an encumbrance on it which, following the zoning, the government has lifted. I am not aware of any liability that would fall upon the government in relation to that. Clearly, the decision that I made in relation to rezoning was challenged. I assume that the Administrative Appeals Tribunal was acting as the court. There is really not much more that I can say on it other than that.

Mr GRIFFITHS: My recollection is that 35 per cent of the area has to be retained as open space; is that correct?

The Hon. P. HOLLOWAY: That was the government's condition before lifting the open space proclamation, and I think that has been incorporated within the Development Plan, which has now been released. Of course, that process has now been disputed in the courts, but the 35 per cent was part of the agreement that we had at one stage. The government made an offer to put up \$5 million to increase that area and we asked the Charles Sturt council to match that with \$5 million to increase that open space, but the council declined. So, it remains at 35 per cent, but the government is committed to providing funding for open space improvement.

The government is also committed to an aquifer storage recharge system, and the details of that are all in the Water for Good document. Notwithstanding some of the public disputation, the recent geological reports suggest that about 1.2 gigitalitres (from memory) was about the appropriate size, given the nature of the aquifer. That has all been detailed in the Water for Good document.

Mr GRIFFITHS: I apologise for my lack of detailed knowledge on this, but as part of the approvals that you, as minister, have given, have you stipulated minimum allotment sizes, number of homes to be constructed, intensive land use for multiple dwelling sites, and what areas have to remain single storey? Has that sort of detail been included?

The Hon. P. HOLLOWAY: There are clearly some density requirements. Perhaps I can ask the Director of Planning to provide some information.

Mr GREAR: The Development Plan puts in place objectives and principles that deal with the size of allotments and the nature of the development that occurs on them. In order for those to be exactly known, people will lodge a land division application to be able to do that, and, at that point, we will know exactly what the allotment sizes are. The policies give a range within which you can do that in order to meet the government's objectives.

Mr GRIFFITHS: To clarify, I understand that ranges need to be provided, but is there a minimum size stipulation?

Mr GREAR: The minimum sizes are there; they are not specifically in one part of the site because of the nature of the site in terms of road linkages and so on. There are minimum sizes that allotments are not able to go down; I think they are in the order of down to 250 square metres in some places and, in other places, there will be allotments that might be up in the order of 700 square metres. In order to get a diverse, attractive and appropriate place, there needs to be a range of allotment sizes to provide for the range of community which will want to live there.

The Hon. P. HOLLOWAY: I can add there: one of the things we saw, if you are looking at similar developments, is that diversity is important, as is architectural quality and design. One of the lessons that came to me is how important it is to pay attention to what appear to be the small details of urban design; even things like public art can have a significant effect on the liveability of those neighbourhoods.

We need to look at new development standards, precinct design and so on to ensure sustainability. Obviously, we would like to see that incorporated into Cheltenham, as we would expect it to be in our first TOD development on the Clipsal site. This is a private development as opposed to one that is being led by the LMC and the government.

Mr GRIFFITHS: I understand that it is a private development, but you, as minister, the local government authority and Planning SA set the planning principles (in consultation) around which the development will occur; you have a primary role in that one. For about one-third of the year, I spend time in Adelaide—and I live quite close to Lightsview at Northgate—and I am quite familiar with the opportunities where reasonably modern styles are being used.

If I can refer back to an answer that Mr Grear provided, he referred to a minimum size in some areas of 250 square metres. As to that allotment size, I am assuming there is a restriction on the percentage of that land mass that is able to be developed and that some still has to be retained for family use, but is there a percentage principle in place?

The Hon. P. HOLLOWAY: Obviously, there is for the development code. You have probably seen the code when it has come out where we have set 65 per cent, I think. I will ask Amanda what is under the residential code but, clearly, if you are talking about these sizes, perhaps a better model might be something like Mawson Lakes. If you look at Mawson Lakes, you will see a range of sizes there. You have some very small studio apartments, which are part of the affordable housing, and you have a range. I think Mawson Lakes is probably the best example that I am aware of, although there are probably other developers doing similar work, but I think it is a very good example of the mix of sizes you can have within a community.

Mr GRIFFITHS: I will move to a different area of questioning now. I refer to the same Budget Paper, page 4.5. I note that one of the objectives of the department is to develop policy analysis in relation to land use—an important issue; there is no doubt about that. Minister, I am wondering—and it might be somewhat historical but it certainly relates to your area of influence and has been since the decision was made—what level of advice was sought in relation to the railyards hospital site being an appropriate land use for that development?

The Hon. P. HOLLOWAY: Clearly, the proponent for the hospital is the Minister for Health. Obviously, the transport people were involved in relation to relocation and those sorts of issues. Essentially, once government had made the decision to utilise that site for a new hospital, it was essentially the job of this agency, and mine as minister, to rezone that. I think you need to talk to the Minister for Health in relation to investigations for its suitability for a hospital. Essentially, our job is to rezone it.

To go back over the processes involved in that project, the announcement was made in May 2006 to spend \$1.7 billion over the next decade to build Australia's most advanced hospital, and the Minister for Health wrote to me in July 2008 requesting that I formally initiate a ministerial development plan to rezone the site identified for the new hospital. There was a precinct final master plan for the purposes of accommodating the hospital, and I initiated the development plan for the proposed site in August 2008. The DPA was then prepared, containing the proposal to change the zoning of the subject land to a new Institutional (Metropolitan Hospital) Zone that contained objectives and principles to guide the development of a hospital and allied activities on that rail yard site.

The DPA was released for eight weeks of consultation from 2 October to 27 November 2008. A public meeting was then conducted by the independent Development Policy Advisory Committee in December 2008, providing an opportunity for those who had lodged a written submission to make a further representation. I understand that, originally, there was first a master plan for the area; as I said, that was undertaken by Health, as the agency proposing this particular development.

Mr GRIFFITHS: I have just a few other points on this area. For the almost an hour and 25 minutes that we have been here talking about issues we have talked about planning for future opportunities and about ensuring that decisions are made now about the impact into the future, that the right ones are in place, and that everything is ready for opportunities to be accessed. However, it appears to me that in this instance, by not engaging your department prior to a formal decision

being made, it is now reactive instead of being proactive. That disappoints me because, with the expertise available from you and your department, from the answer you have given it appears that everything occurred afterwards—and if I have it wrong I apologise. Nothing happened beforehand. Am I correct?

The Hon. P. HOLLOWAY: There first has to be a government decision that there needs to be a new hospital. A hospital that was built in the 1960s is basically breaking down and needs replacing, so you go out and look at it and decide whether to replace it on site or build a new one. There is much study done. These are matters for the Minister for Health, but he made it quite clear that rebuilding the hospital on the current site had its problems and costs, so it needed to be relocated. Where was a suitable location? Clearly, you then go out and look at it from the point of view of the requirements for a hospital, and that is where planning comes in.

Our 30-year plan will look at the broad targets of where people will go, where we want them to work, and where the jobs will be over the next 30 years. I do not expect that at the end of 30 years Adelaide will turn out exactly how it was planned, but if we have it right—and I think we do—one would expect that Adelaide would generally develop along the lines of that plan. However, there will always be a number of options within that plan. One might know that hospitals and schools are needed in particular areas, but I do not think that any of these long term plans will specifically say that those would be exactly on site A, B or C.

These are matters that need to be looked at in terms of what land is available at any given time, what are the needs of the facility, and all these other issues. Surely the debate we have had on the Royal Adelaide Hospital indicates the complexities of that decision-making in relation to planning. Proximity to universities, research facilities and the like are all important issues that also need to be considered.

It is the role of Planning to ensure that we have the facilities, that we understand our population growth, and that we understand where people will live and where the transport corridors and so on need to be. I do not think that it necessarily gets down to the detail in our broadbrush planning whereby we will say, for example, that a hospital will be specifically on site A and site B. Clearly, that is something that needs to be worked out in conjunction with the appropriate departments concerned.

If you are putting a new school somewhere, you need to know where the kids are, from a planning point of view. There will obviously be a number of options where you might locate a new school, but that will all be worked out as a sort of trade-off on a matrix, if you like, of all the particular factors that come into it. Similarly, with transport interchanges and so on, you have to have the land available, for a start, and it has to fit in with a number of other objectives.

I am advised that the department was involved in the master plan for that which predated the formal process back in July 2008, starting in late 2007. But there are other issues. The location of the new hospital will have a big impact on the western end of Adelaide, and we are currently having a look at that matter. Clearly, the western end of the CBD is an area that is ripe for redevelopment.

Mr GRIFFITHS: We agree.

The Hon. P. HOLLOWAY: It is an area that is fairly tired. I am talking about between West Terrace, south of North Terrace, through to the centre. That area has been pretty well untouched for decades, but the hospital will have a big impact on that and will, I think, in many ways be a facilitator, as indeed the tramline has been. The tramline along North Terrace has been a big facilitator, and will be in the future, of change for the area.

We were talking about TODs earlier, and one of the things that come strongly across is that the development of these new light rail systems and so on can be triggers for redevelopment in areas. That has been one of the key lessons with public transport systems: if you develop TODs that are attractive and people want to live there, they will be a real catalyst for development and, indeed, increased property values.

Places like Portland illustrate that, with some of their degraded areas which were renovated. They put their light rail system through there and developments sprung up around it; it has been that catalyst. The tramline extension along North Terrace will be a real catalyst for development at that end. The hospital itself will, hopefully, lead through to the capacity to redevelop the riverfront area, which is also an area that is ripe for development, but it all has to be staged.

Mr GRIFFITHS: This is probably a statement more than a question. It just disappoints me, insofar as master planning should guide directions, not be reactive to decisions. From an outside

perspective it would appear that a political decision was made which has potentially overridden good planning principles. I take your comments about the fact that a decision was made—

The Hon. P. HOLLOWAY: When you say a political decision, if you are building a new hospital, yes, that ultimately requires a decision of government to build one, but you do not do it for fun. You do not spend \$1.7 billion for fun: you do it because your hospital and your facilities need upgrading and for a range of health and economic reasons it is a more attractive option to build a new hospital.

They are matters for the Minister for Health, rather than for me, but they are obviously decisions that you make in government. You do it with prisons and you do it with schools; you have to make those decisions. Do you upgrade? Do you rebuild? Do you go for a greenfields site? They are all decisions that you make. The planning issues are essentially: do you have sufficient health services to provide for your population and are they appropriately located? Whether you are at one end or the other of North Terrace, in terms of providing the basic planning needs, is not the key issue from a planning perspective.

Mr WILLIAMS: Surely, minister, the planning impact of this should be seen in a different light from the decision about what you are going to do about providing the hospital. This has nothing to do with providing a hospital; this is about where you are going to site it. The decision to build a hospital is one thing, but where you are going to site it is another thing.

The CHAIR: Member for Mackillop, I have been extremely indulgent, I think you will have to acknowledge—

The Hon. P. HOLLOWAY: I think we are drifting a bit.

The CHAIR: —but your line of questioning now is very far beyond estimates.

Mr WILLIAMS: Excuse me, Madam Chair, it is planning, and I am going to quote to the minister what he told the committee a few minutes ago. He said that the hospital will obviously have a big impact on that end of the city, and that is the line—

The CHAIR: This is not a place for review of decisions that have been made by the minister. There are proper places for that. This is a place for examination of the budget. I have been very indulgent in allowing discussion on the planning issues around this, but this is getting dangerously close to asking questions about a review of decisions, political decisions, which are not part of the budget process. I will allow you—

Mr WILLIAMS: The minister just said it was not a political decision.

The CHAIR: Order! That makes it even more inappropriate for this area, member for Mackillop.

Mr WILLIAMS: So, am I allowed to ask about political decisions or non-political decisions?

The CHAIR: I will allow you to ask a question but it may be that the minister will not answer it, because it is well beyond budget processes.

Mr WILLIAMS: Thank you, Madam Chair. Minister, there is a lot of input, through your agency, into the 30-year master plan. You have told the committee that the hospital in that part of the city will have a big impact. Earlier in the discussion about transit-oriented developments, you introduced a phrase which, I must admit, I had not heard in this context before: 'the journey not taken'.

That reminds me of one of the first things I learnt in economic theory about opportunity costs; it is the same fundamental thought process. That, I think, is what my colleague has been saying about being proactive in the planning sense and reactive in the planning sense. Why are we spending an inordinate amount on a 30-year master plan and putting a lot of effort into it if we have already taken major decisions which are going to basically ignore fundamental planning theory?

The CHAIR: Member for Mackillop, this is clearly not an estimates question—there are 10 miles between that question and estimates. Given that you have made all those statements on the record, I will allow the minister to make what statement he likes on the record, but he has no obligation to answer the question.

The Hon. P. HOLLOWAY: To suggest that those decisions are, in some way, contrary to good planning is certainly not true. I just make the general point in terms of the 30-year plan that one thing I have discovered as planning minister is that you cannot just suddenly put the city on hold while you are waiting for a plan which might take 12 months. That is exactly why, for example,

we have been dealing with growth in Mount Barker and Gawler and other issues like that, because Adelaide is growing.

Yes; we would like to relook at our direction—and we have done that. The 30-year plan will, I think, be a very significant document in terms of Adelaide's future and it should set the direction for 30 years. However, if it is the government's decision that we need a new hospital now (and I think that is a reasonable decision, one that I fully support as a member of cabinet because our facilities there do need upgrading), then we deal with it. However, I fail to see how that is, in any way, inconsistent with good planning.

It has been part of the process, as we have indicated. You do not put every decision on hold until you complete a 30-year plan. In any case, even if we did, I reiterate that the 30-year plan is looking at the broad direction of growth; it is not getting down to the specific level of saying that you will put a school or an interchange here or a hospital there. What has been done with the new Royal Adelaide is entirely consistent with good planning, and it is entirely consistent with the direction in which Adelaide should go. We need a better hospital, we are going to get one.

Mr GRIFFITHS: I refer now to Budget Paper 4, Volume 1, page 4.8. My question relates to employee benefits and costs, with the estimated result in 2008-09 being \$15.092 million. Does that figure also include the cost of advertising vacancies that exist within the department and, if so, what amount in the 2008-09 financial year was spent on advertising?

The Hon. P. HOLLOWAY: The variations for the employee benefits and costs are mainly due to the following: the 2008-9 estimated result is higher than the 2008-09 budget due to additional fees revenue being allocated to employee expenses towards the implementation of planning review reforms. The increase was slightly offset due to the minister's office budget remaining with PIRSA, which was split across employee costs and suppliers and services.

The decrease in the 2009-10 budget is due to the funding announced as part of the 2008-09 budget for the planning review being provided on a sliding scale, which is shown by the reduction in the 2009-10 budget. Remember that the Department of Planning and Local Government was formed in the last 12 months; it was part of PIRSA. My budget was part of PIRSA, and still is. Some of it was allocated to the department, so I believe that has also had some impact.

Mr GRIFFITHS: I am grateful for the answer, but you did not talk at all about the point I raised specifically, namely, are the advertising costs for positions included within that area?

The Hon. P. HOLLOWAY: I will ask Mr Nightingale to answer that question.

Mr NIGHTINGALE: The advertising costs are included in supplies and services, but to give you an exact cost of that advertising I would need to take that on notice.

Mr GRIFFITHS: If you could provide that, I would be grateful. As an extension of that, though, is it a practice that all positions within the department are advertised?

Mr NIGHTINGALE: Yes, it is, particularly senior positions, which are advertised externally as well as internally within government.

Mr GRIFFITHS: It is senior positions I am particularly interested in. Will the minister confirm whether vacancies were advertised for the positions of Strategic Communications, Director of Major Projects and Director of Strategy and Sustainability?

The Hon. P. HOLLOWAY: They are issues which the shadow minister raised with me in the upper house. As I indicated at the time, when the new department was formed some appointments were made on a temporary basis in relation to those projects; subsequently they were advertised. I will let the chief executive provide the details of that, but you need to remember that this department was formed as a new department, whereas previously some of its service areas had been relying on the corporate offices within PIRSA and previously other departments where Planning SA had been located.

That was not the case, so, clearly, the department needed to be restructured to take into consideration that it is a new department and needs new functions. I will let the CEO provide the details, but, in relation to the communications director, I think that there was a vacancy and, basically, it was left without anyone at the time. I will let the CEO explain it more fully.

Mr NIGHTINGALE: I have two points to make. I would support the minister's decision. When I was appointed as CE, that new department needed a corporate structure because, for many of the responsibilities previously, it was relying on PIRSA. One of the areas that you mentioned, Communications, for example, even though there was a Manager, Communications,

the strategic direction and the advice was coming from PIRSA's Communications Unit, as with a lot of other HR services. The establishment of that new department needed a corporate structure and it needed appointments quickly. I was appointed in late November, and it needed people with experience to fill a number of those key roles that traditionally were being provided by PIRSA.

Mr GRIFFITHS: You say appointments were required quickly, and you confirmed that all senior positions were advertised. Were these positions in fact advertised?

Mr NIGHTINGALE: Yes. As the minister alluded to, there was a manager, communications within the division of Planning SA, as it was previously known. That person took up a new position just before Christmas and, because of the work going on with regard to the plan for Greater Adelaide, I needed to appoint someone very quickly. Someone was appointed to that position on a temporary basis and then it was advertised and a person interviewed and placed.

Mr GRIFFITHS: With the person who was in the temporary role gaining the position full-time?

Mr NIGHTINGALE: Yes.

Mr GRIFFITHS: And that was entirely based on merit? There was no specific direction given as to who would take on the role?

Mr NIGHTINGALE: It was completely based on merit. There was an assessment panel, including an individual from outside the department sitting on the interview panel. A field of people were interviewed, and it was a unanimous decision of the panel.

Mr GRIFFITHS: I refer to Budget Paper 3, page 2.11. The third dot point towards the bottom of the page refers to a closer relationship with local government. Can the minister please explain the statement and what has been done?

The Hon. P. HOLLOWAY: Clearly, we need to work more closely with local government in relation to planners. When the 30-year plan comes out it will have seven regions. We have had 21 meetings or forums with local government in the development of that and, just as we have worked closely with local government on the implementation of the residential code, we have supplied a significant amount of money—about \$500,000—to local government in relation to that code. This is for training and other purposes as we need to work closely with it in relation to the code, which is another important part of our planning reforms. In relation to the broader structure, we want to work more closely with local government in this regard, and local government needs it and appreciates it.

I will ask the chief executive to explain the structure and how it achieves that, because the merger of the Office of Local Government, as I said right at the outset of these estimates, is an important one and makes a lot of sense. At ministerial council levels the ministers for local government and planning tend to be together, and it is the same ministerial forum. Some states have the same minister and it makes sense to have a department that is joined, because we should not forget that the vast majority—greater than 90 per cent—of planning decisions made in this state are made by local government.

Mr NIGHTINGALE: I announced a new structure for the department in March this year. It included the Office of Local Government, but across the whole department we are now establishing account managers for local government. Within every division a number of account managers will work closely with that group of councils. The minister's point earlier about the forums as part of the plan for Greater Adelaide was probably the most comprehensive pre-consultation around the state planning strategy that has been conducted in the past 20 or 30 years. One of the other divisions—the Development Assessment Commission—has a close interface with local government. All the applications that come through that have been referred from local government are dealt with in that manner. It is a close working relationship, and it will be stronger in future.

Mr GRIFFITHS: That is an issue that is dear to my heart, having previously worked in local government for 27 years (I have been remote from it for three years now). There is an inability in local government to recruit staff with the planning and development skills that are needed. What is the department actively doing to ensure that those physical resources will be available in the future?

The Hon. P. HOLLOWAY: One of the key issues there is that one of the objectives with the introduction of the residential code was that, if we can take 60 per cent, or thereabouts, of the planning decisions and codify them and make them straightforward, the time of planners within local government can be better devoted to the larger and more important issues; either preparing

their development plan amendments, or whatever they need to do, or considering more complex developments.

I think that is an important part of the reforms. I think that local government has appreciated that fact, and that is why it has got in behind the code, because it makes it more efficient to deal with it and it means that it can better use the time of its planners.

We are certainly aware that there has been a shortage of planners, and we think that those residential code changes—getting the straightforward out of the system—would probably be the biggest contribution that we could make. I believe that issues of training are really matters for the universities, and so on. Obviously, we encourage young people to take up those courses, and whenever we are asked to do so we will support the universities. We also support groups such as the planning institute and others to promote the work of planners and their recruitment.

Certainly, with the increasing impact of the code, we would hope to see less of the revolving door than we are seeing at the moment, with planners moving around and being chased from one place to the next. We hope that there will be some greater stability in relation to planners as a result of the code. The only other thing we can do is to increase the numbers and encourage recruitment, and so on. That is really the only other option we have.

Mr GRIFFITHS: On page 4.9 of the same budget paper there is a reference to development applications that were considered by the Development Assessment Commission. My understanding is that the state government has withdrawn planning powers for the Adelaide City Council for developments over \$10 million in value.

The Hon. P. HOLLOWAY: That is correct.

Mr GRIFFITHS: Can the minister confirm how many applications have fitted into this criteria and been referred to the DAC?

The Hon. P. HOLLOWAY: The advice we have just received from Phil is that we think there are about 10, but that is not exact. We can probably check that and provide that information. With respect to some of the publicity that was recently given to a decision, I think, on Light Square, I understand that that particular decision involves more than \$10 million and will ultimately go to the DAC.

Mr GRIFFITHS: Sorry?

The Hon. P. HOLLOWAY: Some publicity was given to the council's view in rejecting it. Council members had rejected it, but it was not theirs to reject, in terms of planning review. They gave the thumbs down to it, in terms of their view of the proposal, but the ultimate decision is one for the DAC, as I understand it. I think some people have interpreted the council's giving a viewpoint on that as being the decision, but that is not the case. It is the DAC that will be the final decision maker in relation to that matter.

I think our expectation when that change was made was that, based on historical levels, there would be up to 20 or so a year but, obviously, in the current financial crisis there may be fewer. It would be of the order of 10, but if we can get the member an accurate figure we will. I guess, being the first day of the financial year, they will probably be coming in soon.

Mr GRIFFITHS: So the timing is appropriate.

The Hon. P. HOLLOWAY: The timing is perfect.

Mr GRIFFITHS: As an extension of that, I would be interested in a comment from you on those 10 applications. Upon submission to DAC, what was the time taken for a decision to be made, and how did that time compare to the same process within the Adelaide City Council?

The Hon. P. HOLLOWAY: I will ask Phil Smith to comment on that. Obviously, it depends on the type of application. Some applications may be more straightforward than others. Clearly, it will depend on the complexity. I will ask Phil, who is dealing with it every day, to give a fuller picture of it.

Mr P. SMITH: We are only talking about applications above \$10 million in value. By and large, they are more complex than average applications so you would expect them to take longer, no matter whether they are with council or the Development Assessment Commission. In the City of Adelaide we are talking about complex public realm interfaces, traffic management and architectural form. There are many issues with all these sorts of applications.

Under the process the commission consults the council. The council has up to six weeks to comment. The commission is required to consult the council as an entity, but the Adelaide City Council has delegated its comment role to its assessment panel. These applications go to the council's assessment panel, not for decision but simply to provide advice to DAC. That happens within the six week period.

Occasionally, an application is complex, and the council and the commission meet and jointly seek further comment from the applicant; and that is not uncommon. DAC is working closely with the council. Quite often, there is public realm interface. Council's consent is needed for, say, a verandah overhang or a right of way over a council roadway. Generally, council has a role in any event as land custodian.

