

HOUSE OF ASSEMBLY
Tuesday 12 October 2010
ESTIMATES COMMITTEE A

Chair:

Ms C.C. Fox

Members:

Hon. S.W. Key
Mr J.A.W. Gardner
Mr M.R. Goldsworthy
Mr T. Piccolo
Ms. G. Thompson

The committee met at 09:00

ATTORNEY-GENERAL'S DEPARTMENT, \$146,381,000
ADMINISTERED ITEMS FOR THE ATTORNEY GENERAL'S DEPARTMENT, \$51,292,000

Witness:

Hon. G. Portolesi, Minister for Aboriginal Affairs and Reconciliation, Minister for Multicultural Affairs, Minister for Youth, Minister for Volunteers.

Departmental Advisers:

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

Mr A. Hamilton, General Manager, Office for Volunteers, Attorney-General's Department.

Ms D. Contala, Executive Director, Finance and Business Services, Attorney-General's Department.

Mr G. Baynes, Executive Director, Building Communities, Attorney-General's Department.

Mr A. Swanson, Director, Business and Financial Services, Attorney-General's Department.

The CHAIR: Good morning, everyone. 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 to indicate whether they have agreed on a timetable for today's proceedings and, if so, provide the chair with a copy.

Mr GOLDSWORTHY: The timetable is as per the schedule.

The CHAIR: As per the schedule, excellent. 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 19 November 2010. This year the *Hansard* supplement, which contains all estimate committee responses, will be finalised on Friday 3 December 2010.

I propose to allow the minister and the lead speaker for the opposition to make opening statements, should they wish to, of up to 10 minutes each. There will be a flexible approach to giving the call for questions. 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. There has been a slight tendency of some members—not all—to go off message with the budget line. I remind members that they must reference every question with a budget line.

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.

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 the southern galleries.

I will now proceed to open the following line for examination. I declare the proposed payments open for examination and refer members to the Portfolio Statements, Volume 2, Part 5. Minister, would you like to make a statement?

The Hon. G. PORTOLESI: Thank you Madam Chair. In the spirit of making this morning as productive as possible, I will not make an opening statement nor have I arranged for Dorothy Dixers—my side, that is; I have not organised any on the other side. I am very happy to throw open directly to questions.

The CHAIR: Member for Kavel, will you be the lead speaker?

Mr GOLDSWORTHY: Yes, I will be.

The CHAIR: I just remind you that from 9am to 9.30am we have volunteers, from 9.30am to 10am multicultural affairs, from 10am to 10.45am youth.

Mr GOLDSWORTHY: I will make a brief opening statement to put on the record on behalf of the state Liberals our continued sincere thanks and congratulations again to all our volunteers in this state; they really do form part of the fabric of our community. I recognise and acknowledge their most valuable contribution to our society.

I refer to Budget Paper 4, Volume 2, page 5.64. Given the fact that there is obviously an amalgamation of a number of services in terms of multicultural, youth and volunteer services, and it would appear we have an overall combined budget in relation to the net cost of providing services of some \$8.82 million, and presuming the role of the Office for Volunteers is still continuing—and I understand Mr Hamilton is present today, the general manager—can the minister advise us of the actual individual budget allocation for the Office for Volunteers for this 2010-11 year?

The Hon. G. PORTOLESI: Yes, sure; I am very happy to answer that question. Can I start by commenting that I gather you are referring to the way that the organisational structure of the department is arranged. You are not talking about volunteer organisations merging, you are talking about the Office for Volunteers as it sits within the Attorney-General's Department.

Mr GOLDSWORTHY: That's right.

The Hon. G. PORTOLESI: I am very happy to give you the information. Can I also add that the Office for Volunteers was quarantined from Sustainable Budget Commission savings. I was very pleased to secure no cuts to the Office for Volunteers as a result of the SBC. I have a table here which I will read out. Would you like me to give that to you, Madam Chair?

The CHAIR: What you may do, if you wish—is it only one page?

The Hon. G. PORTOLESI: Yes.

The CHAIR: —is to have it photocopied and distributed to the rest of the committee or you can read it in.

The Hon. G. PORTOLESI: I will read it in.

The CHAIR: Would you like a copy of it also?

Mr GOLDSWORTHY: That would be helpful because there may be some questions that come from this answer.

The Hon. G. PORTOLESI: I would like to read it in, if I can.

The CHAIR: The minister can also give you a copy of it immediately afterwards, if you would like that.

The Hon. G. PORTOLESI: I would prefer to read it in, if I can. The 2009-10 budget is \$1.658 and the estimated result for 2009-10 is \$1.615, and the 2010-11 budget is \$1.474.

Mr GOLDSWORTHY: So, the budget for this year (2010-11) is \$1.47 million.

The Hon. G. PORTOLESI: Yes.

Mr GOLDSWORTHY: Making a comparison with the budget last year of around \$1.7 million. You said the estimated budget for 2009-10 was 1.65.

The Hon. G. PORTOLESI: Yes. The figure we should be looking at is the estimated result for 2009-10 is 1.65. I can explain the variation there.

Mr GOLDSWORTHY: The 200,000.

The Hon. G. PORTOLESI: Yes; the decrease in total expenses from the 2009-10 estimated result of \$1.6 million to the 2010-11 budget of \$1.5 million is mainly due to a decrease of \$133,000 due to one-off expenditure in 2009-10 for TVSPs and a decrease of \$49,000 for savings allocated to the Office for Volunteers for 2010-11. The Office for Volunteers was quarantined from SBC cuts; there is no question about that. There was a residual savings target that had been applied in previous years that agencies and AGD were going to have to meet, so I think that \$49,000 represents that residual savings target, which I think dates back to 2008-09.

Mr GOLDSWORTHY: However, the difference is, in the main, \$131,000 in relation to TVSPs.

The Hon. G. PORTOLESI: \$133,000 for TVSPs, a decrease of \$49,000 for savings allocated. I can give you this page. It has also been offset by an increase of \$16,000 for enterprise bargaining supplementation. Madam Chair, it would be much easier if we could have this photocopied for all the members.

The CHAIR: Of course.

The Hon. G. PORTOLESI: Let me be very clear: there is no doubt that there have been no Sustainable Budget Commission cuts to the Office for Volunteers. The Office for Volunteers will continue to have a very strong role in the future. It is an office that, I think, very much punches above its weight, given its relatively small size, and it goes without saying that the South Australian government absolutely values the contribution made by volunteers.

Mr GOLDSWORTHY: Of the \$1.47 million, which is the budget for this year, how much is allocated to employee benefits and costs, and supplies and services—the administration side of things—and how much has been attributed to grants?

The Hon. G. PORTOLESI: Yes; we have that information.

Mr GOLDSWORTHY: Last year it was about \$1 million in administration and about \$580,000 in grants.