The department and the council do work together to provide advice to DAC. Because they are generally complex applications, they would take longer than the average application across the system. I would say they are dealt with in about the same time as prior to the amendment, but the decision is now made by the independent Development Assessment Commission.

Mr GRIFFITHS: I thank Mr Smith for that answer. I would be interested to hear something more accurate than 'you can imagine it is around the same time'. On reading the information, my perspective is that the state government chose to withdraw consideration of those applications because of concern about the time taken by local government—the Adelaide City Council—to do its work.

The Hon. P. HOLLOWAY: It is not only the statutory process of time; it can also be some of the pre-negotiation that was going on. We have now changed the act in terms of stop-the-clock provisions and things such as that, so you would have to go back and look at it. It was also about the independence of the decision making, as well.

The straw that broke the camel's back was a decision made by the city's nine member panel. I think there were five members, an independent chair and four independent members, and I think only one of them was present at a particular meeting in relation to the building in Post Office Square. I think it was a 3-2 decision out of a nine member panel, the majority of whom are independent. It was that issue, as much as anything, that concerned us. One cannot do much about the statutory period; it is statutory and it is in the legislation. It is also about having the confidence that people can put forward plans and have them independently considered.

Mr GRIFFITHS: I only want to compare apples with apples; I am not trying to make things difficult. Would you be prepared to provide at a later time a comparison between the 10 applications, approximately, considered in 2008-09 and whatever number of applications above \$10 million were considered by the Adelaide City Council in the previous financial year in relation to the time frame? If the time frame is complicated by the fact that there is now an eight week consultation period with the Development Assessment Panel of the Adelaide City Council, I will accept that, but I am interested to see some direct comparisons on the time involved.

Mr P. SMITH: We can certainly provide you with the data for the applications that have come before DAC, because we have that data for the 10 or 12 that it is. We would have to seek advice from council in relation to those before the regulation change, because, of course, they were dealt with entirely by council. I do not know how long council took to deal with them, but we can speak to the council to see what they are prepared to give us.

The Hon. P. HOLLOWAY: The other concern is from those people who have had to deal with council. One of the most common problems—with not just the Adelaide City Council but also other councils—is that they are encouraged to put in an application and they talk to them, but it gets to council and, for political reasons essentially, it gets knocked off.

The greatest concern of those putting up multimillion dollar projects is that they do not want to put forward something which will be knocked off. In many cases they are encouraged by the council, but it gets to the crunch and it gets knocked off. In a nutshell, that is the main complaint people have. We should never replace proper processes, but we can try to inject a level of independence and greater certainty into the process. I think that is all people are asking for.

The CHAIR: There being no further questions, I declare the examination of the proposed payments for urban development and planning 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 Venning substituted for Mrs Penfold.

Mr Pederick substituted for Mr Williams.

Witness:

Hon. P. Holloway, Minister for Mineral Resources Development, Minister for Urban Development and Planning, Minister for Small Business.

Departmental Advisers:

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

Mr S. Archer, Deputy Chief Executive (Governance and Performance), Primary Industries and Resources SA.

Dr P. Heithersay, Deputy Chief Executive (Resources and Infrastructure), Primary Industries and Resources SA.

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

Mr M. Williams, Manager, Budget Strategy Unit.

Dr T. Tyne, Director, Mineral Resources Group.

Mr B. Goldstein, Director, Petroleum and Geothermal Group.

The CHAIR: I declare the proposed payments open for examination and refer members to the Budget Statement page 2.12 and the Portfolio Statement, Volume 1, Part 5. Minister, I understand you have a correction you want to make to the record.

The Hon. P. HOLLOWAY: Yes, I want to make a correction to the record. I was asked a question about the contract in relation to the 30-year planning review. I think the figure I gave was \$1.1 million and I am advised, if you include expenses, the contract with KPMG for the planning should be around \$1.2 million. I should also point out for completeness that that did not include the growth investigation areas contract, which was additional. So long as that is made clear.

The CHAIR: Minister, do you wish to make an opening statement?

The Hon. P. HOLLOWAY: Yes, I will make a brief statement. It was not our intention that government members would ask questions, but I thought it would be important, perhaps in a statement, to cover points the government wished to make during estimates. I will begin by saying the committee is well aware of the global financial crisis and its effect on all parts of the economy. I have flagged a consequent downturn in mineral exploration spending in South Australia due to the global financial crisis. Mineral exploration expenditure is a lead indicator of the buoyancy of the industry during periods of good economic times, and equally it is one of the first falling indicators during any downturn in rapid commodity price reductions.

Despite the predicted downturn, the South Australian mineral and energy sectors remain strong. In recent months, the Premier officially opened the Prominent Hill copper and gold mine and also attended a ceremony to mark the commencement and construction of the Honeymoon uranium mine. Unlike other states, I point out that South Australia has not experienced any mine closures as a result of the impact of the economic downturn. ABS figures recently released show that mineral exploration in the state for the 12 months to the end of March 2009 was \$274.2 million, or 11.1 per cent of total million exploration expenditure. South Australia has again significantly exceeded the strategic plan target of maintaining expenditure above \$100 million per year.

The outlook for the South Australian resources sector remains positive, as the known resources are long life and very competitive. The diversity of our resource base, the multitude of

recent discoveries of world-class ore bodies and South Australia's global reputation as a low risk investment destination all bode well for the future of the resources sector in our state.

The Plan for Accelerating Exploration initiative (PACE) is continuing to have a key role in maintaining South Australia's standing with the global minerals sector. It is also contributing directly to attracting and securing major mineral exploration investment. Prior to the introduction of PACE in April 2004, our state hosted only a handful of metals mining operations, comprising the Olympic Dam copper/gold/uranium mine, the Challenger gold mine, the Beverley uranium mine, the Middleback Ranges iron ore mines (operated by OneSteel) and the Leigh Creek coal mine.

In 2009, an additional seven new mines (fully permitted) are in construction or in early operation. These mines include Prominent Hill, the Mindarie mineral sands mine, the Angas zinc mine, the Honeymoon mine, the Jacinth-Ambrosia mineral sands mine, the Beltana zinc mine and the Cairn Hill iron ore project.

In addition to the new mines above, a number of significant mining expansions are in full feasibility study, in construction or in operation, including Project Magnet, the Beverley uranium mine extension and the Challenger gold mine expansion. In addition to the new mining projects and major mining expansions, three significant new mineral leases were offered or granted in 2008-09: the mineral lease for Western Plains Resources, the Peculiar Knob iron ore project, the mineral lease for Centrex Metals' Wilgerup iron ore project and the mineral lease for Hillgrove Resources.

Of course, the most significant potential investment in the mining sector will be the Olympic Dam expansion, from 200,000 tonnes of copper to well over 700,000 tonnes of copper and 19,000 tonnes of uranium oxide. The most comprehensive EIS ever delivered on a mining project is currently working its way through the consultation period. This project will lead to a step change in South Australia's economy.

There are also currently between 20 and 30 minerals projects at the advanced exploration or resource assessment stage or progressing through pre-feasibility towards the mining proposal stages. This pipeline of projects is essential for the future growth of the industry.

I will now briefly say something about our geothermal sector. Hot rock and hot aquifer geothermal resources in South Australia pose vast potential to fuel cost-competitive, renewable zero emissions electricity generation for the state. South Australia's comparative advantages, in the form of naturally occurring hot rock geothermal resources and the government's supportive investment framework, have, by the end of December 2008, attracted 28 companies to apply for 272 geothermal exploration licences, representing more than 70 per cent of all geothermal licences in Australia, and so far 97 per cent of investment in geothermal projects in Australia has occurred here.

Whilst it may not eventuate in total, the aggregate investment for guaranteed and non-guaranteed work programs for these 272 exploration licences is estimated to be more than \$878 million for the period 2002-2013. Along with Geodynamics and Petratherm's contingent development, exploration plus early deployment investment could exceed \$1 billion by 2015.

The South Australian government, through PIRSA, has provided stewardship for geothermal projects by providing a secretariat for the Australian Geothermal Energy Group, by acting as Australia's contracting party to the International Energy Agency's geothermal research cluster under the Geothermal Implementing Agreement and through the use of grants from the PACE initiative. In the period from April 2005 to date, the government has awarded a total of \$3.75 million in grants for geothermal projects from existing budgets.

On the petroleum front, 129 exploration wells and 45 appraisal/development wells have been drilled in the Cooper Basin since January 2002 through to June 2009; most have targeted oil. Based on results achieved in 2008, when 45 per cent of the 22 petroleum exploration wells discovered new commercial petroleum fields, further exploration success is inevitable. Nearly all this state's petroleum prospective acreage is covered by 58 petroleum exploration licences and 39 petroleum exploration licence applications. The area under petroleum licences in South Australia is currently 180,256 square kilometres, up from 178 516 square kilometres a year ago.

In conclusion, a wealth of good news is coming from the minerals, petroleum and geothermal sectors within the state, and I expect there is much more to come. The budget aims to provide the most strategic position to allow our government to deliver these competitive results well into the future.

The CHAIR: Thank you, minister. Member for Hammond, do you wish to make a statement?

Mr PEDERICK: Yes, just a very brief statement. I acknowledge the minister's comments, and I would briefly like to acknowledge his cooperation with me, both as a candidate and as a local member, with the two mines in my area at Mindarie and Strathalbyn, and with my involvement on both mine community consultative committees. Both those mines are well into production.

I refer to Budget Paper 4, Volume 1, page 5.6: Mineral Resources Development Targets 2009-10, dot point 1. What new work programs will be implemented as part of the plan for accelerating exploration?

The Hon. P. HOLLOWAY: Clearly, the PACE program has been successful, and I point out that it is being emulated by other states: I think that Western Australia has recently copied the program, and acknowledged its success, and that other states are also copying it. It is a matter of our continuing on with that program. We need those leading edge, pre-competitive geoscience programs, and obviously the continuation of drilling subsidy is important. I will ask Dr Heithersay to give a quick summary. I am sure that he can do it much better than I can, as he can give a geologist's perspective on our direction.

Dr HEITHERSAY: The plan this year is a continuation of the themes that we have progressed so far and in summary they centre on the drilling subsidies. We will be going into round 6 of the drilling collaboration which has been very successful and has located at least 15 new projects and probably a couple of mines out of that particular segment. We have a geophysics and geochemical survey plan which is working with Geoscience Australia to expand the geophysics and geochemical database for South Australia.

We will continue with our work with the APY in the north of the state to try to expand exploration up there. We plan to put an increased focus on that this year because of the capacity for increased Aboriginal employment up there which is sorely needed and, because there has been quite a bit of activity up there particularly in the oil and gas exploration area, the APY are very open and positive about resources development in that particular area.

Finally, the South Australian Minerals and Petroleum and Expert Group (SAMPEG) will be active again and in fact we have a meeting with that group tomorrow to start to map out what further extensions of PACE might look like going off into the future and trying to identify what challenges there are particularly as we are moving from dominantly exploration now into a truly mining-centred state. That presents its own challenges, so we will be asking both SAMPEG and the Resources Industry Development Board to advise the government about what other additional initiatives might be forthcoming.

Mr PEDERICK: I refer to Budget Paper 4, Volume 1, page 5.6, Mineral Resources Development Targets 2009-10, dot point 5. Will South Australian businesses be given any priority to pursue market opportunities identified for the development of key infrastructure to support expanding minerals and energy activities?

The Hon. P. HOLLOWAY: I think that is probably more a matter for the Minister for Infrastructure but we do work closely together and, of course, we do have RESIC (Resources and Energy Sector Infrastructure Council) which has been established involving industry people to look at that. That body was established in late 2007 to provide that high level advice on strategic directions for the state's emerging minerals and energy sector and the core infrastructure that will be needed to support that.

If I can just give one example, it played a valuable role particularly in relation to a key issue that is before government at this time, and that is the Port Bonython and Upper Spencer Gulf issue. RESIC has been working closely in discussions with minister Conlon and myself in relation to that because it is quite a complex and important issue.

Apart from that development export facilities option paper, resulting in expressions of interest for the development of Port Bonython, RESIC has also been looking at a model road access deed—template to speed up preparations for road approvals, and a scoping study to assess the demands of the resources sector with a view to delivering a strategically co-ordinated planning framework for infrastructure developments.

There have also been approvals workshops with Iluka Resources and government agencies to identify impediments and positive aspects of the mining approvals process with recommendations for a way forward for future projects. Also in the Anangu Pitjantjatjara Yankunytjatjara land, there has been a prospectivity analysis to determine potential for mining in the area. They are just some of the projects that we have been looking at through RESIC.

The chair of RESIC is Dr Paul Dowd, the director of Phoenix Copper, and amongst its members are: Hans Umlauff from Iluka; John Roberts, the president of SACOME; Jim White, General Manager, Business Sustainability at One Steel; Jason Kuchel from SACOME; Mick Wilkes, General Manager of Prominent Hill; Tino Guglielmo, Managing Director of Stuart Petroleum. There are also representatives such as Jim Hallion, Chief Executive of DTEI; Brian Cunningham, Chief Executive of DTED; Rod Hook; Dr Paul Heithersay, obviously, representing PIRSA; and Bruce Carter, who also chairs the Olympic Dam Taskforce.

So, that infrastructure is an important part through RESIC and its activities. As I said one of the areas of focus at the moment is the export port. I have also been advised that SACOME has expanded its service sector memberships. I think it is good that the industry body is also not involving just mining companies but also those service sector companies.

I know that DTED sponsored a tour of Chile with some of the key members of the service support companies to look at the opportunities that we see coming out of the expansion of Olympic Dam and other projects, so that has really been DTED's role to try to encourage local involvement in the industry. I know that when I was minister of industry and trade, we did set up the Industry Capability Supply Network which is a group within DTED which is specifically working on key projects to try to get local involvement in those industries.

In addition, we also promote investment opportunities through South Australian investment conferences with which we have a number so there is a bit of work being done. The main focus would be through DTED and through Energy and Infrastructure but we are, through Mines and Energy, also involved in those issues as well.

Mr PEDERICK: My next question refers to Budget Paper 4, Volume 1, page 5.6. In relation to the Mineral Resources Development Targets 2009-10, dot point 8, you mentioned Port Bonython. Expanding on that a bit more, what projects or developments is the government considering to help facilitate port and mining interests to secure the development of Port Bonython; in the bigger scheme of things, to support mining?

The Hon. P. HOLLOWAY: We are already looking at a bulk ore export facility and, clearly, the one that we need in this state is iron ore. This state has had a steel industry at Whyalla for a century. I think OneSteel had a ship that used to go to Port Kembla and back; I think iron ore would go one way and coal would come the other way. Apart from that, until the last decade or so, it has not really been involved in bulk iron ore export.

Clearly, times are difficult at the moment in relation to the iron ore industry, but I think this state has the real potential to become a significant iron ore producer. I mentioned before some of the new mines that have been issued with leases. I mentioned Cairn Hill and IMX Resources. Wilgerup and Centrex are currently looking at their own export arrangements. Because they are located in central Eyre Peninsula and close to the rail line at Port Lincoln, they are obviously looking at the temporary export facilities through Port Lincoln, which are currently being considered by the Development Assessment Commission (DAC). Also, there is some longer term potential for export but, with an Upper Spencer Gulf port, we are really looking at the iron ore ports to the north. I guess there is also some capacity for BHP Billiton as well.

RESIC is undertaking a review of the current and future demand for infrastructure. I have been asked this in the Legislative Council. We have the consortium led by Flinders Ports, which has been selected to put forward its proposals, and the government is currently negotiating with it; if there is any announcement it will be made by my colleague the Minister for Infrastructure and, hopefully, it will not be too far away. Clearly, a key issue is that those investors in the port were reviewed as part of the process that I talked about earlier. Obviously, for them to make the investment, they need to be assured that there will be the throughput; but for those iron ore companies to advance their projects and to get the investment into those projects, they clearly need to be assured that they have a port to actually expand it. So, really, it is the government's role to try to facilitate that; to bring the two together so that the port investor can be sure that they will have the tonnage to pay for the port over time and, at the same time, the investors in the iron ore industry can be confident that their investment will be fruitful, because there will be a proper functioning port from which to export.

Mr PEDERICK: I refer to Budget Paper 4, Volume 1, page 5.11. Paragraph 4 of the performance commentary refers to mining projects in, or close to, production. My question is: what are the further five mining projects expected to move to production this coming year?

The Hon. P. HOLLOWAY: Page 5.11 states:

Five mining projects have moved to production, including Mindarie, Project Magnet, Prominent Hill, Beltana and Angas with a further five looking to advance to production in the coming year.

One of those would be Honeymoon, which would have been issued. Another one would be Jacinth-Ambrosia, which we would expect in the coming financial year. Kanmantoo is another one we expect at some stage; if in this financial year—and I guess we are in a new financial year today—certainly by the end of 2010. We hope to have the Four Mile uranium project (which is up near Beverley) up and running by the end of this year. The fifth one is White Dam, a gold prospect in Curnamona, out towards Broken Hill.

Mr PEDERICK: Referring to the same budget line, what is the nature of the 30 projects currently being case managed? Does this involve case management and support infrastructure, etc., insofar as they are mining ventures?

The Hon. P. HOLLOWAY: I have already spoken a bit about iron ore. Some of those are iron ore projects and, clearly, those bulk export commodity ones do need significant infrastructure provision. Once we have that export port, it will facilitate those projects. I will ask Dr Heithersay to give his view on which of those are most likely and the state of play.

Dr HEITHERSAY: When we talk about project management, we actually meet every Monday with an active project list, which includes projects where there is at least a resource at some level where the company has approached us and indicated that, within a year or two, they plan to go through the various stages before applying for a mining lease. So, we encourage proponents to come in as early as they can so that we can start to steer them through the regulatory process.

At the moment, our current active list is 32 projects, including expansions at Olympic Dam and Challenger. There is a range of projects: at least four iron ore projects are on that list, the projects that we just talked about before; a number of other mineral sands projects both on the Eucla Basin and out in the Murray Basin; a number of uranium projects up in the Curnamona province, including Honeymoon, Four Mile and Gould's Dam crop; and the emerging copper-gold projects at Carrapateena, and the Rex Minerals' discovery on Yorke Peninsula which is moving quickly.

The state is in very good shape, particularly in terms of copper and gold where we will be world leaders, if we are not already. In mineral sands, we are the world leaders already. As to uranium, depending on which category you look at, South Australia has between 35 and 40 per cent of the world's uranium, so there will be future investment there, and we have a number of projects in that pipeline. One of the new and very important ones is one of the potential iron ore producers that are taking advantage of China's demand for iron ore and a desire to move away from Western Australia and seek other suppliers.

The Hon. P. HOLLOWAY: Some interest is being shown up in the Arkaringa Basin in the Far North of the state with some of the massive coal deposits that this state has—we have billions of tonnes of coal up there—and a couple of companies are looking at that sort of gasification. In terms of gasification, they could be significant projects as well. They are not without significant issues in terms of developing, but the potential is there. It is not often recognised that this state has massive unexploited coal reserves, but they are in relatively remote areas. The new technology means that in situ gasification will make them available at some stage in the future, particularly for producing liquid fuels.

Mr PEDERICK: I refer to Budget Paper 4, Volume 1, pages 5.31 and 5.32, Other Receipts: Mining Royalties. The actual return for 2008-09 is some \$13 million under budget. The budgeted return for 2009-10 is another \$7 million below that, placing us almost \$20 million down on the anticipated income for 2008-09 and equal to the result for 2007-08. Given the mining activity in the state at the moment, why has this drop been so significant?

The Hon. P. HOLLOWAY: Quite clearly, it is because of falling commodity prices, and most of the mining royalties are, at present, paid by Olympic Dam. The budget statement itself indicates on page 3.21 that royalty estimates are expected to be lower than budget estimates by \$12.7 million in 2008-09 largely due to lower than budgeted oil, copper and uranium prices and downward revisions to production levels in the Cooper Basin.

If you are looking at the 2008-09 estimated result, petroleum is \$67.1 million and minerals is \$83.7 million and, of the minerals target, 80 per cent or so of that would be from Olympic Dam, although we have been getting some from the iron ore exports of OneSteel, as they have increased that. But I think it needs to be pointed out that this state, in order to encourage the mining

expansion which we have talked about, has introduced a low rate of royalty. Our royalty regime is deliberately pitched low in the first five years at 1.5 per cent.

For example, this year, Prominent Hill has just started producing. I am not sure whether it has paid a royalty yet; it may not have. I imagine it will pay some royalties in the 2008-09 financial year, but obviously its rate will be 1.5 per cent for five years, then it will revert to the 3.5 per cent rate. That was a deliberately pitched royalty to encourage new mines to establish. It is part of the attractiveness of South Australia as a jurisdiction.

The good thing is that in five years' time, as those mines continue, the rate will grow from 1.5 per cent to 3.5 per cent without doing anything. Given the escalation in mines, the benefits will be down the track rather than immediate. The Mid-Year Budget Review estimate in October for petroleum was \$81.3 million; it is now down to \$67.1 million due to prices. Of course, if petroleum goes up again, clearly, those figures could increase.

The department, with its projections, has a fairly conservative approach. I will ask Geoff Knight, the CE, to comment on that. We take a fairly conservative view in relation to those figures. In summary, the important thing is that, apart from the fact that our petroleum resources from the Cooper Basin are in decline—and they have been the mainstay of state royalties from petroleum and minerals—that is why we need to replace them with expanded mining royalties. Also, needing greater petroleum exploration is one factor, as is the significant fall in commodity prices, but I think going forward we have been fairly conservative. Clearly, if prices increase, that will go. I will ask Geoff to indicate how we determine those.

Mr KNIGHT: I refer the member to the actual 2009-10 budget statement of the Treasurer on page 3.21 where the Treasurer has published forward estimates of royalties out to 2012-13. Whilst he is right that royalties underperformed against budget during 2008-09—and we have adopted quite a conservative number for 2009-10—I think it is worth pointing out that, for South Australia, that drop-off was driven by prices rather than volume. So, it does not really say anything about the ongoing impact on the economy. What it does say, as the minister has outlined, is that particularly in petroleum, as everyone knows, the movement in oil prices from last year into the current time have been quite dramatic. I do not think that anyone last year was predicting quite that impact.

Going forward, the numbers published in the Budget Statement are the result of some very careful calculations that Dr Heithersay and his team are involved in with Treasury. As in all areas of state revenue, very conservative approaches are taken because, obviously, it is better to be in a position where you exceed these numbers, rather than fall short. In this case we have, mainly because it was not foreseen that we were going to see this quite sharp drop-away in oil prices.

The positive note in those forward estimates out to 2012-13 is that we see sustained growth from the 2009-10 figure of \$143 million out to \$199 million by 2012-13. In the context of the global financial position we are pretty confident that they are achievable. Certainly, in that time frame they do not reflect any of the upside of Olympic Dam, so they are the projects that were being talked about before, the new mines that have already been approved as they come on stream. The other thing is that we will see some upside in those numbers even further because any recovery that happens in terms of commodity prices has not been fully booked in those numbers as yet.

The Hon. P. HOLLOWAY: Some of those new mines that have just come on stream will get the benefit of that in the out years and beyond.

Mr GRIFFITHS: I have a supplementary question in relation to the answer provided. What is the lag time between delivery and, therefore, sale of a commodity to when royalty revenues are actually received, especially, as the minister referred to, with new mines opening up? You thought that they may have paid royalties in 2008-09 for Prominent Hill, but you were unsure.

The Hon. P. HOLLOWAY: It obviously depends on the commodity. Some commodities have different methods of estimation. Following some comments by the Auditor-General on a couple of years, we have had a pretty thorough review and audit of our process. Perhaps I could ask Dr Heithersay to talk about that. We are keen to protect the public's revenue in relation to that, so we have just had a major review. In relation to Olympic Dam, royalty rates will be a key factor in the indenture negotiations that are coming up. As I said, they are the major source, at present, of our minerals royalties.

Dr HEITHERSAY: The minister is correct, it really does depend on the commodity. Some commodities are sold into an open market and, therefore, the returns are quicker. In most

commodities it takes six months for the turnaround. With oil and gas it is six months, and can be up to three years, depending on where it is being sold. It is a very complex business because a lot of commodities, like uranium, are sold on long-term contracts, so it goes into a whole different world of marketing and arbitrage. We eventually get it all back but the turnaround and changes are often about a six months to a year process.

We have a very comprehensive audit trail with all commodities. To follow on from what the minister said, in the case of Olympic Dam we have just completed an audit from March 2008 and the four quarters preceding that, and we will initiate another audit in the final quarter of this year for the year just gone. So, even though it can take a while for the actual true number to come through, the true at arm's length sale, we have an audit process to make sure that the state gets everything that it is entitled to get.

Mr PEDERICK: I refer to Budget Paper 4, Volume 1, page 5.11, Performance Commentary, paragraph 2, which states that of 335 drilling proposals presented, 168 received PACE funding. My first question on that line is: are any of the 167 projects that did not receive funding proceeding with alternative funding, and if so, from where?

The Hon. P. HOLLOWAY: When you say are they proceeding with alternative funding, what is it—

Mr PEDERICK: Well, I guess, are they being funded under their own steam or under their own financial arrangements, is the question.

The Hon. P. HOLLOWAY: I am not sure that I understand the question fully. Clearly, with our PACE program, it is not a total funding, it is a subsidy, it is normally about 50 per cent. As with other funding, you expect the company to put something in.

Mr PEDERICK: Absolutely.

The Hon. P. HOLLOWAY: The whole purpose of those PACE grants is that they are looking at testing out new geological theories, which, if they are successful, can open up a whole new field of exploration. Dr Heithersay could better explain that than me in terms of what examples there might be, so it would be better if I hand over to him to explain the sort of things that we look at when we are assessing grants under the PACE program. Clearly, you do not want to fund drilling that would happen anyway. What you want to do is stimulate new drilling. I will let Dr Heithersay explain how that is done, in terms of choosing the right projects.

Dr HEITHERSAY: The projects are all designed to be good quality projects but, I guess, on the riskier end of the spectrum. That is why the PACE plan has worked so well, because most of these projects—it depends on the financial climate—probably would not get a guernsey right now but they might have six months ago. It is an interesting question to ask about the projects that did not get up: did they go on and drill them anyway? The answer is that some did and some did not. We do not have that answer in front of us but I would be quite happy to research it and come back to you.

Mr PEDERICK: Thank you.

The Hon. P. HOLLOWAY: There is information in relation to how many projects were successful, in terms of getting grants. For example, in the first round April 2004 to June 2005 there were 48 proposals, 28 of which were successful, so you have to look at the 20 that were not; round 2 received 68 proposals, 43 of which were successful; round 3 received 78 proposals, 36 of which were successful; round 4 received 75 proposals, 32 of which were successful; and round 5, which was February 2008 to June 2009 year, received 66 proposals, 29 of which were successful, and announced on 5 February this year. So, all up, 335 proposals have been received with 168 drilling programs selected on merit. So a little more than half of all the proposals have been accepted.

Mr PEDERICK: Referring to the same budget line, of the 153 proposals that received funding but were not deemed technical successes, are any of those drilling programs still continuing?

The Hon. P. HOLLOWAY: I imagine that would be rather difficult to determine. If a technical success means that there is some indication that further drilling would be beneficial, then I guess there would be further testing. I suppose it all turns on what we mean by a 'technical success', does it not?

Dr HEITHERSAY: Yes. When we talk about a 'technical success' that is our judgment, that is, the geological survey's judgment of a project which is likely to warrant more investment. The

success rate of drill testing is probably one in 100 or it may be one in 500—they are extremely long odds. Often you will be drilling for one target and you will find some other additional information and you might totally change your strategy. Without knowing the specifics, some of the projects may have continued on with a slightly different model in mind; many of them tested their holes and they did not find the high reward target they were after and so they finished that particular program. It is a bit case specific.

Mr PEDERICK: Thank you.

The Hon. P. HOLLOWAY: All the geological data, in the end, becomes valuable, and that is where this state prides itself—that we have access to that data and, the more we get, the less risk there is for any future project. I think that is the important thing. If someone has tried something and failed, then they will try something else.

Mr PEDERICK: In regard to the same budget line and the 15 proposals that were deemed technical successes, what is the proportion of mineral successes, geothermal successes and petroleum successes, as far as drilling is concerned?

The Hon. P. HOLLOWAY: It does indicate on page 5.11 that there were 15 technical successes identified from the first four rounds, including Carrapateena, Four Mile and Gulliver discoveries. Gulliver was a mineral sands discovery in the Eucla Basin. I will ask Barry Goldstein to comment on the geothermals.

Mr GOLDSTEIN: On the issue of geothermal success, obviously, the geothermal sector is so embryonic there is really only one company so far (Geodynamics) that has floated anything. Petrotherm has now started a well and we expect Panax to do so soon. Every single one of the wells has advanced the knowledge in terms of knowing where not to look (if it was colder than they thought) or encouraging them to go further. We are at a level now where every single one of the PACE grants that have been provided have added crucial information to narrow the search as to where we can focus deep drilling. All of the PACE grants were focused on shallow drilling. The federal government Ready program and now Geothermal Drilling Program grants (the \$7 million a hit type of things) were the ones focusing on the deep drilling. It is not yet the time to know whether or not they will become commercial projects.

The Hon. P. HOLLOWAY: In relation to those other things, if we can get any more information we will do so but a lot of it does turn on the definition of 'technical success'. Dr Heithersay does have some information on the PACE successes.

Dr HEITHERSAY: We talk in jargon about greenfields and brownfields, and greenfields discoveries are areas where very little or no investment has been made. In that category Carrapateena is clearly a world-class discovery. There were new mineral sands discoveries at Dromedary and Gulliver by Iluka in the Eucla Basin. Dominion found a new project (called Barton) where, even though they were looking for gold, it turned out to be a mineral sands discovery. That is typical of what happens sometimes. Achaean (very old massive sulphides) was found on Eyre Peninsula; there was a new iron ore discovery called Branfield on Eyre Peninsula; and Coolybring made an iron ore discovery up near Tarcoola. They are all greenfields discoveries, that is, there was nothing there before but they will develop into new things.

In terms of brownfields, where there was an existing project, Menninnie Dam is a lead/zinc project which previous companies had defined, and another company went in with new ideas and has expanded the resource considerably. Dominion's Challenger mine used a PACE hole to look at the deep targeting of that project. That was a very successful outcome, because PACE funded a deep hole that intersected the M1 chute, which is the main ore chute, and that gave the company enough confidence to vote another \$12 million after that to extend that drilling, and now it has increased the resource from a few hundred thousand ounces to well over one million ounces. That would not have happened without that initial PACE investment.

Prospect Hill is a tin project that is a new commodity for South Australia. Of course, the Beverley Four Mile project, which is a world-class uranium mine, again would not have been advanced as quickly as it has were it not for PACE funding. Kalkaroo is a copper project up in the Curnamona run by Havilah. Portia and Mutooroo are two other projects that are in that vicinity. So, it is a highly mineralised area, which that company is advancing very quickly, and all three of those projects are now going through the mine lease approval stage.

I think one of the most interesting ones, and one that we want to follow up further, is the water in the Arkaringa Basin, which was PACE funded for Oxiana at the time (now OZ Minerals). The challenge for mines in the Far North is that not only do they have to find the ore body but they

also have to find the water. The PACE system was flexible enough to allow them to explore for water, and they found a substantial amount of water, which is not usable for anything else. It is industrial grade water: you cannot drink it and stock cannot use it but it is okay for mine processing. If it had not been for the water discovery, Prominent Hill would not be there right now.

In the future, we want to vote some of our PACE funding more towards water discovery, working with DWLBC to map out water resources in the Far North so that other mines do not have to go through the same process as Oxiana (or OZ Minerals) did. So, that is 15 projects there.

Mr PEDERICK: I refer to Budget Paper 4, Volume 1, page 5.12, the Performance Commentary, paragraph 5, with respect to onshore petroleum licences and applications. We have learnt that only two petroleum drilling projects received PACE funding. Obviously, these projects were among the technical successes. However, we also note that the 324 onshore petroleum exploration, retention and production licences and applications is a historical high. How many petroleum licences and applications are normally received in a year?

The Hon. P. HOLLOWAY: Perhaps we will ask Mr Goldstein if he can provide that information. If you are alluding in your question to PACE support for the petroleum industry, obviously, if you are talking about the Cooper Basin you clearly have a fairly mature field there and, given the success rate, one would suggest that there is a lot of incentive to drill for oil there. I guess the issue is getting people to drill in the more frontier type basin. I will hand over to Mr Goldstein.

Mr GOLDSTEIN: They are somewhat different business models. Petroleum wells cost some number of millions of dollars each, and drilling a shallow well does not really help that much to advance the exploration. So, when the PACE programs are at \$100,000 or \$130,000 each, they are not really that much of an incentive to a petroleum exploration company. We have awarded grants for things such as deepening into strata that the company would not otherwise have explored had it not been given some incentive. So, with respect to the petroleum sector, you really need to have some number of millions of dollars to sit at the table and explore. That is one issue.

In terms of the number of licences that we grant, everywhere outside the Cooper and the Otway we accept over-the-counter licence applications. We have basically got most of the state that is prospective for oil and gas covered. In the Otway and the Cooper we have to wait for companies to surrender lands. We just recycled two of the three blocks that were offered for bid in 2008. Adelaide Energy got a block and Cooper Energy got a block (in fact, Adelaide Energy got two blocks, I believe), and in the Cooper in 2009 we are going (with bids closing on 15 October) with a number of blocks that had been surrendered by prior exploration. So, the number of blocks for which we receive applications, in part, in the very prospective areas, depends upon the cycle of when blocks become relinquished and become available and we can get them out. Over the counter, basically, the entire area is already taken up by applications or licences.

Mr PEDERICK: I refer to Budget Paper 4, Volume 1, page 5.6, the Mineral Resources Development Targets 2009-10, dot point 9. What will be the cost for the immersive operator training school for the mining sector that the government proposes to establish?

The Hon. P. HOLLOWAY: From the point of view of the government, our contribution really is to provide the old Brukunga mine site as a location for it. Obviously, there is a CFS training facility there, which makes it a very attractive proposition. So, our contribution essentially is just to provide that site. We are responsible for rehabilitating it. I do not know if you have been to Brukunga, but it was the old pyrite mine. It has some residual issues, with which the department has been dealing for some years now, in terms of ensuring that the Dawsley Creek is not polluted from the acid that comes out of the sulphur in the overburden areas. So, we have been dealing with that.

However, given that the CFS is located there and has that accommodation (which it uses largely at weekends and the like), it was a very good fit to use it as a training school. Essentially, the contribution from PIRSA is just to make the site available at a relatively token amount. It is not costing us, but it is obviously something that we would like to see go ahead. Obviously the timing for when that will commence will depend on the economic conditions and so on, but it is something we clearly would like to see happen.

The CHAIR: It is now time to move on. I now close the line for Minister for Mineral Resources Development. Thanks to the advisers involved. There being no further questions, I declare that consideration of the proposed payments completed.

The Hon. P. HOLLOWAY: Thank you, Madam Chair. I thank all the staff from PIRSA for the work they have done both during the year and also in preparation for estimates.

Mr PEDERICK: Thank you, Madam Chair. I also thank the staff of PIRSA for the work they have done in preparation for estimates and their presence today.

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

Witness:

Hon. P. Holloway, Minister for Mineral Resources Development, Minister for Urban Development and Planning, Minister for Small Business.

Departmental Advisers:

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

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

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

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

Ms L Boothby, Acting Director, Small Business Programs, Department of Trade and Economic Development.

Mr P Polychronopoulos, Chief Finance Officer, 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.

The ACTING CHAIR (Hon. L. Stevens): Minister, would you like to make a statement?

The Hon. P. HOLLOWAY: I will make some opening comments in relation to small business because small businesses are a significant component of the South Australian economy and our way of life. Some 84 per cent (according to ABS figures in 2007) of all South Australian businesses are small businesses that make a significant contribution to the social and economic development of our state, and add to its wellbeing and character. Small businesses, of course, operate across a diversity of industry sectors, including construction, property, retail, trade, manufacturing and health and community services.

The government acknowledges the valued contribution that small businesses makes and is strongly aware that these businesses can face obstacles and challenges in their operations that are specific to their circumstances. That is why the government has a dedicated ministerial portfolio in small business, along with a dedicated budget line that is administered by the Department of Trade and Economic Development.

The department works in partnership with the small business sector to provide information, advice and workshops for start-ups and established businesses on business growth and profitability. Particular emphasis is being given to promoting and assisting family businesses, following the report by Dr Dennis Jaffe in 2008, a Thinker in Residence. We have done this by dedicating services and assistance to these businesses and the inclusion of the next generation in the running and ownership of these businesses.

Of the estimated 140,000 businesses in South Australia, over 60 per cent are family businesses. That means in excess of 80,000 businesses are in that category. They account for over 55 per cent of the South Australian workforce.

The government is committed to making South Australia a competitive place for small businesses to operate, and, among the most important measures contained in the budget are—and this is in the broader budget—the decisions to cut payroll tax again and to further raise the threshold before firms are required to pay the tax. From 1 July 2008, the payroll tax threshold was increased from \$504,000 to \$552,000, and on 1 July 2009 (today) it will increase again to \$600,000. The 2007-08 budget cut payroll tax from 5.5 per cent to 5.25 per cent from 1 July 2007. A further cut to 5 per cent from the 1 July 2008 was implemented to ensure South Australia remains competitive with other jurisdictions.

Building on the success of the initial red tape reduction program, which achieved savings to business of \$170 million per annum, a second phase has commenced, with a new target of a further \$150 million in savings over three years announced by the Premier on 28 April 2009. The government provides programs and assistance through the Business Enterprise Centres (BECs) in the metropolitan area and the regional development boards (RDBs) in regional areas. I think minister Caica would have answered questions about the RDBs yesterday.

The programs from the RDBs and BECs are to assist businesses that have the potential and desire to grow into export markets. The nine BECs commenced new three year agreements from 2008-09. The support from the state government has enabled the BECs to expand their small business services and maintain a staff of specialised business advisers.

In 2008-09, assistance was provided through the BECs to 4,994 businesses, assisting an estimated 140 new businesses to become established and assisting in the creation of the equivalent of 228 full-time equivalent jobs. The BECs and RDBs also cooperate with the South Australian Centre for Innovation, DFEEST SA Works, PIRSA industry development officers, DTED trade staff officers and skilled migration officers.

We have been particularly aware of the impact of the global financial crisis on small and family businesses, the pressure put on access to loans and capacity to cash flow and the need to provide these businesses with information and tools that will allow them to manage effectively. To support this approach, DTED, through the Office of Small Business and Regional Development, has arranged for a series of workshops that specifically focus on doing business in difficult times. These workshops include the following topics:

- how to survive and thrive in the recession—tips for tough times;
- managing your business through stormy weather;
- reduce your risks in a recession with business continuity planning;
- survival tips in an economic downturn;
- boosting your trade business in hard economic times; and
- selecting the right projects in difficult times.

In addition, we are negotiating with the Victorian government to arrange easy access to national information on the availability of loans for small business.

Small Business Month was run successfully in October 2008, recognising the contribution made by the small business sector. This program has been running since 2005 and aims to raise the profile of the small business sector and increase the awareness of services available to small businesses. In 2008, the program delivered a focused exhibition, keynote speakers and tailored events and workshops across metropolitan and regional areas. A key focus of that 2008 program was on family businesses, in recognition of the significant contribution they make to the state.

Businesses that have made the progression from micro and small businesses to medium or large businesses and have achieved global success were showcased during the month to provide inspiration to current small business operators with a desire to grow. Small Business Month will be held again in October this year.

I will briefly say more about some of the advisory information business support services that are provided. During the 2008-09 financial year, the office arranged for more than 274 workshops, which were attended by 3,291 small business owners and managers. This year, the department established a business advice line (a 1300 number) that connects callers directly to the BEC or RDB for business advice, access to workshops and other support. We also provide a counselling helpline.

In relation to family businesses, as I mentioned, Dr Jaffe's report was released in 2008. This final report contains 11 recommendations, all of which have been accepted in principle or in total by the government. As result, South Australia now has a family business subcommittee reporting to the state's Business Development Council and thus to me as Minister for Small Business.

We have also appointed a Family Business Development Manager, employed by DTED, responsible for developing and coordinating the resources necessary to support family businesses throughout the state. The Family Business Development Manager, Mike Norman, is working with the BECs and RDBs across the state to design tools specifically to support family businesses. The

Business Development Council has been an important forum for raising issues affecting small businesses, and it will continue to provide advice directly to me about key issues for the sector.

In relation to a small business statement, as announced by the government in September, the government is proceeding to produce a small business statement, with the assistance of the Business Development Council, that will reinforce the state government's commitment to small business. It will raise the profile of small businesses, showcase innovative successful small businesses and detail government programs and services. It is intended that that statement will be released in October this year.

Finally, the government works to continuously improve and enhance the services available to small businesses across South Australia in order to assist their growth, sustainability and export potential. I note that, according to the findings of the Sensis business index for the June quarter 2009, South Australian business confidence rose sharply and, aligned with this, for the coming quarter SMEs expect sales to improve, selling prices to rise, profitability to improve and investment to increase. I am also pleased to note that this survey indicated that SME support for the South Australian government's activities rose significantly during the June 2009.

However, at the same time, we know that there are significant challenges for small business, particularly in relation to the longer term outlook, as we are well aware of the problems created by the effects of drought and water shortages, rising interest rates and skills and workforce issues impacting directly and indirectly on small business.

In this context, the government will continue the work to support the development of a strong economy that can take advantage of recession recovery. We will continue to work to attract further investment and create robust circumstances for the maintenance and development of small businesses so that they continue to be a viable and valued component of the state's economy.

The ACTING CHAIR (Hon. L. Stevens): Thank you, minister. The member for Goyder.

Mr GRIFFITHS: I will make a brief opening comment, Madam Acting Chair. I must admit that I was a rather interesting choice for shadow minister for small business, given that I have never actually run one, although I come from a local government background, which serves the committee in different ways.

Having lived in regional areas, I recognised at a very early stage that the majority of job opportunities within the regions were based around small business opportunities, not just farming but small business within the communities that service those areas. Part of the vision in life of people of my generation was the opportunity see whether they could run their own small business, and I commend those who took up that challenge.

I often reflect upon those people who put their hearts and souls into small business and devote the future of their families to its success; their effort is undeniable. Sometimes the opportunity for success is taken away from them by circumstances beyond their control, and the government has to ensure that every possible support exists for small business, and I am sure that everyone in this chamber supports that.

I do hope that opportunities rebound. The global financial crisis is no doubt putting the challenge before small business as much as it does the big fellas out there that are major players in any chosen field. Small business by its nature has less ability to sustain itself in the longer term when faced with enormous financial challenges. It relies upon a lot of goodwill and customer support that it has built up over the years that it has operated, but I am confident that South Australians recognise the important part that small businesses play in the economic future of our state and will continue to support them as much as humanly possible.

With those very few words, I will move on. It seems rather interesting to me that small business is a major player in the economic future of the state but only features in a very few pages of the total budget documents with a relatively small amount of money being expended in that area. In his opening statement, the minister referred to the Jaffe report and has indicated that the 11 recommendations have been supported by government, and he might just want to confirm that. Therefore, minister, can you just outline, if they have been supported by the government, what are the time lines for the roll-out of programs that will actually acknowledge those recommendations and the actions upon them?

The Hon. P. HOLLOWAY: Those programs are being rolled out. As I mentioned earlier, we have appointed Mr Mike Norman whom people of my generation would remember from the days when he was compering on TV. He is probably not so well known by some of the younger generations.

Mr GRIFFITHS: Sorry.

The Hon. P. HOLLOWAY: Makes me feel old.

Mr GRIFFITHS: What show was that, minister?

The Hon. P. HOLLOWAY: What was Mike on? I don't know. Was it *Adelaide Tonight* or something? He certainly used to be on Channel 7. He used to be what I think they call the anchorman who hosts all the programs and gives the intros during the evenings. He was there for many years, but he has been appointed as the Family Business Development Manager. He has been working with the BECs and RDBs across the state to design tools to specifically support a family business. Of course the Chair of the Business Development Council, Phil Sims, is a small business person running Robern Menz, and I think he has been a former officeholder (or may still be) within the Family Business Association.

Obviously, through the Business Development Council, there is a big input there, and indeed the Business Development Council has a family business subcommittee which is currently working to develop a positive climate for family business, focusing on five specific areas, including: encouraging young people to enter into business leadership; developing a positive mindset; preparing them for ownership of the state's many family businesses; and engaging with youth with a link to family business. We have a youth member on the Family Business Development Council to make sure that we do get that connection with youth, because many of our small businesses, which hopefully will become larger businesses, are, of course, formed by young people. We need to encourage the entrepreneurial spirit, particularly amongst young people, to move into small business.

We are also through that family business subcommittee reviewing circumstances that discourage family business growth and/or transfer and creating a positive business economic climate for family business sustainability. They are investigating ways of increasing business migration for those people who want to work in or purchase family businesses and also addressing the lack of research information on family business.

DTED provides the Better Business series of workshops free of charge for the family business sector, including the topics of succession planning, exit strategies and prevention and management of conflict in family business environments. Conflicts and succession planning are important, of course. I suppose we should not overlook the fact that many of those family businesses are farms as well that have similar issues and, although they have more focus through regional development and the like, those programs nonetheless would be applicable. The government is committed to running the Family Business Program for two years from 2008 onwards and on an ongoing basis after that.

I think I probably also need to mention that DTED provides funding for the employment of business development officers in metropolitan BECs and the country regional development boards across the state, and these business development officers are trained to provide assistance and support for family businesses in their area. I have already mentioned that obviously the agricultural sector has these issues as much as anybody else. DTED is also currently developing a course for business advisers that will be part of the national training framework and offered to all BEC and RDB personnel. I think that pretty well covers what we are doing in that family business area.

Mr GRIFFITHS: As a supplementary question, minister, can you confirm what funding is available in the budget for the Business Development Council?

The Hon. P. HOLLOWAY: The Business Development Council is funded under this line. We are fortunate that we have some high quality people who give up their time for a relatively nominal fee. The members of the Business Development Council are really just paid a meeting fee, I think, essentially. It is relatively small and, like many of these government committees and boards, I think we get incredibly good value from the people who contribute their time. The total cost of the board, I am advised, was about \$71,000 in the 2009-10 year. That is the estimated cost, and that is really just for sessional fees and associated costs, but it comes out of the total budget of this program.