The Hon. G. PORTOLESI: The employee benefits and costs for 2010-11 amount to \$698,000; grants and subsidies, \$574,000; and supplies and services, \$205,000, so it is about half.

Mr GOLDSWORTHY: We still have administration costs of about \$900,000 compared to grants of about \$570,000.

The Hon. G. PORTOLESI: Yes; but administration costs also include our labour, and that is what drives the Office for Volunteers. We could not do what we do without the staff; they are an essential part of what we do. Are you proposing that we cut the staff in the Office for Volunteers?

Mr GOLDSWORTHY: No; I am just concerned that the cost of administering the office seems to be somewhat disproportionate compared to the grants that are offered.

The Hon. G. PORTOLESI: I disagree. The budget is virtually identical to the 2009-10 estimated result of \$575,000 compared to \$574,000 for this year.

Mr GOLDSWORTHY: The same issue was raised last year.

The Hon. G. PORTOLESI: Actually, there has been an increase in grants and subsidies on 2008-09 from \$549,000 to \$574,000. There is always room for efficiencies; there is no doubt about that. Without our staff, in the Office for Volunteers, who are you going to have to administer, to deliver, to manage, to—

Mr Marshall: We could get some volunteers.

The Hon. G. PORTOLESI: Very funny.

Mr GOLDSWORTHY: What did you say the grants were last year?

The CHAIR: Member for Kavel, I did say this at the beginning: can you just bring this back to a budget line, or tell us if you are still on the same line?

Mr GOLDSWORTHY: Still on the same page.

The CHAIR: You are still on page 5.64?

Mr GOLDSWORTHY: 5.64, or 5.63 really, under grants and subsidies.

The CHAIR: You had initially said 5.64.

Mr GOLDSWORTHY: It is the total cost of the program, Madam Chair.

The CHAIR: So 5.63.

Mr GOLDSWORTHY: What did you say there before, minister? What was the grants last year? Because the grants in last year's budget was \$584,000.

The Hon. G. PORTOLESI: No, I said that for 2008-09, the actual result was \$549,000, and in 2010-11 the budget is \$574,000. So you have an increase. But can I actually say, member for Kavel, that we have not had an increase in staff in the Office for Volunteers. It has been quite steady, and in fact—

Mr GOLDSWORTHY: How many FTEs do you have?

The Hon. G. PORTOLESI: The total FTEs for the Office for Volunteers, that I gather you are proposing to cut, are 6.1.

Mr GOLDSWORTHY: No. Don't make presumptuous statements.

The Hon. G. PORTOLESI: 6.1.

Mr MARSHALL: It is your government that is looking to cut a whole pile of public servants. It is not our proposition.

The Hon. G. PORTOLESI: We are not cutting anything in the Office for Volunteers.

Mr GOLDSWORTHY: You are cutting 4,000 public servants.

The CHAIR: Could we hear the answer to the member for Kavel's question—

Mr GOLDSWORTHY: We actually established the Office for Volunteers.

The CHAIR: Member for Kavel! If I am speaking, you are not speaking. It is a basic rule. You asked a question about FTEs. Do you want to hear the answer or not?

Mr GOLDSWORTHY: Yes.

The CHAIR: Okay; good. Let's have it.

The Hon. G. PORTOLESI: Can I congratulate the then Liberal government on establishing the Office for Volunteers? Good. You deserve a big tick.

Mr Marshall interjecting:

The Hon. G. PORTOLESI: You, member for Norwood, focus, grasshopper.

Members interjecting:

The Hon. G. PORTOLESI: Sorry, I have been practising that all morning. The total FTEs for the Office for Volunteers—

The CHAIR: You can't call other members grasshoppers.

Mr Marshall interjecting:

The CHAIR: You don't mind?

Mr Marshall interjecting:

The Hon. G. PORTOLESI: Sorry. On a more serious note, member for Kavel, the total FTEs for OFV, 5.1; 2011-12, 5.1; 2012-13, 5.1; 2013-14, 5.1. I hear the point you are making. We are not dealing with a big bucket of money. We need to deal with the money that we have. We need to make it go as far as we can. The grants and subsidies are a very important part of that program. Why don't I give you some information about what we spend the grants and subsidies on? That might satisfy your concerns.

Mr GOLDSWORTHY: Do we keep going?

The CHAIR: We are waiting for this information.

The Hon. G. PORTOLESI: Yes, I have the information.

Mr GOLDSWORTHY: Okay.

The Hon. G. PORTOLESI: These are some key examples—they are not comprehensive—of the Office for Volunteers program of expenditure. Community Voices, Flinders University, \$50,000; Sustainable Online Community Engagement (which is a project with the University of South Australia), \$50,000; Volunteer Support Fund, \$150,000; Corporates for Communities (which is a very important program), \$36,000; Northern and Southern Volunteering Discretionary Grants (Combined), \$30,000; VSA and Northern Territory Discretionary Grants, \$60,000; Metropolitan/Regional Training, \$80,000; State Volunteer Congress, \$25,000; Volunteer Participation Survey, \$35,000; and Volunteer Bonus Book, which we gave out on the day of the Volunteers' Day, which is the celebration that the state government puts on.

Peter Goers is the MC and it is a fantastic day. That cost about \$12,000. The Volunteers Day event I was just speaking about cost about \$25,000. It is a fantastic event, organised by the Office for Volunteers, which is a tiny office and does a great job, so I congratulate it on the fantastic job it does in general, but particularly in pulling that event together. TV and media advertising was \$20,000.

Mr GOLDSWORTHY: You weren't better than me, though.

The Hon. G. PORTOLESI: I was better than you. I had a lovely sparkly sequinned top on. That gave me a bit of an edge.

Mr GOLDSWORTHY: You even wrote a little note on the letter you sent back to me, I noticed.

The Hon. G. PORTOLESI: Did I? In all seriousness, setting aside the grasshoppers and sequinned tops, it is important in this portfolio, given that we are dealing with volunteers who give their time for nothing—we have the highest rate of volunteering in the nation, which I think is still the case. According to the results of our survey we had the highest participation rate. I am very happy to share with you the results of that survey. I am being proactive here.

Mr MARSHALL: We have to ask questions.

The CHAIR: This is becoming wildly informal. I cannot really hear anything you are saying. I assume you are just having happy chats. Do you have an official question?

Mr MARSHALL: No.

The CHAIR: I see. Do you, Member for Morialta?

Mr GARDNER: I will have after the member for Kavel is finished.

Mr GOLDSWORTHY: On a point of clarification, I know you provided this information separately, but why would you not actually list in the budget papers, if the Office of Volunteers is still cranking along full-steam ahead, separate budget lines for the Office of Volunteers, instead of giving us an addendum in the committee? If you can provide it here, why did you not put it in the budget?