Mr GRIFFITHS: I thank the minister for his answer. Still referring to page 2.21 of the budget papers, I note that the anticipated expenses for employee benefits and costs in 2008-09 had been budgeted to increase from the previous financial year somewhat but that the actual expenditure was about \$153,000 less. I am presuming that the increase in dollars available in the 2008-09 budget was for a specific reason and that additional physical resources are to be provided as part of the office. Can you just confirm if that is in fact the case and, if it is, why does it appear

that those resources have not been engaged? If the actual cost was less than the budgeted one, was that because of a policy decision? Why did you allow \$173,000 more than the previous year but actually spend \$153,000 more than what the budget says?

The Hon. P. HOLLOWAY: We often get this in the budget figures, where the actual figure will differ from the budgeted figure. There can be all sorts of reasons, but perhaps I can ask Angela Allison to specifically answer that. When she has done that, I might also ask Brian Cunningham to talk about some of the changes that have been made to the department to produce what we think is a better outcome.

Originally, Small Business was a separate office within the department, and we had the Office of Regional Affairs. We have combined the two to get some synergies because, as we already indicated in the answer about family business, really, the issues are the same whether they are in the region or in the city. I will ask Mr Cunningham to talk about that later but, first, we will get the explanation of the specific figures.

Ms ALLISON: During 2008-09, 12 FTEs were budgeted for the Office of Small Business. With the restructure coming into effect at the beginning of April, some of those positions were changed around so that there was some reduction in the number of FTEs in that area just for that last period of the year. So, that affected the revised estimate. In addition, during the year, the position of manager of the Office of Small Business was not occupied for the full 12 months as the incumbent moved back into the regional development area from where she had been seconded. So, there is just a period of time for vacancy for that position, plus a reduction from the beginning of April with the restructure.

Mr GRIFFITHS: As an extension of that, at the time of the restructure, were all 12 FTE positions filled?

Ms ALLISON: No. The Manager, Office of Small Business position was not actually filled at that point in time.

Mr GRIFFITHS: Is that the only one? The other 11 positions that had been funded as part of the budget were in place?

Ms ALLISON: There was one trainee position. The trainee had actually moved to Melbourne, so that position was still not filled.

The Hon. P. HOLLOWAY: What I think is important here is that, with the restructure that has gone on, we have been able to capture some benefits to the department. For example, with some of the work that we have been doing in relation to the policy for the small business statement, we have been able to use the resources in other parts of the department. Perhaps I can ask Brian to talk about that, because I think it puts all this in better perspective.

Mr CUNNINGHAM: Thank you, minister. As I think you would be aware, we have had some significant restructuring within the whole organisation to get greater synergies and greater focus across the department. Certainly that has been the case in terms of small business and regional development as well where, as the minister mentioned, we have consolidated those offices. We have combined the Office of Small Business and the Office of Regional Affairs to form the Office of Small Business and Regional Affairs. In doing that, we have also consolidated our policy unit from various disparate policy groups around the department into one, so we now have quite a solid group. When I say 'solid', it is a considerable group of 36 or so people in our policy unit, some of whom are dedicated particularly to regional and small business affairs, but on the whole, the majority of them are looking at a whole range of policies across government. We now have a greater resource to apply to both small business and regional development in the restructure.

The Hon. P. HOLLOWAY: In the current climate, there are some additional issues for small business. We have been working on the small business statement, and we have had the benefit of getting those other policy people out. So, rather than having them all locked up in one little silo letting them do the work, we have been able to call upon the other resources of the department, and that has been beneficial.

Mr CUNNINGHAM: So we have a complement of people within our policy unit. I have just been told that we now have seven staff in total within that policy unit who now focus on those small business and regional development affairs specifically, but they also have the resources of other policy people within that group of 36 that I mentioned.

Mr GRIFFITHS: I am grateful to Mr Cunningham for confirming the number. As a matter of principle, I support the broader perspective that has been taken, because it provides a greater pool of corporate knowledge and intellectual capacity to look at what opportunities are out there. It was important to me to define what the level of employment was. We all in this chamber recognise the importance of small business and, while I know that efficiencies need to be created, I would have hoped that, in difficult times, small business would become an increasingly greater focus, with more direct resources allocated to it, instead of it being caught up within the greater rationalisation occurring within many departments in the public sector. Just so that I am sure, \$882,000 is shown in the 2009-10 budget, and that is for the seven FTEs that will operate and be dedicated solely within small business.

The Hon. P. HOLLOWAY: I will ask Angela to comment.

Ms ALLISON: The combined Office of Small Business and Regional Development has 21 FTEs for the 2009-10 financial year. Of those, seven staff are costed across both programs—regional development and small business—on a pro rata basis. They are executive project and admin support staff. For small business, five FTEs are specifically costed into this program, and then there are an additional nine regional development staff members who are costed against regional development. So, that \$880,000 is made up of the five small business specific staff plus half of the seven staff who are there. It does not include the costings for the policy-related people; they actually show in another program.

Ms SIMMONS: I refer to Budget Paper 4, Volume 2, page 2.22. My question relates to the tax burden faced by South Australian small businesses. Can the minister provide any advice on the sort of tax relief business operators can expect from the 2009-10 budget?

The Hon. P. HOLLOWAY: I thank the honourable member for her question. I gave some brief introduction to this earlier. Obviously, small businesses make a significant contribution to the state's social and economic development and those firms employ about 235,000 people across the state. It is crucial that we provide them with the support they need to ride out the current difficult business environment.

I am delighted to say that, as of today, some 6,700 employers across South Australia are to receive additional tax relief due to the reforms of the payroll tax system announced by the Treasurer, Kevin Foley. The reforms contained in the 2009-10 budget increase the payroll tax threshold from \$552,000 to \$600,000 and reduce the tax rate to 4.95 per cent from 5 per cent. These significant reforms deliver \$83 million of tax relief during the next four years and maintain South Australia's tax competitiveness.

At 4.95 per cent, South Australia's payroll tax rates are now equal to Victoria and well below New South Wales on 5.75 per cent and Tasmania on 6.1 per cent. By raising the threshold and reducing the tax rate, 6,700 firms employing about 370,000 South Australians will receive significant tax relief from today. That includes an estimated 180 employers who will no longer be liable for payroll tax due to the higher threshold—that is 180 small and medium size firms across the state that will no longer have to pay tax on their payroll.

I know that some people say we should do more, but given the nature of the challenge faced in drafting this year's state budget, when you acknowledge the massive drop in revenue that we face due to the economic slowdown, being able to deliver on this promised tax relief is a welcome achievement. At a time of increased economic uncertainty due to the global financial crisis, these reforms will directly assist South Australian employers to lower their employee costs and secure jobs.

I am also pleased to remind members that from today stamp duty on mortgages and rentals will be phased out completely. These measures are estimated to be worth more than \$138 million during the next four years, and they are just some of the practical measures that this government is taking to support small business and jobs. These should be seen alongside the significant training and assistance programs available to small business throughout the network of Business Enterprise Centres and regional development boards.

They should also be weighed up against the significant inroads the government has made to reduce the daunting tangle of red tape that small business operators faced in trying to do business. I think that gives a snapshot of the broad direction of the budget; they are very significant measures that will help small business.

Ms CICCARELLO: I refer to Budget Paper 4, Volume 2, page 2.6. I understand that the government is committed to issuing a small business statement as part of this year's Small

Business Month and earlier called for submissions from the public and small business groups to help guide policy in this area. Can the minister please provide details of the response to the government's call for public input into the small business statement?

The Hon. P. HOLLOWAY: I thank the honourable member for her question. During last year's Small Business Month, I announced the state government's commitment to undertake the development of the small business statement which will help shape South Australia's future small business policy. The objective of the statement will be to create the most supportive business environment in Australia for small business to grow and prosper.

The small business statement will provide the framework for a five year vision for small business and will reinforce the state government's commitment to small business, raise the profile of small business in South Australia, showcase innovative and successful small businesses, and detail the services and associated budget for government programs and services.

The small business statement has taken on an added importance amid the unfolding economic crisis, the full impact of which is yet to be felt here in South Australia. With South Australian small businesses employing a large proportion of the total non-agricultural private sector workforce, it is vital that the government provides support during the current economic downturn. Maintaining the health of small business will be the key to minimising any job losses in the state.

Last year I called for public submissions to hear firsthand from the community what they regard as priorities for government action. This feedback is helping to guide the advice being provided to the government by the Business Development Council as we work together to frame this important strategic document.

I am delighted to say that South Australian small businesses are making sure that their voices are heard. More than 40 submissions were received from members of the public, think tanks and industry associations in response to this government's call for ideas on ways to improve small business policy, programs and services.

General issues raised during the public consultation relate to things like reducing payroll tax (and I have just indicated the importance of that), increasing South Australian participation in small business, simplifying access to information and advice on state legislation and regulations, providing targeted support for small businesses, increasing incentives and resources to employ apprentices, reducing licence fees and red tape, and promoting greater use of plain English across government agencies.

The submissions from industry associations and university and private think tanks comprised 14 of the responses received by the deadline, including one from regional SA. A large majority of the submissions were received from individual small business operators, which is quite an outstanding result when you consider the time pressures most of these enterprises face each day. Nine of those individual submissions were received from regional South Australia which will ensure that the advice to the government and the Business Development Council will not be dominated by a view from Adelaide. In addition, a wide range of government agencies have provided information about services and programs that they provide to assist in the development of small business in the state.

The government has slashed red tape; it has reduced payroll tax; it has rolled out services through the business enterprise centres and regional development boards and responded to the Jaffe report into family business. All of this action was taken before the global financial crisis arose to overshadow the national and local economy. Small businesses have a crucial role to play in restoring economic growth. Supporting businesses during these uncertain economic times is an important step in warding off the threatened economic downturn and avoiding any major job losses.

Despite the payroll tax cuts and reductions in red tape undertaken by this government, there is always more that can be done to assist small business to grow and make a strong contribution to the state's economy. I am very pleased that we have been able to cooperate with the Business Development Council in working towards the production of a small business statement, and I look forward to releasing that in two or three months' time.

Ms SIMMONS: I refer to Budget Paper 4, Volume 2, page 2.6. My question refers to the decision by Mitsubishi to shut down its Tonsley Park plant. Can the minister provide an update on the financial support extended to business in Adelaide's south in the wake of that decision?

The Hon. P. HOLLOWAY: The state government established the \$5 million Small Business Development Fund as part of an extensive broad-based response (covering investment attraction and labour market adjustment) to the shutdown of that factory.

The aim of the program is to foster investment and job creation in small innovative companies in the southern suburbs. Five companies in the southern Adelaide region are the latest to have received financial assistance under the third round of this important program. The successful companies are: the heavy engineering firm, Copeland Industries, and P&H Financial Services, which both received \$500,000; Pepper Tree Furniture, which received \$250,000; Grosvenor Health, which received \$200,000; and Executive Screens Australia, which received \$150,000.

These latest grants take to \$2,832,500 the value of dollar-for-dollar assistance for small to medium-sized enterprises since the program was launched last year. In all, 12 companies in the southern suburbs have received grants of between \$100,000 and \$500,000 for a total of more than \$11.7 million in capital expenditure.

This investment has also supported a commitment by the companies to the creation of the equivalent of almost 180 full-time jobs within the southern community. The grants target smaller companies with turnover of between \$250,000 and \$5 million. Small business continues to play an important role in creating new work opportunities and investment in new industries in southern Adelaide.

These grants, along with the government's investment in the \$1.7 billion Adelaide desalination plant at Port Stanvac, the agreement with Mobil to rehabilitate the former oil terminal, the recently commenced construction of the Christies Beach Police Station, the upgrading of the Christies Beach Waste Water Treatment Plant and, of course, the extension of the Noarlunga train line to Seaford, are all practical measures that are helping to restore confidence to the southern suburbs.

The special grant program is part of the \$80 million joint federal/state government support package, which includes the three-year \$30 million SA Innovation and Investment Fund for larger companies. The first round of the SA Innovation and Investment Fund last year resulted in 10 projects being awarded a total of \$15.4 million in funding, creating 450 full-time jobs.

The centre for innovation and the southern business enterprise centres administer the fund on behalf of the Department of Trade and Economic Development. The latest round of the SA Innovation and Investment Fund closed in May, while the next round of application for the Small Business Development Fund is open until 31 August.

I would urge members, if they know of any small firms that would be worthy of such a grant, that they direct them to apply before the cut-off date.

Mr GRIFFITHS: Same budget paper, page 2.21. In answer to a question from the member for Morialta you referred to payroll tax, and I acknowledge that those changes have been made. As part of the description of objectives for the Small Business Growth Program it states:

The objective of the Small Business Program is to ensure that small business issues are represented at the state government level and that their interests are taken into account in the delivery of programs or development of policies.

You referred to red tape reduction and there have been savings achieved, and I might ask some questions later about itemisation of that, but specifically, from comments received by me daily I know that land tax is an enormous issue for small business also. Have representations been made regarding the interests of small business about a change to land tax?

The Hon. P. HOLLOWAY: I am sure that every member in this place is aware of issues relating to land tax. There are many areas where the government would like to ease the burden, if it could. I am sure the honourable member is aware that we are in a particularly difficult economic environment and some hundreds of millions of dollars have been knocked off the forward estimates for the government, so we had to make very difficult decisions in relation to this budget.

In 2005-06, the government delivered a land tax reduction package that resulted in an estimated 45,000 land tax payers becoming exempt from land tax, and we provided relief to a further 74,000 land tax payers at that time. That land tax reduction package included raising the tax-free threshold from \$50,000 to \$110,000, introducing specific land tax exemptions for home-based businesses, residential parks and caravan parks, and broader access to primary production exemption in rural areas, and I think there were some changes in the budget—although these are really matters for the Treasurer—relating to retirement homes.

The point is that, obviously, all businesses, and individuals, for that matter, would like reduced tax, but in the environment that the government faces where we have seen government

revenues significantly reduced we have had to make those difficult decisions in relation to the best interests of the state.

Mr GRIFFITHS: I respect the minister's answer, and I also recognise the challenge for government revenues, but a perusal of the budget will identify that land tax paid by private property owners in 2008-09 actually increased from \$222 million to \$332 million, so \$110 million, or a 50 per cent increase. It is again anticipated to increase by 10 per cent this year alone. So, the impost upon small business which, in many cases, own property, is an enormous one. I would urge you to please do whatever you can in regard to that.

The Hon. P. HOLLOWAY: As I said, the government is aware that there are a number of costs that small businesses face it, and government addresses them generally. We dealt with the difficult issue of WorkCover levies last year, for example. That was a very difficult decision for a Labor government to take but we took it. It is important that we make those reforms. The consequences of that have not yet had a flow-on effect in terms of reductions but we expect that they will do. If we had not made those changes there could have been much more difficult situations in relation to that.

The government is well aware of the issues facing small business. I am sure the members here (the member for Norwood and the member for Morialta) have both been vocal within the Labor Party representing their constituents in relation to the impacts of land tax and other tax. However, at the end of the day, we have to prepare a budget which is in the long-term interests of the people of the state.

Mr GRIFFITHS: Again, I refer to Budget Paper 4, Volume 1, page 2.21. Minister, you have referred in some of your other answers to Small Business Month. Is it correct that the financial support available for that has been reduced and, if so, by how much?

The Hon. P. HOLLOWAY: The budget for Small Business Month for 2009-10 is \$95,000. Last year the budget was \$135,000. The reason for that is that we adopted a new approach in terms of marketing and communications. The design and materials were developed last year and that has long-lasting applicability and will be used in coming years, including this year. Also, last year, we ran an expo as a pilot program, and subsequent survey material indicated that this event is not easy for small business to utilise. So, the effect of that is we are able to reduce the overall budget program by \$40,000.

I have had some discussions with Business SA, as well, as to how we can make best use of the Small Business Week part of Small Business Month. We have a particular week that focuses on activities and we will be talking to them about how we can really get best value out of Small Business Week.

As I said, we did try this expo which was run as a pilot. It had good support in terms of the companies that were a part of the expo program but the difficulty was getting the audience in to see it. We are always looking and learning about how we can get our message out to small business. Small Business Month is a very important focus on small business and, as I say, we will be doing it again this year. However, we want to learn from previous years what works and what does not work, and we will be doing that.

Mr GRIFFITHS: I respect that things are reviewed and slight changes are made. The specific question is: within the Small Business Week focus of that month period, is it still the intention to run a similar number of workshops and programs and ensure that the accessibility is still there for the small business operator?

The Hon. P. HOLLOWAY: Very much. As I said, I did indicate this to Peter Vaughan at Business SA. I think a number of industry groups are keen to participate in it and we are happy to work with them. If we can get greater leverage out of it and it works we will look at that, as well. We want to make Small Business Month more effective, not less effective. We are also, obviously, taking advice from the Business Development Council. They are keen to see how it works as well, so they will be significant contributors to that.

Mr GRIFFITHS: I refer to Budget Paper 4, Volume 1, page 2.6. In a couple of your answers you have referred to the red tape reduction program and, indeed, the comment that \$150 million in savings had been achieved. It was previously confirmed that the second phase commenced very recently with a target of \$170 million. Can you put on the record some examples—beyond the issues that you have already discussed, such as payroll tax opportunities, where savings have occurred, but beyond that, where, in fact, small business is being saved dollars through the red tape reduction program?

The Hon. P. HOLLOWAY: As I said earlier, we are building on the success of the initial red tape reduction program which achieved savings to business of \$170 million per annum. I think that was audited by Deloitte. That is across-government programs. One of the big contributors was in the other portfolio that we were discussing this morning, Planning. Clearly, those planning reforms will, of themselves, be a significant contributor to red tape reduction. We obviously still have a fair way to go in relation to that. There is a lot more we can do as we work through the extension of the Residential Code. However, now is probably not the time to talk about that.

The second phase has commenced with new targets of a further \$150 million in savings over three years. A key part of meeting that new target will be a rolling five-year review of all business regulation. The new red tape reduction plans have been prepared by agencies, so it will not just be looking at Planning; all government agencies will be looking at that. It is part of the chief executives performance agreements. If we do not cover it all here I will ask Mr Cunningham to elaborate on how that is organised at an agency level. In addition, following a competitive tender process, Ernst & Young has been contracted to undertake an independent audit of agency plans to verify the estimated cost savings to business. So, the red tape reduction phase 2 initiatives are currently being assessed, with proposed new agency targets to be finalised by 30 June, which was yesterday. I am not sure how we are going on that, but perhaps Mr Cunningham might be able to indicate how that is dealt with at a chief executive level.

Mr CUNNINGHAM: It is a process that we have been working through for some months now with chief executives of all other agencies. The deadline was yesterday for finalisation of the targets. As the minister said, we are aiming for \$150 million worth of red tape reduction. I cannot give you the details from individual departments of the specific small business issues that will be resolved by the \$150 million plus whatever we achieve in this next three year tranche. However, suffice to say that, as the chief executive of a department (and my own department has to make, I think, \$2 million in red tape reduction savings), we will do that, and I think every other chief executive, because of their performance agreements with their ministers, will similarly be forced to do it.

The Hon. P. HOLLOWAY: There are also some COAG projects involved. It is not only at state level: we need to do it nationally. For example, there is the Australian Business Number Business Names Registration Project and Mutual Recognition of Business Licences. It is important that we look not only at our own agencies internally but that we also look at it from a national point of view. So, we are involved in COAG as well with respect to red tape reduction.

Mr GRIFFITHS: I again refer to page 2.21, and my question relates to the Small Business Advocate. Can the minister confirm what are the financial resources available to the office of the Small Business Advocate, how many people work within that office and how many businesses contacted the Small Business Advocate in 2008-09 to investigate complaints on their behalf?

The Hon. P. HOLLOWAY: The function of the Small Business Advocate is undertaken within the Office of Small Business and Regional Development. That business advocacy includes: investigating complaints from small business and negotiating with the relevant state government agencies on behalf of small business; working to reduce the number of complaints by advising government agencies on more business-friendly approaches to small business policies, practices and procedures; and representing the interests of small business by monitoring relevant government policies and legislation and offering advice on changes based on feedback.

The number of matters coming to the attention of the Small Business Advocate has declined over the past few years. In 2008-09, some 40 calls were taken, none of which became investigations. So, the role of the Small Business Advocate remains an asset in service delivery to small business.

The reason that might explain that reduction in the number of calls is that we have now developed a business helpline, which might well have taken over many of the functions of that position. The business helpline provides a counselling and advisory service to South Australian small business owners and operators who are in crisis. The main objectives of the business helpline are to assist with the reduction of the emotional and financial distress of business crisis and failure and the number and cost of business failures in South Australia. The business helpline service operates from 9am to 5pm Monday to Friday and a telephone messaging service is available for clients to leave messages 24 hours a day, seven days a week.

The service is managed on behalf of the government by the Inner West BEC and also has non-financial involvement and support from the Institute of Chartered Accountants, The Australian

Society of Certified Practising Accountants and the South Australian Law Society, and I acknowledge and thank them for that involvement.

As expected, calls to the service have increased due to the current economic situation. From November 2008 to 30 April 2009, the business helpline received 1,471 telephone calls compared to 314 telephone calls for the same period last year, and conducted 595 detailed client interviews compared to 284 for the same period last year. So, one can conclude that the business helpline is taking over, in a sense, from what were the traditional functions of the Small Business Advocate.

Mr GRIFFITHS: Madam Chair, I am wondering whether, in the remaining few moments, I could read into *Hansard* the omnibus questions, and I ask whether the minister is prepared to accept them for all the portfolios that have been investigated today?

The Hon. P. HOLLOWAY: All right. You have not read them in for PIRSA or planning.

Mr GRIFFITHS: PIRSA was a bit of an oversight, which will be corrected via questions on notice.

The Hon. P. HOLLOWAY: All right, we will be reasonable.

The ACTING CHAIR (Hon. L. Stevens): Off you go.

Mr GRIFFITHS: The omnibus questions are as follows:

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

2. Will the minister provide a detailed breakdown of expenditure on consultants and contractors in 2008-09 for all departments and agencies reporting to the minister, listing the name of the consultant, contractor or service supplier, cost, work undertaken and method of appointment?

3. For each department or agency reporting to the minister how many surplus employees will there be at 30 June 2009, and for each surplus employee what is the title or classification of the employee and the total employment cost (TEC) of the employee?

4. In financial year 2008-09 for all departments and agencies reporting to the minister what underspending on projects and programs was not approved by cabinet for carryover expenditure in 2009-10; and how much, was approved by cabinet?

5. (i) What was the total number of employees with a total employment cost of \$100,000 or more per employee, and also as a subcategory the total number of employees with a total employment cost of \$200,000 or more per employee, for all departments and agencies reporting to the minister as at 30 June 2009; and

(ii) Between 30 June 2008 and 30 June 2009, will the minister list a job title and total employment cost of each position (with a total estimated cost of \$100,000 or more):

(a) which has been abolished; and

(b) which has been created?

6. For the year 2008-09, will the minister provide a breakdown of expenditure on all grants administered by all departments and agencies reporting to the minister, listing the name of the grant recipient, the amount of the grant and the purpose of the grants, and whether the grant was subject to a grant agreement as required by Treasurer's Instruction No. 15?

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

The Hon. P. HOLLOWAY: Just in relation to that, I think in one of those there was some agreement earlier in the committee—

Mr GRIFFITHS: \$10,000.