The Hon. G. PORTOLESI: I take your point. There have been a number of changes to the program structure of the Attorney-General's Department in the 2010-11 budget papers for various reasons. For instance, the Office for Youth, for which I am also responsible, transferred to the department on 1 July 2009, and prior to this the Office for Volunteers also transferred to the department. Through the most recent machinery of government changes the department now administers another four business units from 1 July 2010: the Employee Ombudsman, the Industrial Relations Court and Commission and Workers Compensation Tribunal, WorkCover Ombudsman and Medical Panels South Australia. Ministerial responsibilities for the department's programs have also changed over this period.

In previous budget papers the programs for multicultural and volunteer services were reported separately. It is true that for these budget papers they have been brought together under program 18, and these changes were made in consultation with DTF. I am happy to take the comment on board. We have estimates and Auditor-General's reports so that we can be available to scrutinise these key budget lines, but I take it on board.

Mr GOLDSWORTHY: So, taking it on board, do you think when the budget is produced next year we may have some separate budget lines for Office for Volunteers, Office for Youth and Office for Multicultural Affairs.

The Hon. G. PORTOLESI: I would not think so at this stage.

Mr GOLDSWORTHY: You do not think so?

The Hon. G. PORTOLESI: No. What we still have in the budget papers are key performance indicators. I am available here with my officers to provide any details that you need about budget papers. I am happy to follow it up with the Treasurer and ask my officers to talk to DTF about it, but at this stage I am satisfied that there is adequate scrutiny of these officers. I have heard what you said, and I will ask my officers to take it up with DTF to see if it is possible, given the new program and organisational structure of AGD, to do that.

Mr GOLDSWORTHY: On page 5.64, under the section on performance commentary, it talks about the airing of television commercials. I know you made mention of this previously in an answer you gave, but do you intend to continue television advertising to promote volunteering? How much money is allocated for that for this year?

The Hon. G. PORTOLESI: We are still working out what our spend, if any, will be on that item. However, two television commercials have been aired promoting volunteering. Each commercial centres on the theme, 'If you want to lift yourself up, lift up someone else.' The commercials appear as free community service announcements, in addition to being aired during National Volunteers Week and around South Australia's Volunteers Day. We spent \$20,000 to purchase television air time in 2009-10, and we are yet to have a discussion about whether that program within the Office for Volunteers will continue.

Mr MARSHALL: I was not going to ask a question but, because a little earlier you said we were at the top of the league table in Australia, I thought I would ask for clarification on that. On your website earlier in the year—

The CHAIR: Which budget line are you referring to? Just mention the budget line every time.

Mr MARSHALL: It is 5.64. A lot of the money applied in that budget line is put towards improving the level of volunteering that is performed here in South Australia. Your website earlier in the year (in fact, during the National Volunteer Week, which was held between 10 and 16 May) shows that the Northern Territorians have a higher rate of volunteering than South Australia, so we certainly would not be higher than them. It does not mention any other state.

If we go to the ABS statistics (and the most recent were in 2006), in fact South Australia performs particularly poorly. If you look at the average annual hours performed by state, South Australia ranked at 126.3 hours per year, which is below New South Wales, Victoria, Queensland, Western Australia, Tasmania and the Northern Territory. However, I am happy to report that we are slightly higher than the ACT. It is very difficult to understand how the minister can say that we are the highest in the country. If we look at the median hours, again we are amongst the lowest if not the lowest in the 2006 ABS statistics.

The Hon. G. PORTOLESI: I have not seen the website to which you are referring.

Mr MARSHALL: I am happy to pass it over. It was on your own website during National Volunteers Week.

The Hon. G. PORTOLESI: Yes, fair enough; that is fine. We commissioned a number of surveys, and the most recent one is on our website, as well, and I am very happy view for you to download that. Surveys have been conducted by Harrison Research, a very reputable organisation, I understand, in 2006—

Mr MARSHALL: More reputable than the ABS?

The Hon. G. PORTOLESI: Hold on—2008 and 2010 to determine volunteer participation in South Australia. In 2010, 47 per cent participation was recorded for formal and 47 per cent for informal volunteering.

Mr Marshall interjecting:

The Hon. G. PORTOLESI: Yes, he is familiar with our own website. My adviser, Mr Hamilton, advises me that the website to which you are referring is not, in fact, our website; it is

Volunteering SA and Northern Territory. They are a separate body. That is not the Office for Volunteers website.

Mr MARSHALL: So they have got it wrong, but you have got it right.

The Hon. G. PORTOLESI: No, you are wrong.

The CHAIR: Member for Norwood and minister, I would just like to draw to your attention that it is now 9.30, so we are moving to the questions for the Minister for Multicultural Affairs.

Mr GOLDSWORTHY: Why don't we let the minister finish her answer and then we can wrap up.

The CHAIR: Actually, member for Kavel, thanks for doing my job for me, but no, because it is 9.30—in fact, it is 9.31—and I believe that the lead speaker on multicultural affairs is the Leader of the Opposition.

Membership:

Mrs Redmond substituted for Mr Goldsworthy.

Departmental Advisers:

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

Mr S. Forrest, Executive Director, Multicultural SA.

Ms D. Contala, Executive Director, Finance and Business Services, Attorney-General's Department.

Mr A. Swanson, Director, Business and Financial Services, Attorney-General's Department.

Mr R. Lean, Manager, Community and Government Relations, Multicultural SA.

The CHAIR: We now have the same person but the Minister for Multicultural Affairs at the table. Did you want to make a brief statement?

The Hon. G. PORTOLESI: No.

The CHAIR: Would you like to introduce your advisers?

The Hon. G. PORTOLESI: Yes, I will introduce Mr Simon Forrest, who is the Executive Director of Multicultural SA.

The CHAIR: Are you making an opening statement?

The Hon. G. PORTOLESI: No; again, in the spirit of making the most of this time that we have I have no opening statement and no Dorothy Dixers. I am very happy to go straight to questions from the leader.

The CHAIR: Leader, would you like to make an opening statement, or go straight to questions?

Mrs REDMOND: No, I will not, other than to say that I am very pleased that for the most part multicultural affairs is an area where there is, largely, bipartisan support. We sometimes have a different emphasis in the way that we approach it, but for the most part it is bipartisan, and I thank the minister for allowing us the full benefit of the half hour for this important topic. Madam Chair, can I defer to the member for Morialta to do the omnibus questions for this minister and get those out of the way.

Mr GARDNER: These omnibus questions are to be taken 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 above \$10,000 in 2009-10 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 2010, 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 2009-10 for all departments and agencies reporting to the minister, what underspending on projects and programs was not approved by cabinet for carryover expenditure in 2010-11? How much was approved by cabinet?

5. Between 30 June 2009 and 30 June 2010, will the minister list job title and total employment cost of each position (with a total estimated cost of \$100,000 or more)—

- (a) which has been abolished; and
- (b) which has been created?

6. For the year 2009-10, 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?

8. For each department or agency reporting to the minister, how many targeted voluntary separation packages (TVSPs) will be offered for the financial years 2010-11, 2011-12, 2012-13 and 2013-14?

Mrs REDMOND: I refer to Budget Paper 4, Volume 2, page 5.62. There is a very brief description or objective for multicultural youth and volunteer services, and the first one of those is on multicultural services. I would like to ask the minister a perhaps simple question: what is meant by 'building community capacity'?

The Hon. G. PORTOLESI: I am very happy to give you my version of what 'building community capacity' means, but I think it would be of benefit to all of us, and to you in particular, to hear it from Jerome Maguire, the chief executive of the department, who is putting together this new division within the agency under which these three portfolio areas of mine fit. So I will ask Jerome—

Mrs REDMOND: Minister, can I ask for your view of it because—

The Hon. G. PORTOLESI: Yes, absolutely.

Mrs REDMOND: Where I am going with this is that I have a view as to what it means and I am curious as to how it sits with you as a minister, having supported the closure of The Parks Community Centre, which provides services for new migrants, including refugees in that area, including English conversation and language classes, sports (like soccer for kids), vacation and after school hours care, adult education, aquatics, arts and crafts. According to the people at The Parks Community Centre all those things are very important to new migrants, and especially to our refugees. I would like to know how your 'building community capacity' sits with your support for the closure of that centre.

The Hon. G. PORTOLESI: The first point is that the government has said that the Parks will not close—

Mrs REDMOND: It says lots of things that it doesn't mean, though.

The Hon. G. PORTOLESI: I have met with Monsignor David Cappo and we have discussed ways in which both my portfolio areas, MSA and Aboriginal Affairs, can work together to potentially do what we do out there even better. However, for 'building community capacity' in this portfolio area, very simply and quiet crudely I refer you to our annual budget of multicultural grants, which the state government, in the election earlier in March, doubled from \$300,000 to \$600,000. This scheme absolutely builds community capacity by providing funding to not-for-profit community organisations for projects designed to increase understanding of the culturally diverse community we live in, improve equality and inclusion within our community, increase participation by South Australians of all backgrounds in the community, and obviously celebrate and value cultural diversity.

Through the two rounds of the grants scheme for the year, approximately 200 community organisations received grants to undertake important community projects. In my experience these grants have enormous bang for their buck. They are often not large amounts but the department does an outstanding job in ensuring that the applications are considered very thoughtfully and we try to give everyone a go at some stage. That is one way in which we are building capacity. I can also talk about our humanitarian entrance program, if you would like to me to do that.

Mrs REDMOND: I am curious that you say that your grants have gone up by \$300,000 because this government gives with one hand and takes away with the other. I know it is not in your budget line, but the multicultural grants within education went down by a significant amount. On the one hand you might be giving, but you are taking away on the other and then saying, 'We are claiming we've got a \$300,000 increase' when, in fact, you are simply moving it from one spot to another.

The Hon. G. PORTOLESI: I am not responsible for the education budget, but I can assure you that the government has kept one of its key election commitments which was to double the Multicultural Grants Scheme, and that has been received very warmly by the community.

Mrs REDMOND: While decreasing them in education.

The Hon. G. PORTOLESI: I cannot comment on that. I have not seen those budget lines. I am very happy about the way that we administer our grants programs. I think there is always room for improvement.

Mrs REDMOND: On that same line of building community capacity, can I ask about community harmony? My question to the minister is: does the minister believe that building community harmony ever involves taking a view to prefer one ethnic group within our community over another?

The Hon. G. PORTOLESI: Absolutely not, and can I say—

Mrs REDMOND: I don't need anything further.

The Hon. G. PORTOLESI: No; I do not know the point you are trying to make, Isobel, but the moment that I became minister I asked my office to contact every ethnic community that we could get our hands on administratively, and they were each invited to meet with me and to bring representatives of their organisations along to meet with me. I have also sought to meet with them, celebrate with them and go to their AGMs. I take very seriously my job as Minister for Multicultural Affairs. I have met with a number of groups and, if there is any specific information you would like to pass on, I would be very happy to follow that up.

Mrs REDMOND: I am just concerned. I take it from your response, minister, that you would not approve of anybody who did build disharmony rather than harmony by preferring one ethnic group over another.

The Hon. G. PORTOLESI: All I can account for, leader, is my own behaviour since I have been minister and, since I have been minister in this portfolio area, I challenge anyone to suggest that my conduct has been unacceptable.

Mrs REDMOND: Minister, I am not pointing the finger at you at all, and I am pleased—

The Hon. G. PORTOLESI: And I appreciate that.

Mrs REDMOND: I am pleased to confirm that—

The Hon. G. PORTOLESI: Thank you.

Mrs REDMOND: —it is not you that I have in mind at all in asking that question, and I will be pleased if you as minister continue along those lines.

The Hon. G. PORTOLESI: I appreciate that, but the point is all I can do is speak from my own experiences. I think it is important that, while taking note of the very significant conflicts that may arise for communities back in their country of birth and being respectful about those, we foster as cooperative an environment here as possible.

Mrs REDMOND: Just on that, minister, in terms of some of the newer African communities—and it may be that Mr Forrest or someone may know better—to what extent are we aware and are we into the details of what happens in some of the communities that continues to affect their behaviours here, and to what extent are we able to encourage them into a more multicultural approach now that they are living in South Australia?

The Hon. G. PORTOLESI: That is a very important question. Certainly, the new communities are a strong focus for me in particular. Obviously, my background is as a child of Italian migrants; my experience is that of what is now an established community. I am very keen to ensure that the established communities are able to share some of their experiences because, in many cases, the newer arriving communities have come from the most appalling experiences. You might recall two years ago the dreadful stabbing of that young Sudanese man in the city. As a result of that, we did quite a lot of work on looking more closely at what it is we do at a state level. Of course, the commonwealth funds settlement services, but we looked at what we can do at a state level.

I have some information here that goes to that point very directly. Give or take a few hundred from time to time, about 1,300 humanitarian entrants arrive in South Australia each year. Many commonwealth state and local government agencies, and dozens—literally dozens—of non-government organisations spend a lot of money providing settlement services to these entrants in South Australia. However—and this is what we discovered as a result of the investigations we undertook because of that tragic incident—there has been no detailed picture of the settlement services provided to these people in South Australia.

During late 2009 and early 2010, the government has been in the process of gathering this data, and we appointed a Tanzanian woman, Sophia Poppe, who has been contracted to work in MSA on this particular issue. The data she has been gathering has been used to build a detailed picture of the many types of services, including on-arrival reception assistance, accommodation, health services, financial counselling, emergency relief, community integration and orientation, children's and youths' services, adult education, employment, sport and rec.