The Hon. P. HOLLOWAY: Yes; \$10,000. I assume they will all be done as a whole of government thing. In conclusion, I thank the officers of the Department of Trade and Economic Development for the work that they have done. I also thank members of the government and the opposition for the courteous way in which they have conducted the estimates committees. It is nice to be back in the old chamber after 16 years or so.

The ACTING CHAIR (Hon. L. Stevens): The time for examination of this line having expired, I declare the consideration of the proposed payments for the Department of Trade and Economic Development completed.

[Sitting suspended from 13:16 to 14:30]

ATTORNEY-GENERAL'S DEPARTMENT, \$138,279,000

ADMINISTERED ITEMS FOR THE ATTORNEY-GENERAL'S DEPARTMENT, \$70,020,000

Membership:

Mr Williams substituted for Mr Griffiths.

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

Witness:

Hon. M.J. Wright, Minister for Police, Minister for Emergency Services, Minister for Recreation, Sport and Racing.

Departmental Advisers:

Mr D. Norton, Director, Corporate Services, South Australian Fire and Emergency Services Commission.

Mr D. Place, Commissioner of Fire and Emergencies.

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

Mr T. Pearce, Manager, Financial Services, SAFECOM.

Ms L. Lew, Senior Financial Adviser, SAFECOM.

Mr G. Lupton, Chief Officer, Metropolitan Fire Service.

Mr S. Macleod, Chief Officer, State Emergency Service.

Mr R. Persse, Executive Director, Business Services.

Mr D. Launder, Business Manager, Metropolitan Fire Service.

Mr J. Schirmer, Business Manager, Country Fire Service.

Mr M. Blute, Business Manager, State Emergency Service.

The CHAIR: I thank the minister and advisers for agreeing to the last minute change in timetable. 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.

I ask the minister and the lead speaker for the opposition if they could indicate their agreement to the following timetable: 2.30 to 3.45 for SA Fire and Emergency Services Commission, Emergency Services Levy Fund, Country Fire Service, SAMFS and SES. We then resume at 4pm with the Minister for Police. Is that agreed?

The Hon. M.J. WRIGHT: Yes.

The CHAIR: Member for Hammond, are you happy with that?

Mr PEDERICK: Absolutely, thank you.

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 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. Incorporation of material in *Hansard* is permitted on the same basis as applies in the house; that is, that it is purely statistical and limited to one page in length. All questions are to be directed to the minister, not the minister's advisers. The minister may refer questions to advisers for a response. I also advise that, for the purposes of the committee, television coverage will be allowed for filming from both the northern and southern galleries.

I declare the proposed payments open for examination and refer members to the Portfolio Statement, Volume 2, Part 7.

The Hon. M.J. WRIGHT: We have agreed, ma'am, with your permission, that I will not make an opening statement and there will be no government questions. It is over to the opposition.

Mr PEDERICK: I want to make a brief opening statement. As a member of a small CFS group at Coomandook, I am well aware of what people in the community have to face. Sometimes they have to face some terrible things, not just fires but also when they have to visit a home or a farm when there has been an accident, for example, and it might be someone they know. I would like to acknowledge all the people in all the emergency services for the great work they do.

Minister, I refer to Budget Paper 4, Volume 2, Sub-program: 1.1, page 7.146. With regard to a review of emergency services delivery standards, does this indicate that things such as the standards of fire cover are under review or simply that the same criteria will be reapplied where there has been a change to the profile of an individual community; and what are the budgeted requirements for the function?

The Hon. M.J. WRIGHT: The member asks about the review of the emergency services resourcing standard. It is risk and resource modelling and a risk-based review of how resources are applied in the community. It will be a consultative process of all the services, and the SAFECOM Board is leading the work that is being done. The shadow minister also asks about the standards of fire cover; those may be included. He also asks about the budget situation: that is yet to be determined because we have not completed the work.

Mr PEDERICK: I refer to Budget Paper 4, Volume 2, Sub-program 1.1, page 7.146. It is noted that SAFECOM took carriage of the SA Water Safety Coordinating Committee. What is the total cost of running the water safety function? Do other agencies of government contribute to this function? Will the minister advise the committee what initiatives, other than public advertisements, I used to minimise the incidents of accidental drowning?

The Hon. M.J. WRIGHT: This is certainly an important area, as members would be aware. I was surprised to read recently that something like 250,000 drownings occurred worldwide. This is all about getting better results and, the member is correct, we have taken that responsibility he talks about.

During negotiations surrounding the transfer of the carriage of the committee, SAFECOM and the Office for Recreation and Sport agreed to contribute \$20,000 each annually towards the administration of the committee, including the costs associated with the employment of the executive officer. A memorandum of understanding between both parties committing to that financial support is in place until 30 June 2011, subject to annual review. So, it is ongoing.

The Minister for Emergency Services has endorsed the water safety plan. Work has commenced on developing strategies to meet expected outcomes, and subcommittees are currently working to develop strategies to address the plan, and that work is ongoing.

Mr FEDERICK: I refer to Budget Paper 4, Volume 2, Sub-program 1.2, page 7.147, developing and implementing the telephony-based emergency warning system. Is it intended that this will be delivered via SMS message to telephones within high risk areas? Does the minister believe that this will provide timely, accurate and appropriate information to persons at risk? What will be the cost to the budget of the state's involvement in this program?

The Hon. M.J. WRIGHT: As members would be aware, this is an area of critical importance—even more so since the Victorian bushfires. On 30 April 2009, COAG agreed to take immediate steps to enhance Australia's emergency management arrangements through the development of a telephone-based emergency warning system that will enable the states and territories to deliver warnings to landline and mobile telephones, based on the billing address of the subscriber, to be operational by October 2009, and to undertake further research into a capability to deliver warnings based on the location of a mobile telephone.

The commonwealth will meet the establishment costs, with the participating states and territories responsible for the ongoing management and funding to maintain the warning system. The work will be coordinated through a working group with the states and territories. It must be emphasised that the flow of information to those threatened by the escalation of emergency events involves more than issuing a warning.

Coronial reports, research and high level debriefs have consistently identified the need for improved communication with communities leading up to and during an emergency. While increased information will be available, the community education and preparedness planning requirements of what to do when a message is received will also be critical.

The message will trigger a reaction, and the appropriate course of action needs to be planned and prepared for. A high level group, comprising all jurisdictions and the commonwealth, is engaged in a tender process for the development of a national database and a telephone warning delivery system. The state will be responsible for the management, delivery and shared ongoing costs of the system.

The commonwealth funding also includes research into a location-based mobile telephone warning system. A detailed business case is in development, identifying all components of the emergency warning information system requirements for South Australia and the significant associated costs.

In response to the challenges of providing timely and appropriate information and warnings to people, a systems approach is necessary. This systems approach establishes and reaffirms that all elements are intrinsically linked, with one element relying upon the other for strength and effectiveness to ensure the desired outcome—the safety of the community.

The systems approach incorporates four elements: preparing the community, situational awareness, message construction and dissemination and appropriate action taken. The introduction of such a systemic approach to emergency information warnings requires recognition, acceptance and high level support, embedding a community warning system that is more than telecommunications technology, and requires an approach based on a range of integrated elements underpinned by community preparedness strategies.

SAFECOM, on behalf of SEMC, is coordinating South Australia's representation on the national steering committee, which was formed to agree on business requirements, policy and protocols for use and governance of the system. In its first few days of hearings, the 2009 Victorian Bushfires Royal Commission focused on the use of emergency warnings before and during the fires of 7 February 2009.

I can also notify the committee that SAFECOM has been over to have a look at the system in Western Australia—State Alert. Separately, I also had the opportunity of having a look at it just recently when we had the police ministers' conference in Western Australia. Certainly, there is a lot of work underway and it will need to continue to bring this to fruition.

Mr WILLIAMS: I refer you to budget page 7.143: 2009-10 Targets. It is noted that one of the targets is 'to coordinate and implement recommendations with regard to the Wangary fires'. What specific recommendations are still to be implemented and what is the time frame in which you expect them to be implemented?

The Hon. M.J. WRIGHT: A lot of the recommendations from Wangary are complete. There are some that are outstanding which I will share with the committee and then I will ask David Place to give further information because from this list that I am going to read, I think two or three have been nailed since this brief was prepared.

Subject to what David shares with the committee in a moment, the advice I have received is that currently there are five outstanding recommendations all of which are aimed to be implemented prior to the 2009-10 fire danger season.

Recommendation 1 is that research into farming practices and fire safety is used to develop a revised code of practice for farming. PIRSA is currently leading this work with a revised draft code of practice expected to be ready for consultation by July 2009. Recommendations 4 and 7 relate to local government and fire management. They require amendments to the Fire and Emergency Services Act 2005. They are not technically completed, but that legislation is due to come before parliament in the near future.

In relation to recommendation 12, existing training packages are being repackaged according to the target group. Several of the documents already exist, such as the farm fire unit guidelines as well as currently delivered courses such as those to media outlets, farmers and support. These will continue to be delivered. The CFS advises that a business case for delivery of these courses is being created. Regarding recommendation 34, the provision of communication equipment for local government plant and equipment operations will be completed by July 2009. The required cache of radios is currently being purchased. I will just ask David to add to that information that I have provided to the committee with a further update.

The Hon. G.M. GUNN: Minister, I listened with great interest to the answer you gave to my colleague and you talked about recommendation 1 dealing with a code of farming practice in relation to bushfires. I take it that you are talking about minimum tillage and direct drilling. I put it to this committee that I personally believe that the Coroner may be under some misapprehension in relation to that. There are lots of things that I do not know much about but I have to say to you that minimum tillage and direct drilling is here: it is a part of the agricultural sector.

If you believe in environmental practices, there is no alternative. What you now have is a system where, when you get a bad north wind, the dust is not blowing because the country has not been denuded. The answer, I think, to your problems in this area is not looking at the farming practices but making sure that you have in place sensible laws so that the land managers have the ability to put in decent firebreaks and fire tracks, and they can hazard-reduce at the right time. That is the answer.

I read the Coroner's report. I have to say that I do not know who spoke to him but I can say that the person who is going to become the next member for Flinders, from Wanilla, I would say, has a view the same as mine. I was right in the middle of that. I would like your officers to go and have another think about this because the farmers have been encouraged to buy direct drilling machines. Without giving a lecture on farming, they are putting in their crops using less diesel, not polluting the atmosphere, and they are preventing soil erosion from wind because of stubble incorporation.

Mr WILLIAMS: Incorporating carbon, Graham.

The Hon. G.M. GUNN: Incorporating carbon. We were all encouraged to do it, and they are growing better crops to be more economically viable. I think that your people need to look closely at this recommendation because most of the new farming machines that are being sold are direct drilling machines. You cannot sell a combine; you can hardly give an old combine away today.

I say to you, minister, you have this committee set up to look at bushfires in Victoria. The most important thing that you can do is to make sure that the native vegetation laws are changed so that people can protect themselves. As you know, the NRM parliamentary committee is about to look at those things but we would sooner you do it—it will save us some time. I look forward to your response.

The Hon. M.J. WRIGHT: We have two things to do here, and one is to address the member's issues. I will ask Euan Ferguson to touch on that and we can do that now, but we also have to complete my earlier answer because there is some updated information which I think is unrelated to what the honourable member raised. I will ask Euan Ferguson to comment on the matters raised by the member, and then we will come back to the other recommendations.

Mr FERGUSON: Thank you, minister. Can I reinforce at the outset that both the South Australian Farmers Federation and Primary Industries and Resources South Australia are at the helm of this project. So, hopefully, the key stakeholders—the people who are managing the land—are steering this development of the code of practice. One of the realities of the change to dryland farming, trash retention and direct drilling is that there is a different fuel structure.

There has been research carried out by SARDI and the University of Melbourne following the Wangary fire which shows that there is a different and more continuous fuel structure. It is important in a general sense that, when we have a fire management strategy, the land-use, conservation, the economics of the land-use and the vegetation on the land is taken into account. In fact, the Fire and Emergency Services Act is quite explicit about this: that the land-use needs to be taken into account.

I understand that the sorts of things that have been highlighted are: advising to reinforce roadside breaks with perimeter breaks on farms so that, rather than having farming breaks done just on a property-by-property basis, there is a broader landscape approach to it. I might add that, following the Wangary bushfire, the then minister for emergency services the Hon. Carmel Zollo, instituted a review of bushfire management practices. A wide number of agencies, including SAFF and PIRSA, were involved in that. One of the recommendations of that bushfire mitigation review was that there be a different process and a different structure for bushfire prevention planning in South Australia.

David Place mentioned earlier in this session that there are some changes coming to the house, as did the minister, and the new bushfire management structure is part of the proposed changes. A very important part of this philosophical change is that bushfire prevention planning is done on a landscape basis. We are recognising that a single roadside, which might be burned, slashed, or even cleared, in isolation, may not be effective. Any work done on an individual farming basis needs to be tied in with roadside fire prevention or fire prevention on public land—as you have said, fuel reduction burning in parks and reserves.

Of particular concern after the Wangary fire was the number of farm buildings, hay sheds, wool sheds and dwellings that were destroyed. It is my understanding that the code of practice is pulling together in one document—which is targeting farmers and farm owners—the protection of those buildings and good fire practices.

One example that we have seen is the harvesting code of practice that was developed in draft form for the 2007-08 fire danger season. That was developed with the Farmers Federation, and we had very positive feedback from that. There were then some minor changes for the '08-09 fire season, and that will form part of this code of practice.

So what we are trying to do is simplify and consolidate into one document—a code of practice for farming—all of these good ideas and suggestions which are already out there. This is not going to be a radical, sledgehammer approach. CFS and local government are acutely aware of some of the marginal economics in some of the drought-affected areas and, for this reason, the Farmers Federation is one of the key bodies in developing this code of practice.

At this stage, we expect that the code of practice will be in a draft form ready for comment well before the bushfire season. Being a code of practice, it will not be embraced in regulation or in any act, so there is an opportunity to revise that with the benefit of hindsight in the implementation.

The Hon. G.M. GUNN: Following on from that question, we have been given information in relation to a concern about the number of farm buildings that were lost. It brings me back to what I think is a silly anomaly in the Native Vegetation Act in relation to bushfire prevention. If it is a home, you can clear 20 metres. If it is a shed, it is five metres. So, if you have a shed with a big tank and a water pump, the fire can burn up within five metres, and you are going to get pretty hot while you are trying to start the engine. I put that to anyone here listening who will have more influence. People have not taken any notice of me for a long time. I think I am one of the few people left in this parliament who has actually lit some decent scrub fires in my time, when we cleared a lot of country, so I have a bit of experience.

It concerns me that we have silly people running around measuring firebreaks after fires, and my family has been a victim of that. I have some real concerns about this. Is the minister going to ensure that these obstructionist, silly policies, which have been insisted upon, are rectified so that common sense can apply?

The Hon. M.J. WRIGHT: I thank the member for his question and certainly acknowledge his experience in this area. The member would be aware that we have a review taking place at the moment: the native vegetation review, which is obviously minister Weatherill's responsibility, but I think it is headed by Alan Holmes. Euan is on that, and I will ask him to perhaps comment on where that review is at and how it is progressing. I think the minister is certainly aware of issues that exist in this area, and that is why it is being closely looked at. There is a group of people that have some common sense to these issues. Perhaps Mr Ferguson could bring us up to date of where that review is at and when we might expect its findings.

Mr FERGUSON: The regulations are part of the Native Vegetation Council regulations, which are under the control of the Minister for Environment and Conservation. As a result of the Coroner's recommendations following the Wangary bushfire, the Coroner recommended that the Minister for Emergency Services, the Minister for Environment and Conservation, the Chief Officer and Native Vegetation Council develop a code of practice relating to the management of native vegetation as it affects bushfire prevention.

That work was undertaken during 2008. A native vegetation code of practice was released in February 2009. In fact, the code was announced publicly only a very short time after the Victorian bushfires. Perhaps before I go on to what is happening at the moment, I want to reinforce that the new code of native vegetation and bushfire management identifies three zones of protection, and these are commensurate with the new bushfire management planning approach that CFS has been developing since the bushfire management review.

There will be an asset protection zone, which is specifically targeting protection of farm buildings, protection of dwellings and protection of critical infrastructure; a strategic protection zone, where strategic fuel management can occur on a landscape basis—and that includes the sorts of breaks that we were talking about in the early part of this response such as perimeter breaks on farms and roadside breaks; and an area where the fire is used as a fire management tool such as broad acre ecological burning in parks and reserves.

Those three zones have now been adopted in the new approach by CFS to bushfire mitigation planning. Part of the strategy with the native vegetation code of practice is that currently a lot of the authorisations for specific exemptions to the current regulations lie with the Native Vegetation Council, and the proposal is that a number of those authorisations will be delegated to specific CFS officers, located in CFS headquarters and also in each of our six regional headquarters.

Those delegations have not been effected yet because they require a change to the regulation, but I am advised that will be in place prior to the fire danger season. As I mentioned, the native vegetation code of practice was tabled very shortly after the Victorian bushfires. The Chief Executive of the Department for Environment and Heritage, the minister and I briefed the Minister for Environment and Conservation, and it was our view that there were some new lessons to be learnt from the Victorian bushfires and that it would be prudent to conduct a further review of the native vegetation code of practice.

The Minister for Environment and Conservation has set up a working party with Allan Holmes, the Chief Executive of the Department for Environment and Heritage, as the lead, and of which Dennis Mutton (chair of the Native Vegetation Council) and I are also members. That working party has met at least once a month and has made substantial progress. On each of the issues of setbacks around buildings, setbacks along access tracks, clearances, areas to be burnt and the ease of getting permits, there has been some quite substantial change, in my view, and I think it is recognising that some of the distances which are prescribed in the native vegetation regulations are actually too small.

The changes proposed will allow for additional setbacks and distances to be approved as of right with no need to apply for a permit. It will also delegate to agencies such as CFS an ability at a local level to authorise a landholder to extend that as-of-right clearance distance, and it will also set up a process where very quickly someone can apply if they have an extraordinary clearance that they need to do.

I want to reinforce that there has been excellent cooperation with the Native Vegetation Council and excellent cooperation with the Department for Environment and Heritage. I also want to recognise that the Department for Environment and Heritage has a comprehensive bushfire planning and management process. In the past seven years, it has commenced a very comprehensive planning process on all its national park and public land reserves. That is not quite complete but it has certainly made excellent progress on the high priority park plans.

The Hon. M.J. WRIGHT: I need to complete what I said earlier. David will take about a minute to give you an update on those recommendations that are outstanding.

Mr PLACE: As the minister said, recommendations Nos 1 and 12 are outstanding at the moment. No. 1 refers to the code of practice. These both are now being managed through the bushfire task force which Euan is chairing. As to recommendations Nos 4 and 7, there has been a long and exhaustive consultative process with local government on those matters. They relate to local government and the impact of firefighting practices. They will be complete once the amendments to the Fire and Emergency Services Act are tabled. Recommendation 34, which

relates to the purchase of radios for local government, plant and equipment operators, has also been completed and those radios have been purchased.

Mr WILLIAMS: I refer you to Budget Paper 4, Volume 2, page 7.143. The 2008-09 highlights suggest that there has been a review into the administrative workload of volunteers. There has been some publicity of late, and quite a few complaints from volunteers, at least from the SES and CFS, that they have become overburdened with what they describe as red tape, administrative-type work, the filling out of forms, and, indeed, what some of them are describing as excessive training requirements. What is your response to those complaints?

The Hon. M.J. WRIGHT: I thank the member for his question. He is right, some concerns have been expressed. I met with the CFS Volunteers Association yesterday to get a better understanding. There are a number of areas, and I will not go through each of them, but certainly there were discussions about the role of the volunteer, the amount of administrative work that is required, training and so forth. I am due to meet with the SES Volunteers Association tomorrow, so I will obviously be interested in hearing their concerns as well.

I have asked SAFECOM to analyse each of those issues—I think there were five or six key issues that they put to me yesterday—to do some modelling about how we operate compared to other jurisdictions, and to provide me with some advice as to how we might be able to do it better.

I hope I am not being unfair to the SES Volunteers Association. As I said, I am due to meet with them tomorrow. Although their concerns will not be identical, some of their issues are similar. So, we want to work with both volunteer associations to better understand their concerns, to see what issues we can address and work through, and I have asked David Place, in his role as Commissioner of Emergency and Fire Services, to work with the board to provide me with some options.

Mr PEDERICK: I refer to Budget Paper 4, Volume 2, page 7.179. Performance commentary notes that the demand for the Community Fire Safe program significantly exceeds resources. Given that the performance commentary under the MFS budget line suggests that fire prevention activities may be the causal link to a reduction in the number of annual responses to major incidents, is it not reprehensible that resources cannot be provided to meet the demand for this service?

The Hon. M.J. WRIGHT: Could you repeat the page for me, please?

Mr PEDERICK: 7.179.

The CHAIR: Could you check that page, member for Hammond? I could not find it there either. If you are talking about Budget Paper 4, Volume 2, even on the opposite page I could not quite pick up what you were saying.

The CHAIR: I think it might be on 7.180, sub-program 1.2, the second half of the Performance Commentary.

Mr PEDERICK: Thank you, Madam Chair.

The Hon. M.J. WRIGHT: We have the page; would you mind repeating the question, please?

Mr PEDERICK: Performance commentary notes that the demand for the Community Fire Safe program significantly exceeds resources. Given that the performance commentary under the MFS budget line suggests that fire prevention activities may be the causal link to a reduction in the number of annual responses to major incidents, is it not reprehensible that resources cannot be provided to meet the demand for this service?

The CHAIR: Can you give us the reference to the MFS commentary as well? You refer there to the performance commentary in the MFS—just so that we can be sure we are talking about exactly what is there.

Mr PEDERICK: We are just finding that, Madam Chair.

The Hon. M.J. WRIGHT: We are a little bit lost with the question because the budget has actually increased. The Community Fire Safe program was first introduced by the CFS in 1998. In October 2005, the government approved \$0.571 million for 2005-06 and \$0.612 million for 2006-07 to expand CFS community education programs to high bushfire risk areas, and to implement a targeted community awareness media campaign on bushfire prevention, preparedness and safety appropriate to community needs.

In 2006-07, the government approved a further \$0.225 million to ensure the television campaign was appropriately funded. CFS has an equivalent of 3.2 full-time positions allocated to the employment of community education officers. This enables the CFS to employ up to five officers on a part-time basis, located across the state.

Inherent in the CFS bushfire awareness and education strategy is the understanding that no single approach is best and that a variety of initiatives are required to reach the diversity of communities and individuals that live, visit and work in bushfire threat areas. Throughout the learning process, emphasis is placed on individuals developing and rehearsing a household bushfire action plan.

The community education financial model only provides for bushfire education to be delivered to a portion of the community across the state. The CFS Community Education Unit receives numerous requests for community meetings and assistance. Highlights for 2008-09 include:

- a total of 245 community fire safe groups;
- the establishment of 32 new community fire safe groups;
- conducting 239 community meetings;
- meeting with 13,159 community members.

The CFS developed an 'Are You Bushfire Ready?' DVD, which was delivered to 40,000 households. There has been an increased demand for CFS education since Black Saturday—as one would expect. The bushfire task force is currently looking at this matter.

Mr PEDERICK: I refer to Budget Paper 4, Volume 2, page 7.181. The performance commentary discusses the difficulty in meeting the standards of fire and emergency cover training requirements, and also notes that due to limited resources a decision has been taken to reduce the number of level 2 and level 3 training exercises per region from two to one. Is the CFS resourcing deficit such that lives and property are being put at risk in regional South Australia?

The Hon. M.J. WRIGHT: I will ask Euan Ferguson to provide the detail. We did set a very ambitious target; in fact, it was probably overly ambitious, but Euan will provide the required detail.

Mr FERGUSON: We did set an overly ambitious target of two level 2 IMT exercises per region prior to the fire season. What we did at a state level was to focus on our level 3 teams. A level 3 fire is a very large fire. We have successfully established four level 3 incident management teams. Each team has about 14 members, and they have now been formally trained and accredited. There are four key functions of control, operations, planning and logistics. Some of those training courses have been from other fire agencies, so it is a national accreditation. Each team was trained and exercised prior to the bushfire season.

What we have found, however, when we have come back to the regions, is that the level 2 teams are actually the same people who are doing the level 3 training. I guess there are two things we learned. First, setting a target of two level 2 exercises per region was too ambitious. We did not have the time and the resources to undertake that task. We found that a number of the people who are part of the local level 2 team are also part of the level 3 team. It is not as though they have not had training; they have had training at a different level.

It is relevant to the question that each of the four level 3 teams was used in anger during the Victorian bushfires, and we received very positive results and compliments from our counterparts in Victoria. It is an issue that we are attempting to redress in the lead-up to this bushfire season. We are also discussing a tiered system of exercises through CFS. Perhaps rather than having two level 2 exercises in each region, we may have one exercise which has two shifts of incident management teams. One exercise could be used to ensure that both teams are properly exercised before the fire season.

Mr PEDERICK: I refer to Budget Paper 4, Volume 2. Why is it that the net cost of providing the CFS dropped from an actual of \$56 million in 2007-08 to \$54.7 million in 2009-10 when it is highlighted in the performance commentary that the lack of resources is curtailing important functions of the service yet the net cost of MFS services has increased by 25.5 per cent?

The Hon. M.J. WRIGHT: The advice I have been given is that the figure was higher in 2007-08 because of the Kangaroo Island bushfires. There is also a number of minor (in terms of numbers) decreases in the net cost of services in the 2008-09 budget to the estimated result: additional commonwealth funding for aerial fighting, decreasing the net cost of services, and the

transfer of the CFS public affairs function to SAFECOM. There was an increase in the 2009-10 budget to \$54.713 million compared with the 2008-09 estimated result of \$52.676 million due to an increase in Government Radio Network user charges and new funding for bushfire research announced in the 2008-09 budget and indexation. As I said, the main issue was the Kangaroo Island bushfires.

Mr WILLIAMS: My next questions are probably more relevant to the MFS than the CFS. I refer to the same budget paper, page 7.172. It is noted that one of the major variations to the expenses line with respect to the agency is due to an enterprise agreement covering firefighters from 1 January 2008 to 31 December 2010. The budget papers on page 7.163 reveal that employee benefits and costs from the 2007-08 actual to the 2009-10 budget have risen from \$72.2 million to \$90.71 million, or some 24 per cent. What was the increase in the employee benefits as a percentage in that enterprise agreement?

The Hon. M.J. WRIGHT: The advice that I have been given is that on 1 January 2009 it was 3.5 per cent plus 4.5 per cent; on 1 January 2010 there was a 3.5 per cent increase; and on 1 January 2011 there was another 3.5 per cent increase. So, there were three years of 3.5 per cent, but in the first year an additional 4.5 per cent, which gives a total figure of 15 per cent.

Mr WILLIAMS: In the financial commentary on page 1.172 it is noted that there is a significant reduction in the agency's total assets due to the drawing down of cash reserves to cover the enterprise agreement wage and salary increases. What impact will this have on the Consolidated Account in the out years of the budget, and has the MFS been quarantined from the Treasurer's requirements to cut expenditure across government in both the most recent Mid-Year Budget Review and his proposal to take \$750 million out of the budget in the out years?

The Hon. M.J. WRIGHT: I think there were three parts to the member's question, and if I have missed any part I invite him to come back. The member asked me about the EB and how that is being treated. Discussions are underway with the Under Treasurer with regard to that matter. So, there is no position until we receive a reply from the Under Treasurer.

With respect to the quarantining, in the Mid-Year Budget Review, one admin person is going to come out this year (2009-10). With regard to the out years and whether the MFS will be quarantined, we do not know at this stage. I think that all agencies will have to await the outcome of the Carmody committee to see how that evolves. We will just have to wait and see on that one.

Mr WILLIAMS: I will read into the record a series of omnibus questions which I ask the minister to take on notice:

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

2. Will the minister provide a detailed breakdown of expenditure on consultants and contractors in 2008-09 for all departments and agencies reporting to the minister, listing the name of the consultant, contractor or service supplier, cost of work undertaken and method of appointment?

3. For each department or agency reporting to the minister how many surplus employees will there be at 30 June 2009, and for each surplus employee what is the title or classification of the employee and the total employment cost (TEC) of the employee?

4. In the financial year 2008-09 for all departments and agencies reporting to the minister what underspending on projects and programs was not approved by cabinet for carryover expenditure in 2009-10; and how much, was approved by cabinet?

5. (i) What was the total number of employees with a total employment cost of \$100,000 or more per employee, and also as a subcategory the total number of employees with a total employment cost of \$200,000 or more per employee, for all departments and agencies reporting to the minister as at 30 June 2009; and

(ii) Between 30 June 2008 and 30 June 2009, will the minister list a job title and total employment cost of each position (with a total estimated cost of \$100,000 or more):

(a) which has been abolished; and

(b) which has been created?

6. For the 2008-09 financial year, will the minister provide a breakdown of expenditure on all grants in excess of \$10,000 administered by all departments and agencies reporting to the minister, listing the name of the grant recipient, the amount of the grant and the purpose of the grants, and whether the grant was subject to a grant agreement as required by Treasurer's Instruction No. 15?

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

The ACTING CHAIR (Ms Simmons): The time having expired for consideration of these items, I declare the examination of the proposed payments adjourned until later today.

SOUTH AUSTRALIA POLICE, \$599,132,000
ADMINISTERED ITEMS FOR SOUTH AUSTRALIA POLICE, \$162,000

Membership:

Mrs Redmond substituted for Mr Williams.

Mr Venning substituted for Mr Pederick.

Witness:

Hon. M.J. Wright, Minister for Police, Minister for Emergency Services, Minister for Recreation, Sport and Racing.

Departmental Advisers:

Mr T. Harrison, Acting Deputy Commissioner of Police, South Australia Police.

Mr D. Patriarca, Director, Business Service.

Mr I. Hartmann, Manager, Finance.

Mr J. Bistrovic, Chief of Staff.

Ms V. Bailiht, Ministerial Adviser, Police.

The CHAIR: I declare the proposed payments open for examination and refer members to the Portfolio Statements, Volume 2, Part 7. Minister, I understand you are proceeding straight to questions.

The Hon. M.J. WRIGHT: Yes, we are going to forsake a wonderful ministerial statement that has been prepared for me and we will also forsake government questions. The shadow minister is looking at about an hour, maybe a bit over, if need be.

Mrs REDMOND: I indicate that I have come previously from Estimates Committee B where I read into the record at the opening of the SAPOL appropriation line the omnibus questions, and I understand from the clerk that therefore they are on the record and I do not need to read those.

The CHAIR: That is my understanding as well.

Mrs REDMOND: I refer to Budget Paper 4, Volume 2, page 7.11, which lists the review of the implementation of new firearms. Did SAPOL review the implementation or trial of any other equipment throughout the financial period and, specifically, what reviews followed the trial of tasers, which was announced by the minister in June of last year?

The Hon. M.J. WRIGHT: The advice that I have been given is that, in addition to the review of firearms, the only other equipment that is being reviewed is tasers. The member would be aware that there has been a lot of public debate about tasers. I will get the acting deputy commissioner to expand on what I say about tasers, but certainly I have been briefed on it by the commissioner. I apologise for the commissioner's not being here. He is unwell at the moment. He certainly regrets not being able to be here—that is what he said, anyway.

We are doing a trial at the moment for tasers. I think it would be fair to say that the Commissioner is moving with some caution in respect of tasers. We saw the unfortunate situation in Queensland of a death just in the past week or two, and there have been a couple of others as well. The STAR Group currently uses them, as the member would be aware, but, beyond this trial, we are looking to have a limited roll-out of tasers. This might be an opportune time for the Acting Deputy Commissioner to give more detail.

Mr HARRISON: If I can divide it into two parts, I guess, and if I can talk about the firearms first. We have, for many years, as you would be aware, had exposed Smith and Wesson revolver firearms to all operational police and a smaller version of that for plain clothes officers. We then considered, in line, I guess, to some extent, with the move around Australia, excluding the state of Victoria, a move to semiautomatic pistols. We went through a process through tender, evaluation and, ultimately, procurement to determine that we went for the Smith and Wesson M&P .40 (as referred to)—military and police firearm—which is a rather new semi-automatic firearm on the market and which has now been considered by other jurisdictions both within Australia and around the world. We ran a trial in relation to that in one metropolitan local service area, Sturt; also the Northern Traffic Enforcement Section, with a mixture of motorcycle police and also police in traffic vehicles; and also a country local service area, I guess, to better understand how that firearm would perform in an operational environment or multiple operational environments.

After evaluation, a decision was taken that we would confirm our preferred option, being the Smith & Wesson M&P .40. Over the past six or so months, we have been in the process of expanding and further rolling out the use of that firearm across the organisation. We have taken delivery of some 2,000 Smith & Wesson firearms to date. So far, 1,100 members have actually undertaken the transitional qualification arrangements, which is a process that occurs over a number of days. We expect to finalise a complete roll-out during 2010 in relation to converting from the revolver to the semiautomatic pistol.

Tasers are a different proposition. You may be aware that we have been using tasers in special response group environments for a number of years (some five or six years) and, principally, they have been used by highly trained specialist response police officers in the STAR Group. It has certainly been a tool that has been rolled out by police jurisdictions around the world, including forces within this country, Western Australia in particular, and more recently there has been an expanded use in the state of New South Wales and consideration in Queensland.

In respect of SAPOL, we have a view that tasers have a place for utilisation in resolving a high risk incidents but in particular sets of circumstances. Currently, we are trialling an expanded deployment of tasers. There are some real key principles that we believe should be adhered to in relation to the deployment and use of tasers: certainly, high risk incidents, armed offenders (and 'armed' could mean a firearm, a knife, a stick or a baton), and certainly in an environment that we would declare a controlled environment, where we principally have a police forward commander, a person in charge, who has control of the situation and who is ultimately making decisions in relation to the resolution of that situation.

At this time, we are not of the view that tasers should be issued to individual officers, but they should be readily available to be deployed under those sorts of circumstances where appropriate and considered as one of many options to resolve a high risk incident. We have implemented and are currently undertaking a trial on that basis in the South Coast Local Service Area and in the Elizabeth Local Service Area, and I believe that Port Augusta is the third area where it is being trialled.

We have trained general duty officers. We have equipped them with the taser device and, as I said, it has been used in incidents in which we have considered it as an option to resolve a high risk incident. At the conclusion of that trial during July, I guess we will consider an evaluation of its deployment over the six-month trial period and then make a determination as to whether or not its expanded use becomes a corporate policy position; if that were the case, we would look at rolling out that expanded use across the organisation.

I stress that we think there is a place for tasers. It has to be strictly controlled and regulated, and it really is for use in the resolution of high risk incidents, armed offenders and where we are able to maintain a hierarchical command and control structure, that is, having a police officer in charge calling the shots in relation to what action should be taken.

Mrs REDMOND: I think that partly answers my next question, which relates to those Smith & Wesson M&P .40 semiautomatic pistols. You said that you thought there were about 2,000, but

in December last year I think Deputy Police Commissioner Gary Burns announced 2,400. I think you, Commissioner Harrison, said that 1,100 people had them so far.

When will the rollout be completed? I think the original statement from Deputy Police Commissioner Gary Burns suggested that they would be operational from early 2009, so I just want some clarification on how far the rollout has gone and whether it will be a rollout to all members of SAPOL.

Mr HARRISON: We have been going through a transitional rollout and, because the rollout is fairly comprehensive, and it takes a number of days to transition from the revolver to the semiautomatic, we have developed a corporate schedule, if you like, which will be rolled out incrementally across the whole of the organisation. At the conclusion of that transitional arrangement, all members of SAPOL will be equipped with a model of the Smith & Wesson.

There is a different model because of general duty uniform areas, as well as plainclothes and covert operational areas. The schedule goes through the remainder of 2009 and into the calendar year of 2010. Certainly, it is our intention to transition all police officers from the revolver over to the semiautomatic firearm.

Mrs REDMOND: As a layperson, it seems to me that there is much more risk in the use of a firearm than, on the face of it, the use of the taser. I accept what you say about the need to use tasers in strictly controlled situations, but isn't it the case that our police officers generally have firearms with them? I want to understand why the policy at this stage is that, although we will strictly control the use of tasers, we still have police with what I consider a much more lethal weapon, that is, a firearm that is about to become the semiautomatic pistol. Why then the hesitation about making the tasers for every officer?

Mr HARRISON: I think it is a matter of looking at all the options available to police to resolve incidents. I guess we are more focused on high risk incidents on this occasion. Police officers have many options available to them and, at the lower level, which is relied upon on most occasions, is the ability for police to use what is commonly referred to in policing as 'verbal judo'—simplistically, using their mouth and talking a situation through to get a successful resolution.

Starting at that level, we then can work through a number of options and the options may include the use of a baton, the use of OC spray, the use of a taser and maybe ultimately the use of a firearm if the circumstances require that to successfully resolve the situation. It is the case that police officers have many options available to them currently. We very much recognise that the use of a taser is a significant use of force and I would like to stress that. It is a significant use of force and it must be used in a proper controlled environment depending on the circumstances that need to be addressed at that point in time.

I think there is a significant difference between equipping police officers with a firearm and whether we need to equip some police officers with a taser or all police officers with a taser. We expect police officers to use elements of force only where reasonable and only where necessary in the circumstances. The strong view is that tasers need to be used in a controlled environment where you have a strict line of command and control with a police forward commander making decisions rather than necessarily the person who is pulling the trigger of the taser gun.

If you issued a taser gun to individual members, they are in the heat of the battle of trying to resolve a situation with many options available to them, where, if you examine and understand the dynamics of a taser and the best use of a taser, certainly I am of the view that a preferred option would be for it to be what we would call in policing a deliberate action—that it would be a decision determined that it is an appropriate instrument to use in the circumstances to resolve that particular situation.

Can I say that when a police officer is confronted possibly with a person armed with a firearm, you do not have the same degree of consideration that you can apply to that particular situation to try to resolve it successfully.

Firearms obviously come with strict criteria of use but similarly, as I said, emphasising the point, a taser is a considerable use of force on a person and it must be used in very regulated and controlled circumstances as only one of many options that police have to resolve a high-risk incident.

Mrs REDMOND: Thank you for that answer, and it was very comprehensive and I think I am getting there in the understanding of what is going on, but it just seems to me that a gun is an even more frightening use of force and, as I understand it, when people are trained to use a gun, they are trained to aim for the body mass and therefore it is more likely to be fatal. I assume that

the same sorts of controls on the use of firearms would be necessarily applied to the controls that you would want on the use of a taser?

Mr HARRISON: I guess all I could really add then to try to provide the clarification you may be seeking is that, if a police officer is called upon to resort to the use of a firearm, you really do not have the ability, in the main, to develop a response plan and some contingencies and put things on hold whilst you put a more formal response strategy in place. We realise that if a police officer were to be confronted by a person with a firearm, you may have to respond fairly instantaneously to resolve that situation.

I think the proposition is very different in relation to the deployment and use of a taser which could be and should be only seen as an option that can be explored to resolve a high-risk incident. I really believe that the issuing and the use and the deployment of a taser is very different to that of a firearm, acknowledging that they are both pieces of kit which at times are called upon to resolve critical or high-risk incidents.

Mrs REDMOND: Still on the issue of guns, and it is obvious that use of guns warrants a fair bit of training, our understanding is that, as well as using SAPOL's own grounds for training in the use of firearms, the department pays at least one (and possibly more than one) metropolitan club to use the facilities. Can the minister confirm that Sturt and Christies Beach police stations paid the Noarlunga City Pistol Club \$1,500 for an initial 12 month use of their club?

I will combine effectively three questions in this so that we can just cut to the chase, because I am also aware that the extensive use of the club by SAPOL, we are told, caused the club to request a more realistic and fair rate for its use and they requested that for the next 12 months it be \$5,000. The question essentially is: can the minister confirm that that is the case and explain what the current arrangements are between SAPOL and the club? Did it continue to use the club under the same rate and, if so, how come that occurred; or how much is being paid? I guess, by way of comparison, what would it cost if all that training had to be done in-house in terms of not having the availability of hired premises?

The Hon. M.J. WRIGHT: I thank the member for her question. We are not aware of the specifics in regard to that so I will have to take it on notice and get an answer for you. Obviously, we are going to get the transcripts anyway, but we understand the genesis of the question: the amount that is being paid, what the current arrangement is, and what it would cost if you were somewhere else. We just do not have that detail with us, but I will get that for the member.

Mrs REDMOND: Can I ask if the minister (taking it on notice) can provide details of arrangements existing not just with that club but, if there are other clubs, details of those also?

The Hon. M.J. WRIGHT: Yes, we will include that in the response for the member.

The Hon. G.M. GUNN: Further to what my colleague has asked, in yesterday's media I was interested to read that police officers, involved basically in traffic and other things, are supplying their own video cameras to video incidents. Could the minister just comment on that? It was something that struck me as being a bit unique and I wondered about the reason for it. Is it because officers are concerned about litigation or does it go back to when police officers have been charged with traffic offences? I thought it was a matter that really needs a public explanation.

The CHAIR: That's not estimates, minister, but can you help?

The Hon. M.J. WRIGHT: Yes, it is happening indiscriminately and without the approval of SAPOL. I will get the Acting Deputy Commissioner to speak in a bit more detail. You are right—it was an interesting article. That is certainly the advice that I have been provided. The member would be aware that we are trialling digital camera technology in and around Hindley Street, but perhaps Mr Harrison could provide more detail.

Mr HARRISON: I guess we need to go back a number of years in relation to when video recording became more popular in relation to policing. Certainly, with the advent of section 74D of the Summary Offences Act, there is a requirement for police officers to use vision (video technology), which is now digital technology, to record aspects of investigation—for example, engagement of conversations with suspects—and they are mandated requirements.

We have also introduced that police officers are now routinely issued with video cams or hand-held digital recorders (small recorders) and they have become part of their kit, if you like, so that when they go out to conduct investigations they will routinely videotape a drug search, for example, and they will also videotape the interaction of conversations between investigating officers and suspects or persons who are accused of committing more serious offences.

For a number of years, SAPOL has endorsed, condoned and issued hand-held video cameras across the organisation for particular investigative purposes. More recently, we have gone through a tender and procurement process for the transition to digital cameras for crime scene investigation. Some 100 cameras have been purchased and are in the process of being rolled out across the state to support crime scene investigation work.

As the minister alluded to, more recently, we have embarked on a trial in relation to the use of digital video camera technology that has been in many shows recently in documentaries where police are now wearing body video camera equipment to record interactions with members of the public and suspects once again.

In the instance that seemed to be highlighted through *The Advertiser*, a photograph was obtained of a video handy cam that one of our members had attached to the dashboard of the vehicle. That is not currently an endorsed policy position by the organisation, and there are a number of reasons for that.

One is that our cars are significantly fitted out with extensive electronic equipment at the moment. In the past couple of years, we have introduced what are called mobile data terminals (computer screens) in police vehicles, as well as an extensive amount of additional electronic equipment. There are limitations on how much electronic equipment we can put in vehicles because the reality is that the batteries go flat if you leave them operating with lights and sirens going for long periods because of the extensive amount of electronic equipment fitted into our vehicles.

We recognise that, owing to advancements in technology, this sort of kit (video cameras mounted on dashboards) is something that we need to look at. We understand the reasons why police officers would like to engage in the use of it—and you mentioned some of the things such as litigation, complaints and investigative tool—and we recognise that there may well be merits in relation to each of those aspects to look at an expanded use of video or digital photography in other dimensions of policing, including mounting within vehicles.

In relation to what has been identified, though, that is being looked at as a priority, as has the issue of indiscriminate use and mounting within vehicles, because it has obvious safety concerns for us. If the equipment is not suitably secured within the vehicle through engineering certificates and endorsed practices, the reality is that it may actually be dangerous to have those pieces of kit within police vehicles.

You can only imagine in the worst case scenario of a crash, it could become quite a lethal object to be flying around the interior of a vehicle. We need to ensure that there is no interference with the safety aspects of a car, including things such as airbags. So, currently, I have generated a review in relation to the indiscriminate use of this sort of equipment within our police vehicles across the state. We are also going to examine the use of such equipment both within Australia by other jurisdictions. I understand that New South Wales, for example, has expanded the use of video cameras being more permanently fitted within their police vehicles, but the reality is that I think we have to take a controlled approach to the issue of this because there are lots of complexities.

In conclusion, in many respects, the front end of what is occurring is the easy part. The installation of a video camera in a vehicle in some respects is the easy part. The more difficult part is how you manage the data you collect from both a record-keeping responsibility, electronic storage capacity, cataloguing of images, voices, recordings so that it can be called upon, and also the implications of introducing that from a prosecution perspective. To some it may appear to be a rather simple new piece of technology that can be utilised, but it is rather complex in relation to the installation and longer term use of cameras within vehicles.

The Hon. G.M. GUNN: I note on page 7.113 that reference is made to the operation in the APY lands. Can the minister give us an update on the ability to appoint in the operation of what were formerly called Aboriginal police aides, whether that program is successful, and whether we are encouraging Aboriginal people to be involved in implementing the law in their own areas, because I think there are benefits in it.

The Hon. M.J. WRIGHT: I thank the member for his question, and I agree with the tenor of it. It is an important area. We have 10 community constable positions, not that they are all filled at the moment; but there is provision for 10 community constables in the lands. It is part of the policing model that is used for the APY lands. Perhaps Tony would like to give us a bit more detail.

Mr HARRISON: There has been a lot of focus—certainly through the media—in relation to the need for a police presence within the APY lands. There has been a lot of reference to commonwealth funding for infrastructure, as well as the utilisation of what is referred to as the Recruit 400 program to put additional police into the APY lands area. I guess it certainly goes without saying that it is a very complex environment to operate in—from government employees, including police—but we have a significant commitment to expand the number of sworn police officers, including community constables, those 10 positions the minister referred to.

Owing to additional funding and also the provision of the Recruit 400 strategy, we currently have eight full-time police officers operating in the APY lands area, as well as support from neighbouring areas, such as Marla. We currently operate a fly in, fly out arrangement to support those eight full-time positions, so we have a total of 12 positions on the ground. The fly in, fly out arrangement utilises police from across the organisation who are seconded into the APY lands area for a temporary two-week period to provide that additional support.

As this calendar year progresses, we are moving to a total of approximately 19 full-time positions. There will be positions at Amata, Ernabella and Mimili where there will be a default number of four general duty police—one sergeant supervisor plus three additional—making it 12 police officers on the ground in those areas. Hopefully, by the end of the year or the beginning of next year, we will be getting new police complexes and adjacent court facilities.