In April this year, the government appointed Sophia, and she has been consulting very extensively with people in this sector. They have identified four major areas which impact on successful settlement and which go to the very heart of what you are talking about. These key issues are language, employment, housing and health. More importantly, they have also identified potential solutions to these four major areas.

We want these people here. We acknowledge the very difficult circumstances, particularly for the African communities, from which they have come, and we are working hard to get a picture of what is going on here and what we need to do to make life easier for them.

We are in the throes of developing a model for what that kind of integrated settlement process might look like, but what we are thinking at this stage is that it has about five stages, and I think it is worth talking about this. The first stage is identifying and enlisting the support of relevant funding service providers and community stakeholders; consulting with communities, like the African communities, to ascertain the settlement issues and gaps; meeting with people inside government to be clear about areas of responsibility and service provision; and then communicating again with these communities.

The process goes on, but we have been working very hard on this issue. Hopefully, I can provide some more details to parliament later in the year. In fact, the data that was gathered by Sophia Poppe, and the raw information, which you might find interesting, will be on our website in the next month. I have authorised for that to go ahead. It is a thick document that details very extensively the issues that are out there and how we might go forward in addressing them. I agree that it is never going to be easy, but we always need to be focused on doing our best.

Mrs REDMOND: Can we move to page 5.63, which is the summary income statement. I notice that the overall budget has gone down from just over \$10 million in 2008-09 to the budget for this year of \$8,802,000, and that figure is, of course, repeated on the next page. It is under Building Communities, and it includes multicultural, youth and volunteer services, and you have already answered some questions from the member for Kavel this morning about volunteers. Can the minister provide a breakdown as to what, roughly, maybe in percentage or figure terms, each of those figures should be for the area of multicultural?

The Hon. G. PORTOLESI: I have just one page of details that I am very happy to give to you at the conclusion of this hearing. The budget for 2010-11 is \$3.632 million for MSA, and the estimated result for 2009-10 was \$3.456 million, and I can give you this information. The increase in—

Mrs REDMOND: I heard you say about volunteers that they had not reduced the funding there, so I assumed—

The Hon. G. PORTOLESI: Under the SBC savings targets.

Mrs REDMOND: I assumed, therefore, that the funding reduction must come from multicultural and youth.

The Hon. G. PORTOLESI: You are quite right there. Youth and MSA, like everyone else, apart from volunteers, do have to bear their savings targets. However, those savings do not kick in until 2012-13. I will just clarify that point for the leader: MSA and volunteers do have budget cuts that they need to deliver; those cuts do not kick in until 2012-13, and that is what I was seeking to have confirmed.

Mrs REDMOND: Aren't we going to have even more refugees and people from alternative and new ethnicities in our community by then, and won't there be an even greater need?

The Hon. G. PORTOLESI: We have Sophia Poppe, for instance, who is doing this work, and we will consider her recommendations and the work she is doing. I cannot emphasise enough that one of the key ways in which we do build this community capacity, apart from the work the staff do in MSA, is through these grant schemes, which has doubled.

I do not know what our position will be in relation to humanitarian entrants in South Australia in the future. We will continue to do our bit nationally. This is a very important program, and I think we do it well. I think it is really important that, when incidents do occur, which are tragic, we do not move into reactionary mode.

There are lots of other people—government agencies, education, health and police—delivering services in this sector. We work with lots of NGOs delivering services in this field. We will see what happens. I do not see it as you see it. I see that we have a couple of years up our sleeve to do some serious planning about how our resources are best spent. However, one thing we will not be doing is cutting funding to the Multicultural Grants Scheme.

Mrs REDMOND: Just on that page, page 5.63, dealing with expenses, it refers to grants and subsidies: whilst there is a small increase from \$3.164 million to \$3.182 million, I take it from what you have said that, in fact, only \$600,000 out of that \$3.182 million is actually for multicultural.

The Hon. G. PORTOLESI: I might just get Simon Forrest to supplement the information. There is the \$600,000 for the Multicultural Grants Scheme.

Mrs REDMOND: I assume they are set out on page 5.63.

Mr FORREST: Thank you, minister. In addition to the Multicultural Grants Scheme's \$600,000, there is about \$280,000 for the Ethnic Community Organisation's Land Tax Relief Grants Scheme. Also, a \$125,000 core grant is given to the Multicultural Communities Council, as well as a \$25,000 grant given to the Migrant Resource Centre, and there is also an annual grant of \$22,000 given to Radio 5EBI. There is also a grant of about \$50,000 provided to the National Accreditation Authority for Translators and Interpreters, which is our jurisdiction share of the commitment across the nation to NAATI, that organisation. That basically makes up the whole grant.

Mrs REDMOND: So that is around about \$1 million or a bit over \$1 million.

Mr FORREST: Close to, yes.

Mrs REDMOND: Is that all included in that \$3.182?

The Hon. G. PORTOLESI: Yes, but it also includes, for your information, officer volunteers' grants; we also administer some grants through there—Volunteers.

Mrs REDMOND: That is my problem with reading this page, that Multicultural, Youth and Volunteer Services are all just mixed in here. What I want to know is: how much is Multicultural?

The Hon. G. PORTOLESI: I am very happy to give you information about the grants; in fact, we can talk about it with Youth in a second. I am very happy to give you a detailed list for the program areas that we spend our grant money on.

Mrs REDMOND: Can I also ask, on that same reference, the sale of goods and services, what does that relate to (that is on the income side of the ledger), and is any of that relevant for Multicultural? What are we selling?

The Hon. G. PORTOLESI: This, I understand is the revenue that MSA gets from the Interpreting and Translating Centre, which operates out of MSA. In 2009-10, the demand for interpreting and translating services was for 37,678 interpreting assignments—

Mrs REDMOND: That shows in the figures over the page—

The Hon. G. PORTOLESI: Yes, but the total cost—

Mrs REDMOND: —but how much of the sale of goods and services is from that and relates to Multicultural Services?

The Hon. G. PORTOLESI: I understand that it is virtually all of it.

Mrs REDMOND: On the next couple of lines, can the minister explain why grants and subsidies have gone down from \$46,000 in 2008-09; up to \$36,000 as an estimated result; to zero this year; and why, with a similar path, commonwealth revenue has gone from 125 down to 18 this year?

The Hon. G. PORTOLESI: Let me deal with the first one first. We are not clear that that information pertains to MSA.

Mrs REDMOND: That is the problem that I have in asking questions in this portfolio. The portfolios are split into three sectors and we can only ask questions for half an hour on each one separately, but then you combine all the figures, so we cannot tell what relates to which one.

The Hon. G. PORTOLESI: Like I said, I am very happy to give you the detailed information that I have. We are very happy to get back to you on those two lines.

Mr MARSHALL: I have a question regarding the land tax subsidy. Does that come under Budget Paper 4, Volume 3?

The Hon. G. PORTOLESI: Yes, that's us.

Mr MARSHALL: Does that come under the grants and subsidies?

The Hon. G. PORTOLESI: Yes.

Mr MARSHALL: So, in fact the \$280,000 of land tax relief is included in the figure 3.182?

The Hon. G. PORTOLESI: Yes it is, in the 2010-11 budget, 3.182.

Mr MARSHALL: So, in actual fact, for your portfolio, if you subtract the land tax subsidy, which was not in two years ago, we have actually gone backwards from grants and subsidies offered by the department two years ago, because the 2008-09 actuals was 3,002.

The Hon. G. PORTOLESI: No. I do not know what calculations you have been cooking up over there. If it is anything like last one, my lesson—

Mr MARSHALL: The ABS?

The Hon. G. PORTOLESI: No; referring to someone else's website—but that's alright—but claiming that it was a South Australian government website. Do we have comparative figures—

Mr MARSHALL: My question is specifically, though—

The Hon. G. PORTOLESI: Hold on! I would like to finish consulting with my adviser.

Mr MARSHALL: But you are answering a question I did not ask.

The Hon. G. PORTOLESI: No; you wanted to know how much we spent on the land tax—

Mr MARSHALL: No; I know that: \$280,000.

The Hon. G. PORTOLESI: I can't answer your question without knowing what we did spend, in order to ascertain whether there was a cut.

Mr MARSHALL: You have already put it on record that \$280,000 was the subsidy for land tax relief this year; in fact, Mr Forrest put it on the record about five minutes ago.

The Hon. G. PORTOLESI: I do not know what the previous amount was.

Mr MARSHALL: Well, there wasn't one. It is new.

The Hon. G. PORTOLESI: No. Can you clarify that?

Mr FORREST: I believe the land tax started in the financial year 2005-06.

The Hon. G. PORTOLESI: It is not a new initiative.

Mr MARSHALL: No?

Mr FORREST: No. I am right—2005-06, I think.

Mr MARSHALL: No problems at all.

The Hon. G. PORTOLESI: Hold on, I have some information which I am going to share with you. The Ethnic Community Organisations Land Tax Relief Grant Scheme does not operate like a normal grants scheme. In this scheme, every eligible applicant receives a grant to cover the cost of the full amount of their land tax. It is a bit confusing.

In normal grants schemes there are generally more applications and requests for money than funds available. In this scheme, all eligible applicants receive a grant to cover the cost of the full amount of their land tax. So, in the financial year 2009-10, the 38 community organisations received—you were right—around \$280,000 to reimburse them for the cost of land tax.

The CHAIR: If there are no further questions, it might be timely for us to move to the portfolio of Youth.

Membership:

Mr Pisoni substituted for Mrs Redmond.

Departmental Advisers:

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

Ms T. Downing, Director, Office for Youth.

Ms D. Contala, Executive Director, Finance and Business Services, Attorney-General's Department.

Mr A. Swanson, Director, Business and Financial Services, Attorney-General's Department.

Mr G. Baynes, Executive Director, Building Communities.

The CHAIR: Member for Unley, I know that the minister has said she will not be giving any statements at all this morning. Do you have an introductory statement?

Mr PISONI: No; I will go straight into questions. The first question relates to Budget Paper 6, page 54, Building Communities Division. The Building Communities Division is an amalgamation of the Office for Recreation and Sport, Office for Racing, Office for Youth, Office for Women, Veterans' Affairs, Guardianship Board, Office for the Public Advocate, Office for Volunteers, Multicultural SA, the Equal Opportunity Commission and the Native Title Claims Resolution Unit. The budget papers state that this will save \$9.9 million over the forward four years. Which minister will be responsible for the Building Communities Division?

The Hon. G. PORTOLESI: I am responsible for my bits in that department, so that is MSA, Volunteers and Youth. There is one big department and there are a lot of ministers whose departments reside in that big agency. Jerome Maguire is the head of that department and Tiffany is the head of the Office for Youth. Lots of ministers, one department. Confusing, I know.

Mr PISONI: And that is going to save money, is it?

The Hon. G. PORTOLESI: The government has been doing that for a long time. There is nothing new about that. In fact, I am sure it was so when you guys were in government.

Mr PISONI: Will the title, the Office for Youth, continue?

The Hon. G. PORTOLESI: Absolutely; there will be an Office for Youth. In terms of the shape of it and where it will fit in the new scheme of things, clearly it will fit in the Building Community Division, but for me the key to doing outstanding work lies in the work that we do and how we do it. I am not so fussed about the bureaucratic or organisational structures around it, as long as I am satisfied that, within that organisation, the Office for Youth is a priority—and it is a priority. I have an obligation as much as the public servants around me to make sure that it continues to do a good job.

Mr PISONI: What is the current number of FTEs for the Office for Youth now and how many FTE positions will there be after the amalgamation for the Office for Youth?

The Hon. G. PORTOLESI: There is no amalgamation per se. There is a restructure going on, but there is no amalgamation. The current number of FTEs is 18.3. As to what it will look like

after, who knows, but there are savings that the Office for Youth has to meet as a result of the SBC work. Again, those savings targets do not hit until 2012-13. Unlike your leader who sees this a sort of threat, I see it as an opportunity in that we have two years up our sleeve without the pressure of immediate cuts to think about the best way to position ourselves.

Mr PISONI: You say it is not an amalgamation of those departments? Is it a consolidation?

The Hon. G. PORTOLESI: Jerome Maguire can interrupt me if I am not correct. The Office for Youth, MSA and Volunteers currently sit within the AGD. If you imagine a great big box, they are currently in that box called a department—

Mr PISONI: The Office of Sport, then, and the Office of Racing, where do they sit?

The Hon. G. PORTOLESI: Don't interrupt me.

Mr PISONI: I am talking about the whole Building Communities Division—

The CHAIR: Member for Unley, if you are going to ask one question, excellent; just wait for a response. We will have the response and then we will ask another question. You asked the question, so I am assuming you want to hear the answer.

The Hon. G. PORTOLESI: So there is one big department, and my three agencies currently sit within that department. There is this new building communities division which is being established inside this department and which includes my three agencies plus all those other ones that you listed. The aim—and I support this—is to better join up areas of the department where there are synergies and where there are key policy links. For instance, if you look at building communities, community wellbeing and rights protection are key themes across my three portfolio areas, so I do not feel threatened about the proposed restructure, reorganisation, call it what you will.

In fact, I am excited about getting my hands, I hope, onto more central resources like policy resources that reside in other parts of the department. Believe me, I would be the first to be kicking up a stink if I thought that this was going to be a bad thing for the Office for Youth or for young South Australians or indeed for myself as the minister. I think we need to be flexible in the way that we do our business in government. Like I said, I do not feel constrained or too fussed about the reorganisation, because I need to satisfy myself that the Office for Youth will continue to be a priority, and it will.