In addition to that, we are also looking at putting a full-time detective (a trained investigator) on the ground, as well as two domestic violence child abuse coordinators. So, our contingent will come to a total of approximately 19 full-time sworn positions. In addition to that, we will have the 10 community constable positions. So, we will have a significant number of visible police officers present on the ground in a permanent capacity acknowledging the complexities of operating within that environment.

We very much endorse and support the view that providing a safe community really is fundamentally important to getting on top of a lot of those associated issues, such as alcohol, drugs, domestic violence and child abuse. We are acutely conscious of the recommendations coming out of the Mullighan inquiry. We are very responsive to some of those recommendations in ensuring that we have the appropriate protocols, policies, and appropriately trained police officers (including cultural understanding training) on the ground and able to respond to crime, safety and disorder issues in a timely fashion.

The Hon. G.M. GUNN: I am pleased with the answer but, further to the question, the success of the program will depend on those officers having adequate housing and other facilities, because I have had some experience in that part of the world and I know the difficulties of other government employees. Often their home is actually the centre of their lifestyle. Can the minister assure us that those people who go there—and often it is pretty stressful and difficult—will have the very best accommodation and other facilities which will enable them to want to complete their term? There is also the difficulty of whether these people have spouses, because often there are not a great deal of job opportunities for the spouses. But I come back to the issue of housing and the ability to be able to get in and out of the areas.

The Hon. M.J. WRIGHT: It is a relevant point. The Minister for Aboriginal Affairs and Reconciliation announced that the federal Ministerial Council for Aboriginal and Torres Strait Islander Affairs has released a funding package of \$34 million to improve the wellbeing of Aboriginal people in remote communities. This funding package includes \$7.5 million for police stations, police housing and associated infrastructure at Amata and Pututja. These facilities will include court facilities.

Further to that, the advice I have received is that the construction is done in a way to provide a reprieve for the officers so that they have a breakaway situation once they return to their housing. There are also incentive packages in place and priorities for relocation. So, it is a valid point that the member makes, and it is one that we are working on.

Mrs REDMOND: I again refer to the highlights and targets on page 7.111. This is something that does not appear in the highlights and targets, and I thought it would. The minister probably recalls being in London in March of this year where he announced the automatic numberplate recognition cameras, something that we are all interested in. That was reported on Adelaidenow back here. Of course, we know that they instantly scan numberplates and they are used for various purposes, including monitoring the vehicles of outlaw motorcycle gangs.

I note that in September 2007, the federal justice minister welcomed the release of a report promoting the ANPR technology. We are informed that in November 2007, the federal minister

presented at a crime forum in Marion stating that his government would co-fund the implementation of these cameras on a fifty-fifty basis with the states.

Could the minister please advise if we received any federal funding and, given your announcement in March, what stage is the trial and/or implementation of the ANPR technology at, and where is it found in this year's budget?

The Hon. M.J. WRIGHT: The advice I have received is that we have not received any federal funding. We have implemented, or introduced, four mobile ANPRs, so they can go from car to car, and the advice I have received is that that was in the 2008-09 budget, so it would not have appeared this year.

In addition to those four mobile ones we also have two static ones. In addition to that, the matter that might be of interest to the member relating to the federal government is that it has funded CrimTrac to the tune of about \$2.4 million so that it can undertake a feasibility study in regard to the further rollout of ANPRs around the country.

Mrs REDMOND: I move on to the Investing payments summary on page 7.113 of the budget paper, and note the work in progress on additional police shopfronts. The state government recently announced that there would be a change from the 24 hour a day, seven day a week operation of the McLaren Vale Police Station to business hours. Can the minister advise what is the saving that is going to come out of that change in operations, and what additional resources are being provided to the Aldinga Police Station in order to absorb the workload that will come about from changing those hours to business hours?

I will include another couple of questions on this particular issue. Firstly, is the McLaren Vale premises owned by the state government, and if so, what will be done with it? Has the minister had any discussions with SAPOL or the state government over the closure of any other stations, in particular Goolwa, which is only just outside my electorate, and Stirling, which is between my office and my house?

The Hon. M.J. WRIGHT: The honourable member asked quite a few questions in that particular tranche, which is okay, but if I miss any out please come back to me. The member referred to McLaren Vale being 24 hours, seven days a week. That is not my understanding. In regard to the second issue that was raised as to what are the savings, it is not an issue of savings. In regard to Aldinga, I may not have interpreted the question correctly, but I think the reference was to what—

Mrs REDMOND: Additional resources. The essence of the question was that, if we reduce the hours at McLaren Vale then the workload has to be picked up somewhere else, and the indication has been given that it is going to be absorbed into Aldinga, so the question related to what additional resources are being provided to Aldinga.

The Hon. M.J. WRIGHT: The advice I have received is that there will be an additional four people for Aldinga. That will be the one person who is currently at McLaren Vale and another three people. In regard to the sale, there has been no decision taken with regard to selling anything. The government owns the police building—police have the counter and DTEI have the house. To the best of my memory—and I am sure I would remember it—there has been no discussion with me about closure of other police stations. There has been wild speculation by other members—not the shadow minister—in regard to what might happen at Malvern and Goolwa. They are not closing; and I will get Tony to elaborate on that.

In relation to McLaren Vale, the station will be open during the week. Currently, there are discussions with the local community, and it probably will be the case that it will be specified as to what hours the station will be open from Monday to Friday, 52 weeks a year. Hypothetically, it may be from 9am to 12 o'clock. There is some discussion, if my memory serves me correctly, that the local community would like it to be open in the afternoon on a Thursday; and that is being negotiated. If I am not right about this, Tony can correct me in a moment. Once those negotiations are completed, there will be an agreement as to what hours the station will be open.

Those hours when the station is not open, the police officer will be in McLaren Vale. He will be moving around the community, so police on the beat—just like the opposition asked for—will be delivered. He will be going from schools to local businesses to community houses, and so forth. In addition, patrols will be servicing the area of McLaren Vale. We think that this will be a better policing model than the existing arrangement. There has been some discussion about that. I guess we must have those discussions with the local community and, ultimately, demonstrate that. I will ask Tony to elaborate on the specific detail.

Mr HARRISON: Can I say from the outset that we acutely understand the importance of a police presence in the McLaren Vale/Willunga Basin area. This issue, from our perspective and the need and acknowledgment of having to work with the local community, is about providing the best service delivery model to the population of the Willunga Basin/McLaren Vale district and area.

We largely have two distinct service delivery models within policing: one is for those more remote isolated areas and one is more for urban areas because of economies of scale, volumes and numbers of people. One and two person police stations are a very good, efficient, practical model in remote areas where there is limited accessibility to wider policing resources. We acknowledge that there are some delays at times in relation to getting support to those isolated areas. At one and two person police stations, police officers offer a very good service to their local communities.

We recognise that McLaren Vale has been subject to the urban encroachment or the spread or sprawl. It has become time for us to look at how we provide the best service delivery model to a growth area and an expanding area, and also an area which has been subject to urban encroachment. One and two person stations largely work in isolation, but in close proximity we have the South Coast Local Service Area, which is very much a metropolitan design and application of provision of police services.

Within policing, certainly in the metropolitan local service areas, and the South Coast, we have all sorts of systems and processes to ensure we have the best use of resources 24/7, 365 days a year. For example, we have what is called tasking and coordination group processes, which is a daily process to determine that we have the right resources in the right place at the right time to deal with crime, disorder and safety issues. We also have the flexibility of being able to deploy a general duty patrol car, an investigator car, a specialist traffic car, an inquiries car, a miscellaneous car and other resources from the local service area.

This is a case whereby we are looking at the service delivery model which best fits the McLaren Vale district and population base. I have no doubt that by integrating the needs of McLaren Vale into the South Coast Local Service Area, inclusive of the Aldinga Patrol Base, will provide us with the ability to deliver a much enhanced service delivery model to the population of McLaren Vale. They will no longer have to rely upon a single police officer who has the difficulty of maintaining opening hours of a police station and front counter, as well as responding to taskings and incidents in the local community, and providing a variable hours approach of a police station.

What we will have—and what we are guaranteeing—is that the police station will be open at the same time, Monday to Friday, every day, which provides reliability to the community; and the police officer in that station will not have to respond to taskings or requirements in the town. That can be facilitated by resource deployment coming out of the local service area, particularly Aldinga Patrol Base, which will get an increase of FTE numbers, as of today, as a result of the changes being implemented.

With a one or two person station, when the person is off duty or absent owing to annual leave, special leave or sick leave, it is always challenging to provide a good comprehensive service to local communities. When we can call upon the significant resources of a local service area, such as South Coast Local Service Area, we will be able to ensure there are no gaps in the provision of service to the community of McLaren Vale.

We are talking about two distinct styles of policing here. We have to recognise that the dynamics, the environment and the geography of McLaren Vale is such today that we can provide an enhanced service delivery model by tapping into the South Coast Local Service Area and Aldinga, with Aldinga now having extra FTEs to accommodate this delivery model, as opposed to still relying on a country police officer type of approach to that particular community. So, the provision of a counter service will be assured.

We have also provided an assurance to the local community that they will still get the equivalent of a full-time police officer there for the 37½ hours a week doing station duty as well as foot patrols, Neighbourhood Watch, school issues and crime/safety/disorder type policing, which is required in any community, including McLaren Vale.

There is no discussion in relation to the closure of any police stations. No police station will be closed in McLaren Vale. There will always be a police station facility and presence there: that is a guarantee. There is no suggestion at this stage that we are looking at closing police stations in any other areas, including the one you mentioned, Goolwa, which is a two-person police complex.

As I said, it is really about service delivery models. McLaren Vale has expanded and grown to the extent that it needs a different service delivery model, one which we think can be far better enhanced by the provision of tapping into the greater resources of the South Coast Local Service Area.

Mrs REDMOND: Can I ask for some clarification, or even a comment on it? I understand what you are saying about the delivery of services. Over the 30 years that I have lived in Stirling, I have seen that police station go from having a courthouse and magistrate attached to just a police station, when it expanded considerably, and now it is getting fewer and fewer hours.

Whilst I can understand the concept of having the local service area deliver services from Mount Barker, the difficulty that then becomes apparent is that for anything that happens after hours, because we are not on a nice, neat system of grid streets like most of the metropolitan area, it is very much a matter of local knowledge and additional time. Although it is only 10 minutes to travel from Mount Barker to Stirling (and I am using that as the example because I know the area so well; McLaren Vale sits just on the edge of my electorate), getting out into the backblocks of Scott Creek or Bradbury takes another 10 minutes and it is not so familiar to anyone who is working at Mount Barker. Are the downsides taken into account in making these decisions as to the reduction of hours with respect to local police stations?

Mr HARRISON: Yes, they are all taken into consideration. I guess a broader explanation is that we certainly acknowledge that we need police stations. It is certainly part of our South Australian policing model in respect of accessibility to police in a number of aspects and, certainly, police stations are an important part of that policing model. We also have sitting behind a police station the call centre, the communications centre, and we also have the crime management unit that operates within local service areas. In relation to accessibility and providing a service, fortunately, we have the ability to take the office—the police station—to a person's house, their work premises or the side of the road if they are in need of a police response.

Having a police officer within the confines of a police station to provide a desk counter service is certainly important, and I understand the relationship between local communities and the building—the police station—within those local communities, and you mentioned Stirling as an example, and also Goolwa and McLaren Vale. However, equally as important is that we can provide a very timely efficient service to anyone anywhere, depending on their need at that given point of time and, through the provision of a call centre, which largely manages our 131 444 access, through communications, our 000 function, and also our extensive general duty patrol environment, the reality is that we can get police to most people in need in a very timely fashion, which is what we do.

I think the community needs to understand that the provision of operating hours of a police complex is important, and we recognise that, but it really is only one aspect of a comprehensive service delivery model in having access to the police function. As I said, fortunately, we have a system whereby we can get police to virtually anyone anywhere at any time if they are able to make contact with us.

The Hon. G.M. GUNN: On a different subject, where a warrant is issued to search premises in respect of which there has been an allegation of illegal activity and no evidence is found that the person has committed any offence, but a number of police officers enter their private residence, which is a fairly traumatic experience for people, what checking up is done with respect to the evidence to make sure that people may not have been making allegations maliciously against ordinary law-abiding citizens?

I support the police and I understand that they have a difficult role, but in a democracy the average citizen is at a grave disadvantage when they are dealing with the government or its agencies. You and I know our rights and how to stand up for ourselves, but an ordinary member of the public who is suddenly confronted with five or six police officers first thing in the morning has no idea what their rights are. I have had a case that the officer may be aware of, and it greatly concerned me that this person had never committed an offence in their life but was put through the most traumatic experience and came to me beside themselves. I know that from time to time some of your senior officers think I am a difficult character—

The Hon. M.J. WRIGHT: You haven't done anything to give them some incentive to think that way?

The Hon. G.M. GUNN: No, 98 per cent of the time I would agree with them, and I do that. However, I believe that in a democracy people have absolute rights, and that is why we are sent here. I wonder whether they can give an assurance that proper checking up will be carried out to

make sure that these people have not been the victims of false allegations and that the evidence is there.

The Hon. M.J. WRIGHT: You are correct. People do have rights, and there need to be responsibilities that go with any sort of behaviour. Certainly, the police have checks and balances in place, and I will ask the Acting Deputy Commissioner to go through those.

Mr HARRISON: There are many varied authorities, powers and instruments that police call upon, obviously, to gain entry to a person's premises. For example, by the use of a general search warrant in respect of the Firearms Act, child protection, and certainly a very common one is the Controlled Substances Act, and drug warrants. Some of those authorities are prescribed within the piece of legislation themselves, and a police officer must satisfy themselves that they meet the criteria, for example reasonable cause to suspect or reasonable cause to believe something is occurring to engage in the use of that authority, provision or warrants, and, in other cases, a section 52 drug warrant. For example, under the Controlled Substances Act, an officer of the police, an inspector or above, must be satisfied of the justification before they issue a drug warrant, and certain criteria need to exist in relation to reasonable cause to suspect there is evidence which would afford the commission of an offence, inside a premises for example.

Can I say that we receive information from many different sources. A very common one is BankSA Crime Stoppers. We receive about 1,200 to 1,300 pieces of information on a monthly basis, and that has been continuous now for some 12 or 13 years. I can say that, in every instance, police officers need to show due diligence before they engage in the use of such a powerful tool as a search warrant or an authority to enter premises, possibly break and enter premises, and seize things within those premises.

I believe strongly that, in the main and generally, we target the right addresses and the right people, but, on occasions, it could well be the case that someone provides information to police through a number of sources, which, when checked out before engaging in the search of those premises, there is a prima facie case that it is all above board.

I can recall being a detective when I have attended a premises with an authority or a warrant and it has become very obvious to me, when I have gone to the front door, that the information just does not add up. I would like to hope that, in those cases, police show the necessary respect and consideration for the occupants of those premises, but I accept we may not do our job as well as we possibly can on all occasions. However, I like to hope that, in the main, police recognise that, if the information is not accurate, genuine or reliable, they respond accordingly and respect the residents of that particular house or premises.

The reality is that, in the main, police do not willy-nilly engage the use of authorities and warrants to gain entry to premises. As I said, I would like to think that, in the main, when police become aware that things are not adding up in relation to the foundation of that information, they act accordingly and show the due courtesies and respect to those particular occupants of the premises.

Mrs REDMOND: I turn to the road use regulation program that appears on page 7.123. The introduction states that the program includes 'targeted, directed and general patrols'. On 15 May, *ABC News* reported that some residents of Kingston in South Australia said they were intimidated by a police blitz in their town in the preceding week. They alleged police were being unreasonable, pulling most people over and fining them for the most minor traffic offences. My question is: why was the direction made to target police resources in Kingston at that particular time?

The Hon. M.J. WRIGHT: The advice I have received is that it was a decision of the Assistant Commissioner of Southern Operations, Madeleine Glynn. The decision was made because there was a general ignorance of road safety matters, in particular use of mobile telephones and not using seat belts. Clearly, it was something that needed to be addressed if we are to be serious about the road safety message.

Mrs REDMOND: Can the minister advise whether there is some sort of strategic procedure by which particular towns are targeted?

The Hon. M.J. WRIGHT: I will get Tony to answer that, if I may.

Mr HARRISON: Certainly when we talk about police using intelligence for crime reduction and identifying criminal offences, we also use and rely upon intelligence processes for resource deployment in relation to road safety—and that is a very comprehensive process these days. You would be aware that we have a traffic watch system where we encourage members of the public to

provide information about poor driving behaviour. We also have police officers who provide information. We have complaints from members of the public about things such as hoon driving, wheelies in streets and so forth. As a result of crash data, in particular in relation to crashes, serious injury collisions and fatalities, we look at the intelligence in totality and where we need to deploy resources.

One of the tactics that has been used—and I was assistant commissioner southern operations—is that, in the more rural areas, you can have a significant impact in relation to education through enforcement and influencing driver behaviour and also maybe antisocial behaviour within country towns. Both were then Northern Operation Service and also Southern Operation Service, which has a responsibility for the police local service areas. We now have what we call service based uniform tactical teams and, if you like, they are considered to be a flying squad type arrangement, where the assistant commissioners of both Northern and Southern Operation Service have the ability to deploy across their service, both country and metropolitan areas, putting in a flying response team of police officers.

They have 15 officers each whom are dedicated for the particular purpose of going in and addressing issues of crime, safety and disorder, within both metropolitan and rural communities. I believe it was the case that, in relation to Kingston which you make mention of, it was the Southern Operation Service Uniform Tactical Team that was deployed to go down there, en masse, and, for a period of time, ensure that there was compliance with road safety provisions and road traffic provisions—certainly, talking on mobile telephones, seatbelts, speed, drink driving, inattention behind the wheel: the fatal five that we refer to.

So, from time to time I think there is a necessity to ensure that rural communities also ensure that they are compliant with the road traffic laws. We know from statistics over the last two or three years that, unfortunately, the majority of our road fatalities have occurred within rural communities. We also see a very high number (some 50 per cent) of serious injury crashes occurring within our rural communities. We see that it is an important aspect of policing to ensure that we send a clear message to rural communities about their need to comply with road traffic laws.

Mrs REDMOND: I am conscious of the time, so I will perhaps make this the last question. I refer to the Capital Investment Statement, page 25, work on the Fort Largs Police Academy. Will the minister explain the \$29.3 million increase in the estimated total cost of the project?

The Hon. M.J. WRIGHT: Just before I address the question, I put on the record my appreciation of our police. They are obviously in a very stressful position, but they do a fantastic job, and it is often unthanked. I also acknowledge SAPOL's leadership team: Commissioner Mal Hyde; Deputy Commissioner Gary Burns; all the assistant commissioners, including Tony Harrison, who is with us today; and the executive.

With regard to the police academy, it will be an exciting project. It has been rescoped. A considerable increase in the academy's trading volume was brought about by a significant growth in recruitment numbers through the Recruit 200 and Recruit 400 recruitment initiatives (and we have record numbers of police), the extension of the cadet training course from six months to nine months' duration, the expansion in training programs, the introduction of Operations Support Command, the Protective Security Officer course and the police youth recruitment program.

During the planning process, SAPOL recognised the benefits of consolidating SAPOL's training facilities by relocating the Crime and Intelligence Faculty from police headquarters, Traffic Training and Promotion from The Parks police complex and radio communications training from the Thebarton Police Barracks. Consolidation will provide efficiencies in the sharing of resources, infrastructure and amenities and will contribute to SAPOL's meeting efficiency targets. These include sharing classrooms, breakout rooms, stores, the scenario village, staff amenities and administration spaces.

As a consequence of the planned consolidation, no provision has been made for the Crime and Intelligence Faculty to be located in the new police headquarters. If it were to remain with police headquarters, its equivalent area would cost in the order of \$316,000 per annum, so it has really been rescoped.

Mrs REDMOND: I will arrange for the rest of my questions to be put on notice. I also record my appreciation for the fine work done by the police officers in this state—especially coming to face the trauma of estimates committees.

The CHAIR: I thank the advisers, and the committee stands suspended until 7pm. There being no further questions for the Minister for Police, I declare the proposed payments to South Australia Police and Administered Items for South Australia Police completed.

[Sitting suspended from 17:12 to 19:00]

ATTORNEY-GENERAL'S DEPARTMENT, \$138,279,000
ADMINISTERED ITEMS FOR THE ATTORNEY-GENERAL'S DEPARTMENT, \$70,020,000

Membership:

Mr Pisoni substituted for Mrs Redmond.

Witness:

Hon. M.J. Wright, Minister for Police, Minister for Emergency Services, Minister for Recreation, Sport and Racing.

Departmental Advisers:

Mr J. Maguire, Chief Executive, Attorney-General's Department and Department of Justice.

Mr D. Harvey, Director, Office for Racing.

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

Ms D. Contala, Executive Director, Business and Financial Services.

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

Mr C. Paul, General Manager, Finance and Business Improvement.

Ms J. Hughes, Director, Venues, Infrastructure, Policy and Planning.

Mr M. Schetter, Director, Industry Development and Participation.

The CHAIR: I declare the proposed payments reopened for examination and refer members to the Portfolio Statement, Volume 2, Part 7. I understand that an accommodation has been reached as to the order of examination in terms of the advisers. Is that correct, minister?

The Hon. M.J. WRIGHT: That is correct.

The CHAIR: Is that your understanding, member for Unley?

Mr PISONI: That arrangement was agreed to on the condition that there was neither an opening statement nor any government questions, Madam Chair.

The CHAIR: The member for Unley, some questions?

Mr PISONI: I refer to Budget Paper 4, Volume 2, page 7.47, Program 11: Recreation, Sport and Racing. Minister, because of reforms proposed and accepted following the Bentley report, racing now stands to benefit from significant tax relief each year. My understanding is that it is forecast to be in the order of \$5 million in the 2009-10 financial year. Could you confirm the figure?

The Hon. M.J. WRIGHT: This was a very important measure put forward by the government, and the advice I have received is that in 2008-09, it is \$4.2 million; in 2009-10, it is \$5.5 million; in 2010-11, it is \$6.7 million; in 2011-12, it is \$7.6 million; and then in 2012-13, it is \$8.4 million.

To the best of my memory, I think that removes any receipts that the government gets from a taxation point of view. I think we are the only state in that position. Primarily, this money will be used for the distribution of increased prize money. Obviously, it is a very important tax benefit to the racing industry.

Mr PISONI: I refer to the same budget paper, page 7.47. Due to the closure of the Cheltenham Racecourse, the Horse Skills Centre is being shifted to Morphettville. Can the minister

advise the committee of the cost of the move and where the move is at the moment? I understand that TRSA has allocated \$1.3 million towards the move. Has the government provided any additional funding? So, we are after the total cost of the move and any government contribution to it.

The Hon. M.J. WRIGHT: I am not sure about the cost of the move. You are right about TRSA providing \$1.3 million. The advice that I have received is that the balance of the overall cost will be met by TAFE.

Mr PISONI: Are you able to advise what that is?

The Hon. M.J. WRIGHT: We do not know what the cost of the move is.

Mr PISONI: Can you bring that back to the committee?

The Hon. M.J. WRIGHT: Yes, sure; we can try to get it for you.

Mr PISONI: I refer to the same budget paper and the same page. Can the minister please give us some detail on how the Office for Racing spends its budget and how many full-time employees are based in the office?

The Hon. M.J. WRIGHT: The number of staff is 2.6. I guess, from a macro perspective, the Office for Racing provides strategic advice to the racing industry, and I will go into a bit of detail about that in a moment. Just to go back a step, when we were first elected to government back in 2002, I was very keen to establish an office for racing. The reason that we established an Office for Racing was that we wanted to ensure that strategic advice would always be available to the racing industry.