Mr PISONI: When did the consultation period with your ministry start about combining Recreation and Sport, Office for Racing, Office of Public Advocate, Office for Volunteers, Multicultural SA and the Equal Opportunity Commission? When did it start? When was your office involved in the negotiation process about how the building communities division would eventually look?

The Hon. G. PORTOLESI: I do not run the department. Jerome Maguire does that, and I am very happy for him to do that. As to when he started—

Mr PISONI: Well, if you cannot answer the question, he can. It is about when the negotiations started.

The Hon. G. PORTOLESI: And it is my decision about whether he answers the question.

Mr PISONI: So you do not know. Is that the answer?

The Hon. G. PORTOLESI: Would you let me finish talking?

Mr PISONI: I am waiting for an answer; not an excuse as to why you will not give an answer.

The Hon. G. PORTOLESI: Would you stop talking? I do not run the department. That is Jerome Maguire's job, and he started discussions with all his agencies earlier this year about potential restructures. Mr Maguire can give more detail. I do not think there is any value in any more detail. The point is that a restructure is going on, and I support it.

Change is never an easy thing, but, certainly, I am prepared to back him in this because I am satisfied that the Office for Youth, the Office for Volunteers and MSA will not diminish in this reorganisation. That is my priority. As I said, I also have obligations as the minister to ensure that I keep my end of the deal up. I am very happy to work with Jerome, and if I felt that this was a threat to young South Australians I would be first to arc up about it, but I do see it as an opportunity. Not all change is bad.

Mr PISONI: What were the criteria for putting these particular officers under the one banner?

The Hon. G. PORTOLESI: This is what I talked about earlier. I cannot talk for the other agencies that you listed, but if you look at MSA, the Office for Youth and Volunteers, you can see that it is about building community capacity, about community wellbeing, and about rights protection. We see these synergies as providing opportunities for targeted populations and individuals at risk, protecting the rights of the vulnerable, helping resolve disputes and complaints and community consultation and engagement.

That is where we need to be at in my portfolio areas, and where we are at. It is about community engagement. This is something that the offices of volunteers and youth and MSA do on a day-to-day basis. It is what I do. Why should we not all be in this new division? As I said, change is not always a bad thing. I am excited by the change. I am happy to run with it.

Mr PISONI: I am trying to determine the rationale for the Office for Racing and the Office for Women. I can see the connection there—the Melbourne Cup lunch. That is a great day for women—

The CHAIR: Member for Unley—

Mr PISONI: —and, certainly—

The CHAIR: Member for Unley—

Mr PISONI: —my wife enjoys the Melbourne Cup lunch.

The CHAIR: Member for Unley, for the third time. That is, on one level, very amusing, but I suspect that the racing industry might take some umbrage with that.

Mr PISONI: I don't think so. I think they are very pleased that they have had a very successful—

Mr Marshall interjecting:

The Hon. G. PORTOLESI: Not to mention the ladies, grasshopper.

Mr PISONI: —community attendance of their lunches.

The CHAIR: Well, that's a long bow to draw. I mean, I myself—

Mr PISONI: As the member for Norwood says, 'Giddy-up.'

The CHAIR: Does he wear a hat on Melbourne Cup day? Sorry, there was some talk of sequins earlier on.

Mr PISONI: Shirt and tie.

The Hon. G. PORTOLESI: He does have some natural feathers—peacock!

Mr PISONI: What I am trying to establish, minister, is the synergy, the combination, of these offices under the one department or the Building Communities Division. I am interested to know whether some other offices were considered and rejected, and why they were rejected and these were put together.

I imagine that your office, minister, or Mr Maguire, would have been involved in the establishment of the Building Communities division. Obviously, because we are considering a budget line and a considerable amount of money, as well as some budget savings, our role as members of the opposition is to establish that there has been proper process in establishing the division itself.

The Hon. G. PORTOLESI: I am not the Minister for Recreation, Sport and Racing, but, what I do know—and it would be pretty obvious given my obvious athletic prowess—is that, when it comes to sport and rec—and we know that just through my limited work as the Minister for Youth; 'limited' because I have been minister for about five minutes—is that sport is a very, very powerful tool for community engagement. I think there are some synergies. I am sure the relevant ministers would be very happy to provide more information about the synergies, but the main thing is that, where my agencies are concerned and also as a member of cabinet, I am satisfied that there are synergies here.

The things that we do, including the Office for Women (which does a great job), are about building community capacity in one form or another. I am satisfied—and you have my assurance

that I will be watching this situation very closely—that these will be in the interests and they must be in the interests of the people whom we all work for, young South Australians.

Mr PISONI: I refer now to Budget Paper 4, Volume 2, page 5.65. The indicator for the number of young people volunteering in their local communities through youth programs seemed to peak in 2008-09 at 5,751. I note that the target for 2010-11 is reduced to 5,100. Are you able to advise whether this is funding related or attributed to some other matter?

The Hon. G. PORTOLESI: No, I am advised that this is not funding related. The estimated result for the number of young people volunteering through the youth programs is higher than the 2009-10 target of 4,400 due to a change in the way the total number of participants for the Duke of Edinburgh's Award program is counted. Previously, only new participants of the award were counted. However, under the revised formula, both new and continuing participants are counted. The change was made to align South Australia to national reporting requirements for this international youth development program.

The 2009-10 estimated result of 5,349 young people volunteering through youth programs is lower than the 2008-09 actual result of 5,751 as there was a slightly higher number of new participants for the Duke's award in 2008-09. However, this does not reflect a decrease in commitment to volunteering by young people, as the total number of volunteer hours increased from 68,000 hours last year to a whopping 106,734 hours this year. This is partially due to the inclusion of continuing participants for the Edinburgh award and partially due to an increase in the number of young people participating on their local youth advisory committees, which are very, very important.

Mr PISONI: Are you using the same formula for the 2010 target that you used for the estimated result for 2009-10? Are there any changes in the formula there because—

The Hon. G. PORTOLESI: No, the formula is the same.

Mr PISONI: —there is a reduced figure for your target for 2010-11 than your estimated result for 2009-10?

The Hon. G. PORTOLESI: No, sorry, I said before that there was not a change in the methodology, but there is, I beg your pardon. It represents an increase from the 2009-10 target due to the revised counting rules for the Duke of Edinburgh's Award program.

Mr PISONI: No, we got that. The question is: the estimated result is 5,349 for 2009-10—

The Hon. G. PORTOLESI: That's correct.

Mr PISONI: —yet your target is lower than that for this year. I am trying to establish why it is a lower target than what your estimated result was last year. We understand that the target result for 2009-10—

The Hon. G. PORTOLESI: Tiffany Downing has a detailed response to that.