The Office for Racing gets involved in major policy issues, such as product fees from authorised wagering operations—which involves integrity and contribution agreements with the wagering operators—and licensing of commissioned agents, and there are national implications there. I think it is due to be discussed at the next Racing Ministers Conference. The Office for Racing gets involved with national and international issues as well as new venue options. For example, Greyhound Racing is looking at options that may be available for them to look at in the future.

The Office for Racing also gets involved with national funding models for Australian racing; corporate entities, such as Thoroughbred Racing SA, Harness Racing SA, Greyhound Racing SA; obviously, the South Australian TAB; and the Bookies League. It also gets involved with issues such as the second track at Morphettville; issues that relate to the IGA and authorised betting operations; and obviously issues that relate to DTF. So, it has a very broad involvement, and it has certainly been a very important instrument of government.

Even though the racing industry has changed significantly since the corporatisation of the industry undertaken by the former Liberal government, we thought, on coming to government, that there was still a role for government in being able to assist the racing industry, looking at all the possibilities for future funding, how it would go about its business, how it would position itself and issues of that type.

Mr PISONI: Are you able to give me a breakdown of the amount that was spent in 2008-09 on travel and entertainment from that office?

The Hon. M.J. WRIGHT: We would have to come back to you with detail on that. I would not imagine it would be a very large figure, but rather than try to guess we can get that detail for you.

Mr PISONI: On the same budget reference, while I acknowledge that the funding comes from the tourism budget, I was obviously disappointed to note that funding for the promotion of the thoroughbred summer racing carnival has been withdrawn in the state budget and, therefore, affecting the racing industry. Could the minister advise which specific events this funding would normally be used to promote? We understand that it would usually be spent promoting the Magic Millions race day or some country race meets.

The Hon. M.J. WRIGHT: The money was used for the Adelaide Cup Carnival, which included some country meetings, and the Magic Millions yearling sales event. The catalyst for that money, from memory, was to provide a stimulus at the time. I am not sure if it was ever imagined that this would be given in perpetuity.

We spoke earlier about the \$8.4 million that becomes effective in 2012-13 from the government's TAB wagering tax; the \$5 million for Morphettville; the \$6 million for Gawler; and

there is also stimulus from the product fee revenue. So, to put it mildly, these injections that have gone to the racing industry are unheralded in South Australian racing history.

Mr PISONI: In the same budget paper, cost of program, sub-program 11:2. Other than funds to run the Office for Racing, can the minister advise the total financial assistance given to racing in 2008-09 and indicate what has been budgeted for 2009-10?

The Hon. M.J. WRIGHT: Are you talking about money that has gone to the racing industry, or are you talking about money that has gone to the racing industry from the Office for Racing?

Mr PISONI: We are aware of funds that the government provides to run the Office for Racing. What we are trying to establish is what additional funds the government will provide to racing in 2008-09 and what is budgeted in 2009-10?

The Hon. M.J. WRIGHT: The advice I have received is that in 2008-09 it will be approximately \$12 million in assistance, which will grow to approximately \$15 million in 2009-10.

Mr PISONI: In relation to the same budget reference, the last state budget announced funding for the redevelopment of the Gawler Racecourse, due for completion in February 2010. My understanding is that the redevelopment has been put on hold due to complaints from a nearby developer. Has the TRSA advised the minister about the issue? What steps will the government take to resolve the issue?

The Hon. M.J. WRIGHT: The advice I have received is that the Office for Racing spoke to TRSA today. The general advice from TRSA is that they do not expect the project to be held up significantly. They have already expended \$1 million. They have signed documents for the supply and delivery of turf for the track. There has been some media presentation about the possibility of its being held up, but TRSA's advice is that they do not think it will be significant.

Mr PISONI: Is it weeks or months? What is 'significant'?

The Hon. M.J. WRIGHT: The ERD Court met today, so we will find out shortly about that.

Mr PISONI: You are not really sure?

The Hon. M.J. WRIGHT: I am not sure until we hear from the ERD Court, no.

Mr PISONI: Same budget reference: obviously it was pleasing to see the completion of construction of the second racetrack at Allan Scott Park at Morphettville this month. Has the minister been provided with the detail about the number of extra race meets which will be held at Morphettville, now that we have lost Cheltenham and Victoria Park as metropolitan racing venues?

The Hon. M.J. WRIGHT: The advice I have received is that Morphettville has forecast that they will be able to conduct up to 70 race meetings a year with the two tracks.

The Hon. G.M. GUNN: Can the minister give us an assurance that the government will not be swayed by these anti-jumps or anti-hurdle racing groups, a small minority of illogical people, who are attempting to make life difficult for the people who train horses for steeplechases. They are very similar to these anti-rodeo groups that race around the country every now and again, small in number but loud in noise. It would be a pity if great public events such as Oakbank were even called into question.

Can I say by way of explanation that the next time the minister is at Oakbank, if he looks at the big plaque there with all the horseshoes on it, he will see Mount Cooper winning once and dead-heating and he will also see my neighbour's horse, Gulf Stream, there. So, I know about little bit about it. I would be very disappointed if there were any problems caused by these minority, irrational groups.

The Hon. M.J. WRIGHT: We are certainly not of a mind to be banning jumps racing. Having said that, as the member would be aware, it is a decision for Thoroughbred Racing SA, but I think it is of a similar mind. We need to make sure (and I think everyone would agree) that both horses and jockeys are as safe as they possibly can be.

Through all of this media hype, a couple of points seem to have been lost. There have been a lot of deaths, but most of them have been in Victoria. From memory, I think there have been about 19 deaths over 18 months in Victoria, whereas there have been only two deaths here in South Australia. Two is disappointing, but I think we have in place infrastructure that is superior to that of Victoria. Having said that, I welcome the fact that TRSA is going to review all safety conditions at the end of the season.

Generally, what we need to be about is slowing the horse down. In Victoria they have lowered the jumps and the horses have no respect for them and go straight through them, and that is largely what is causing the falls in Victoria. In South Australia they are higher (I know this sounds around the wrong way but it is not), so the horses have to slow down and jump them. I think Victoria has really gone down the wrong track with respect to jumps racing, and that is largely what is causing all the deaths there. They may well change their situation—I think they need to. To answer the member's question, I think there is a healthy respect for the history of jumps racing here in South Australia, and TRSA shares that respect. We will now move on to the Office for Recreation and Sport.

Mr PISONI: I refer to Budget Paper 4, Volume 2, page 7.46, concerning facilities. Steve Marshall, the Liberal candidate for Norwood, has had meetings with representatives from the basketball community in the eastern and north-eastern suburbs regarding the lack of indoor facilities. Basically, there are many young players—some would say there are too many young players and not enough courts at this point in time. A four-court facility has been called for by one club in particular, and I am sure the minister would be aware of that. Is the minister able to advise whether anything is planned in this year's budget to address that situation?

The Hon. M.J. WRIGHT: I will make a couple of points, one in general about what the government has been doing regarding basketball. Since 2002, I am advised that we have provided \$2.69 million around the state. The government was also extremely supportive of basketball when it wrote off around \$8 million in debt owed by basketball in 2006. As the member would probably remember, basketball has had some financial difficulties for quite some time, and it was hoped at the time that that would really be a liberation for basketball.

Funding for stadium upgrades and maintenance is allocated through the Community Recreation and Sports Facilities Program and is available to local government and clubs on a match basis. That is one of our more popular programs. Having said that, all our programs are in heavy demand, but facilities are able to receive up to \$300,000 under that program. As I said, it needs to be matched, not necessarily in cash; it can be done in kind.

In 2008, Basketball SA received \$220,000 to renovate and re-lay courts at Morphet Vale Recreation Centre. Basketball SA has been asked to devise a basketball facility strategy so that we are better positioned to assess usage and planning issues, and we look forward to receiving this plan. Basketball SA also receives \$240,000 annually through the StEP program to manage their sport. A process must be followed to receive government funding for facilities, and Basketball SA is aware of that.

Quite a lot has been done for basketball. The member for Norwood also talks to me about facilities in her electorate. I am aware, from a general point of view, that there are some demands around the place regarding basketball. As always, we are keen to work with the sport to work through some of those issues.

The second thing I draw to the attention of the member and the committee is that we have allocated \$250,000 for working out a plan to facilitate community hubs. Community hubs are where sports come together. We have to be realistic enough—and I am not just talking about basketball now—to know that, of all the demands that are made for sporting infrastructure, we need to bring sports together, to have some synergies and maybe, in some cases, for a community hub to have a commercial element, as well.

These exist interstate. I am looking forward to seeing some of them in the next few weeks on the eastern seaboard. They are also popular in England. Some of my officers have seen them in the UK. That \$250,000 will be used to work out a plan which we think can take us forward in the development of community hubs. Hopefully, basketball would look upon community hubs as a potential for them to move forward with regard to their getting some additional facilities.

Mr PISONI: Have you identified any areas or suburbs in the eastern suburbs that could be potential community hubs?

The Hon. M.J. WRIGHT: We have not really got to that point because the work needs to be done. Realistically, you would look at the north, south, east and west, as that would be common sense. We have not done the detailed work so that I could say to the member, 'It's going to be here in the eastern suburbs.' That will be the quality of work that is undertaken in getting the implementation work done for the plan.

Mr PISONI: I refer to Budget Paper 1, page 17. In the state budget, the government has set aside \$1.7 million funding for the upgrade of the Santos Stadium running track. Is the minister able to advise the last time money was spent on the stadium's running track?

The Hon. M.J. WRIGHT: I can because we do it on a regular basis. Santos Stadium has required maintenance work on a regular basis for a number of years now, and I will come back to you with the detail. However, it was a priority to build a new track to make sure that we have the facility that South Australian athletes fully deserve. A budget of \$60,000 was allocated in 2008-09 for preventative and reactive maintenance at the stadium. This included \$30,000 for repairs to the track.

As I said, I do not have any more detail in front of me but, over a number of years, on a regular basis we have been expending money on the maintenance of the track, as it has bubbled and lifted, and humps have been forming on the surface in the middle of the back straight, as well as tears in the geotechnical membrane beneath the surface, so it has been an ongoing problem. It is the only synthetic running surface in South Australia, and it was constructed in 1997, so it really has got to its lifetime use.

Mr PISONI: Are you able to advise when the work will commence?

The Hon. M.J. WRIGHT: It is due to commence in 2010-11. Referring to your earlier question, capital funding of \$145,000 was also provided in 2008-09 to upgrade the car park at Santos Stadium, but the track is the critical issue.

Mr PISONI: The 2009-10 year is 365 days, but do you have an idea of when the work will commence?

The Hon. M.J. WRIGHT: We would want it to start as early as possible in 2010-11. Between now and then we will be doing some preparatory work to make sure that we can start in July 2010.

Mr PISONI: I refer to the same budget paper, page 7.45: Vacswim. Will the minister advise the committee of the number of students who participated in Vacswim in 2009, and what was the number for the 2008 program?

The Hon. M.J. WRIGHT: Vacswim is a very important program, and it is obviously all about keeping young South Australians safe. Since the 2009 program, representatives from the Office for Recreation and Sport have met regularly with LeisureCo and the Royal Life Saving Society to ensure a smooth and successful program in 2010. The Royal Life Saving Society board has subsequently approved the use and signing of relevant aspects of their logbooks during Vacswim, and this is an important breakthrough. Dates for 2010 have been agreed, and significant progress has been made in other related water safety activities.

The relationship between ORS and Royal Life Saving continues to strengthen. The Executive Director, Paul Anderson, has taken a seat on the national Water Safety Council, which is chaired by Rob Bradley. The Office for Recreation and Sport is assisting in the national research being coordinated.

Mr PISONI: I actually just asked for the numbers for 2008 and 2009, minister.

The Hon. M.J. WRIGHT: The numbers for 2008 were 18,922 and for 2009, 16,362.

Mr PISONI: I refer to Budget Paper 1, page 17, and the State Aquatic Centre. There is also a reference to it on pages 2.3 and 2.16 of Budget Paper 3. When will we see the opening of the centre or, at the very least, the start of work on the centre? I refer to a media release from the minister dated 6 January 2009 in which it is claimed that the Premier was confident that the aquatic centre construction would begin in the first quarter of 2009, with the project being delivered by next year. Then, in April 2009, a press release from the minister stated that construction was scheduled to start at the end of the financial year (I suppose that means yesterday) and would be completed by 2010.

I would also like to point out that back on 28 October 2005 the minister was very critical of the federal government at the time, claiming that it was holding up delivery of the aquatic centre at Marion by not providing \$15 million of funds in the 2005-06 budget. The next year, on 4 April 2006—

The CHAIR: Order, member for Unley! I remind you that the only documents to be referred to are budget papers.

Mr PISONI: I am simply explaining my question, Madam Chair.

The CHAIR: You are citing documents.

Mr PISONI: In the press release it said that you were grateful that the \$15 million in funds was received in the following year's budget, which was in 2006-07. According to the press release you have now had that money for three years yet we still have not seen the start of the aquatic centre. I am not sure it has even been to the Public Works Committee yet. Can you give the committee an update?

The Hon. M.J. WRIGHT: This will be a fantastic project, something, of course, that the former government could never deliver on. It has taken a little longer than anyone would have hoped but it will be delivered. We are hoping, expecting, that construction will start in approximately August 2009. That may fluctuate slightly, because we do need to address Public Works—Vini, Public Works, July 2009; we would like it to be fast-tracked, thank you. We also need to get the DAP planning application approval. Our best estimate is that we will commence construction in August 2009. I do not have the benefit of those press releases in front of me—

Mr PISONI: They are here.

The Hon. M.J. WRIGHT: No, my memory is okay.

Mr PISONI: I am sure you wrote them, minister.

The Hon. M.J. WRIGHT: The former federal government was a bit sluggish in coming to the party.

Mr PISONI: You have had the money three years, minister.

The Hon. M.J. WRIGHT: I remember full well going to see Nick Minchin, and he was helpful. As we rightly acknowledged, as we always do, when they did ultimately come forward with the \$15 million—

Mr PISONI: You still gave them a whack in your press release.

The Hon. M.J. WRIGHT: No, I thanked them; very appreciative.

Mr PISONI: Do you want me to read the whack to you?

The Hon. M.J. WRIGHT: Was that the first one or the second one?

Mr PISONI: The second one.

The CHAIR: Order! That is totally out of order, member for Unley, and you know it.

The Hon. M.J. WRIGHT: Anyway, the positive result of all of this is that we have an \$80 million project and we are going to have a FINA compliant pool—something that South Australia has been screaming out for for years.

The Hon. G.M. Gunn interjecting:

The Hon. M.J. WRIGHT: We will, yes.

Mr PISONI: Further on that, minister, I think you announced in April that a contract had been awarded. How were the contractual arrangements formed? I take you to the State Strategic Plan. The Marion council is a partner in the project; I think it is putting in \$5 million and some land. The State Strategic Plan states:

The State Aquatic Centre strongly correlates with the goals of the strategic plan and further takes into consideration the state's broader perspective of overall improvements by providing opportunities for employment, infrastructure and investment in the state.

Is the minister able to advise as to whether the plan for the pools includes prefabricated Myrtha pools made in Europe?

The Hon. M.J. WRIGHT: This is a design and construct contract. No decisions have been made at this stage but, certainly, all options are open and available.

Mr PISONI: Is there any requirement for the contractor to consider local alternatives? I understand that you are looking at a moveable floor. My understanding, as a result of talking to people within the pool industry, is that moveable floors can in fact be part of a concrete pool constructed entirely in South Australia. With the swimming pool component of the \$80 million project being estimated at between \$15 million and \$20 million—I ask the question in the context of the motivation behind the federal government's BER projects where the main consideration was to

provide work for local contractors—is there any requirement of the tender winner to consider local alternatives before moving to importing prefabricated swimming pools from overseas?

The Hon. M.J. WRIGHT: This will be a competitive process. Obviously it needs to be value to the South Australian community and taxpayer, but let us not forget that, the contractor, Candetti, is a South Australian company and obviously it will look at what is best value for South Australian taxpayers.

Mr PISONI: It already has the contract. Was its price based on an imported or local swimming pool, and was there any requirement from the minister's department or the government to consider local labour, as there is with the BER project? I use it as an example because we have been told time and again that there is a world financial crisis and the federal government is spending an enormous amount of money stimulating the economy for local jobs. The Premier, Mr Rann, has got on that bandwagon and said that it is very important, and we agree that it is important to stimulate local jobs. Will the minister guarantee that every effort will be made to keep local contractors employed with the making of this swimming pool and not importing a prefabricated pool from Europe?

The Hon. M.J. WRIGHT: The member may be aware that DTEI will be running the process, but having said that there is a requirement to get the best pool possible. It has to be a competitive process. I do not think any guarantees can be provided in the way we go about business. Just as we want to win contracts interstate, there will be competitive tension for people from interstate to bid for this. Providing people in South Australia can be competitive—and they will be—that will be taken into account.

Mr PISONI: The state government also spends money on a 'Buy South Australia' campaign, which I have seen on television.

The CHAIR: Order! This is about Recreation and Sport and not about government purchasing policy. We only have 10 minutes left; please move on.

Mr PISONI: This is major Recreation and Sport expenditure, Madam Chair.

The CHAIR: The minister has just indicated, member for Unley, that this is a DTEI responsibility, so please move on to Recreation and Sport questions.

Mr PISONI: The minister is a member of cabinet that has a purchasing policy, and this is a large part of the budget that appears in his budget papers.

The CHAIR: And your point is?

Mr PISONI: I have given you a budget line that relates specifically—

The CHAIR: And your point is?

Mr PISONI: —to the minister. I am simply sticking up for South Australian businesses, Madam Chair, and I apologise for doing that if you find it offensive.

The CHAIR: Member for Unley, that is very admirable, but we are here for questions about rec and sport, not government purchasing policy.

Mr PISONI: So, it seems to be a strange situation—

The CHAIR: Order, the member for Unley! I suggest you be quiet before you say something that you might have to apologise for.

Mr PISONI: Such as?

The CHAIR: I don't know, but it is sounding very much like—

Mr PISONI: Your inference is outrageous, Madam Chair.

The CHAIR: Proceed with questions on rec and sport, member for Unley.

Mr PISONI: I refer to the same budget paper, page 7.46, concerning facilities. In the past, the minister has discussed sports facilities towards the 2020 strategy. The minister would be well aware that Sports SA and other stakeholders are calling for further funding for grassroots sports, and many sporting bodies are concerned by the state of their facilities. Will the minister please advise the committee on where we are with a strategy at the present? Also, I have noticed that in sports in education we are seeing cuts to allocations for school-based sports out of school budgets and ask whether there have been any discussions with your department in regards to the 2020 strategy and in dealing with the situation.

The Hon. M.J. WRIGHT: The Major Sports Facilities Report is a document which was developed as part of a facilities audit, which began way back in 2004. It has always been a fluid document with changes occurring as facilities have been provided. Other sporting facility works are listed as the highest priorities in the report. Many items of higher priority than a new stadium have already been completed by the government. We talked about the new state swimming centre, money for the western grandstand at Adelaide Oval, a new criterium cycling at Victoria Park, new facilities at AM Ramsay Rowing Course at West Lakes, the Eagle Mountain Bike Park, the purchase of a video screen for Hindmarsh Stadium, track upgrades at Santos Stadium, and also upgrades at Memorial Drive.

The Hon. G.M. GUNN: Minister, you would be aware that the City of Port Augusta put forward a proposition in relation to a sporting complex there, and I think it sought federal funding. Are you in a position to indicate whether the state government will support the city in any way with further applications or with financial assistance for that suggested project?

The Hon. M.J. WRIGHT: I am not familiar with the proposal that the member talks about. I know he is always passionate about resources and facilities in his area, as he should be, and as he always has been. What I can commit to is that this project is worth a lot of money. It would be difficult for the state to fund it and that is probably why it has made an application to the federal government. I would be very happy to talk to these people to find out more details about it because it may well lend itself to a community hub facility. With these community hubs, which I talked about before, we want to get sports to come together and create synergies. Then there is a responsibility for federal government, state government, local government and sporting organisations to chip in a bit as well, and then you really have the meat on the bone.

When I spoke about sporting hubs before, I should have made the point that we are looking at sporting hubs for country areas. I think Port Augusta would be well suited. Port Lincoln, for example, has a bit of a hub at Ravensdale, which is good. If the member would like to refer these people to me, we will certainly have a discussion with them.

The CHAIR: Minister, can you confirm whether the omnibus questions have been asked for your portfolio?

The Hon. M.J. WRIGHT: I have no idea.

The CHAIR: How can the honourable member for Stuart have the last question when we have others to come?

The Hon. G.M. GUNN: No, I am fine, thank you.

Mr VENNING: I would like to read the omnibus questions. They are numbered 1 to 7, as follows:

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

2. Will the minister provide a detailed breakdown of expenditure on consultants and contractors in 2008-09 for all departments and agencies reporting to the minister, listing the name of the consultant and contractor, cost, work undertaken and method of appointment?

3. For each department or agency reporting to the minister, how many surplus employees there will be at 30 June 2009; and for each surplus employee what is the title or classification of the employee and the total employment cost (TEC) of the employee?

4. In the financial year 2008-09, for all departments and agencies reporting to the minister, what underspending on projects and programs was not approved by cabinet for carryover expenditure in 2009-10; and how much was approved by cabinet?

5. (i) What was the total number of employees with a total employment cost of \$100,000 or more per employee, and also as a subcategory the total number of employees with a total employment cost of \$200,000 or more per employee, for all departments and agencies reporting to the minister as at 30 June 2009; and

- (ii) Between 30 June 2008 and 30 June 2009, will the minister list a job title and total employment cost of each position (with a total estimated cost of \$100,000 or more):
- (a) which has been abolished; and
 - (b) which has been created?

6. For the year 2008-09, will the minister provide a breakdown of expenditure on all grants administered by all departments and agencies reporting to the minister, listing the name of the grant recipient, the amount of the grant and the purpose of the grant, and whether the grant was subject to a grant agreement as required by Treasurer's Instruction No. 15?

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

Madam Chair, before we conclude the last session for budget 2009, this being the last one attended by the member for Stuart (formerly the member for Eyre), I want to pay him a tribute. After 39 estimates committee hearings, it is a rather sad time that we never thought would come, and that this would be his last hurrah.

The Hon. M.J. WRIGHT: No-one has been more forensic in estimates than the member for Stuart.

Mr VENNING: I pay tribute to him because, after 39 years, this is it. There is a final day, and a sunset. I say to the member for Stuart: well done, and you have served with great distinction. I am sure both sides of the house appreciate that. It has been a pleasure and an honour to serve with you.

The Hon. M.J. WRIGHT: The government certainly supports the comments about the member for Stuart. We have all appreciated our time with him.

The CHAIR: I am sure members of the committee join in congratulating the member for Stuart on his years of admirable service to his constituents and in this place. We will all think of him, in whatever role we might be during next year's estimates committees. The member for Little Para will also not be participating in estimates committees, in any role. The rest of us will all wait and see.

I declare the examination of the proposed payments relating to the Minister for Recreation, Sport and Racing completed. I lay before the committee a draft report.

The Hon. L. STEVENS: I move:

That the draft report be the report of the committee.

Motion carried.

At 20:01 the committee concluded.