Ms DOWNING: Yes, the difference there is that, because Duke's is not funded by the Office for Youth, the numbers are not linked to a particular amount of funding. So, the numbers for Dukes each year do go up. So, we have established a target higher than our target for 2009-10 but, at the end of the year, an increased number last year than our original target participated.

Mr PISONI: No; I am actually saying that the estimated result this year is higher than your targeted result for next year.

The Hon. G. PORTOLESI: Yes.

Mr PISONI: I am trying to establish why you feel that you are going to have fewer people involved in—

The Hon. G. PORTOLESI: We understand. We think that is a more reasonable target.

Mr PISONI: So you are going backwards? If you have actually achieved it this year, I do not understand why it is a more reasonable target to say, 'Well, we're going to aim for fewer next year.' I am just trying to establish why that is.

The Hon. G. PORTOLESI: We think that is the right target. However, the estimated result for 2010-11 might be different to that again. The point we are making is that there are great variations in the results from the targets when we are dealing with the Dukes. Is that correct?

Ms DOWNING: Yes; we set an estimated target for the Duke of Edinburgh's Award, but we certainly do not limit based on funding. Our targets are set based on the activity that we are performing during the year, but if more people are willing to come and do the Dukes then we will certainly accept them.

Mr PISONI: While we are talking about the Duke of Edinburgh's Awards, are you able to advise the committee why it is that they are heavily dominated by non-government schools and it is rare that you see government school students participate in the Duke of Edinburgh's Awards. I have been to a number of ceremonies now, and I am yet to see any more than 10 per cent of those students coming from government schools, when two-thirds of our students actually attend government schools here in South Australia.

The Hon. G. PORTOLESI: The gold Duke of Edinburgh's Awards are dominated by the private schools, but the bronze and silver are not. I know where you are going with this question. I can say that the Dukes is now doing quite a bit of work in government schools. In fact, Tiffany, can you add some information on the non-private sector?

Ms DOWNING: Yes; in the non-private sector, the majority of funding going out through Reach Your Dreams is targeted at community organisations partnering with their local school, and this year there were 299 disadvantaged young people participating through Reach Your Dreams. I think the experience most people have with the Duke of Edinburgh's Award is at the higher end through the gold, which is through Government House and so on. We had 30-odd people at the last gold; we had 150 at the last bronze/silver award ceremony, which is heavily dominated by the government schools.

The Hon. G. PORTOLESI: I think what we see in our capacity as MPs are the recipients of the gold but, as I have had to educate myself, there is a whole other layer of work that they are doing under the radar, so to speak, that we do not get to see. The point I take on board is that we need to promote their achievements as well. In fact, we will invite you to a bronze award ceremony; we will go together.

Mr PISONI: Yes, all right.

The Hon. G. PORTOLESI: I will give you a lift. Just don't wear your Melbourne Cup hat.

Mr PISONI: I wear a hat if it is sunny; if it is sunny I wear a cap, or sunscreen.

The Hon. G. PORTOLESI: You can wear an elegant Panama hat, as they wear on the continent.

Mr PISONI: Are you able to bring back, minister, a breakdown of participants from government and non-government schools at all levels?

The Hon. G. PORTOLESI: Yes, I am very happy to. We will get that to you.

Mr PISONI: I refer to performance information for Office for Youth.

The Hon. G. PORTOLESI: What page?

Mr PISONI: This is 5.65; the same page, minister. The previous minister for youth, the Hon. Tom Koutsantonis, skewed the funding towards disadvantaged youth. Are you able to confirm whether, under your leadership, this will continue?

The Hon. G. PORTOLESI: I can talk to you about the first point. The challenge that becomes obvious in any of these three portfolio areas is that you are relatively small agencies. You are not, for instance, delivering health services to young people. So, you have to decide whether you want to try to be everything to everybody and, therefore, run the risk of not being terribly effective, or focus the resources that you do have in a particular area.

I cannot speak for minister Koutsantonis but he certainly did have a focus on disadvantaged youth. I, however, have a different focus. I have three key areas: health and well-being, education and employment, and participation and engagement. Within that, obviously, I hope to capture young people who are disadvantaged. Being an eastern suburbs local member I see a lot of young people who are struggling but who may not fit into that stereotypical notion of disadvantaged. I am sure the member for Morialta will agree with me on that point. So, I think the issues are different.

My three key directions were decided upon after I saw a report that we had commissioned by—was it the University of Adelaide? I think it is called—John Spoehr's group, the Institute for Social Research. We commissioned this report on, basically, the state of young people in South

Australia. That highlighted a number of issues; for instance, youth homelessness, mental health, how young people were being exploited in their employment, and issues around body image. So, after having a look at that, I decided that we would go in this direction.

However, I think it is important—for me, anyway—to have a framework, in a sense, that will guide the work that we do. We are currently preparing a youth policy framework for South Australia's young people that will last for the next four years. However, of course, it is up to every new minister to take their agency in whatever direction they want. I have been talking to a lot of young people and talking to young people who represent other young people and the feedback has been positive.

Mr PISONI: You mentioned young people being exploited in employment. Recently there has been some talk, particularly on 5AA, about the exploitation of youth at a fast food chain. I am interested to know what participation your office has or what cooperation or contact you have with the office of Fair Work Australia to determine how widespread this may be, or whether it is not within your area of responsibility.

The Hon. G. PORTOLESI: I am not aware—I have been on holidays with my family—of the particular case you are talking about. Where I would concern myself, though, as a matter of principle, is if this represents a problem in the system. I will, as a result of your question, check this out. The key thing for me, as a result of what you hear about through the media or personal contact or whatever, is to ask if this represents a problem in the system. Is there a systemic question here that needs to be addressed or is it a one-off? So, we will contact SafeWork SA and work with them to ascertain whether there are some structural issues that we need to identify.

The exploitation of young people is something that was highlighted in John Spoehr's report. It makes a lot of sense, sadly, that young workers are likely to be exploited. There are also other state agencies within AGD (like the Employee Ombudsman and the Equal Opportunity Commission) that we would work with. I think they also fit into the Building Community Capacity Division. There you go—one of those synergies that we talked about before.

Mr PISONI: Well, my understanding is that these employees are on federal awards, and so consequently that is why the office of Fair Work Australia was involved.

The Hon. G. PORTOLESI: I am very happy to talk to them as well.

Mr PISONI: The media that came about from that was quite surprising because it appeared as though the union (the Shop, Distributive and Allied Employees' Association) was dealing with that issue, as opposed to Fair Work Australia. The impression I got from the media—and I appreciate the fact that you probably did not hear it, minister—was that, obviously there were breaches of employment conditions, or at the very least there was the perception of that. I was surprised that Fair Work Australia was not involved and that it was left to the union to investigate.

I know as a parent of teenaged children that I would certainly want to ensure that government authorities were taking an interest in things such as—I think one of the issues that was a major concern was late shifts for 14 and 15-year-olds who are not able to get home because there is no public transport. Consequently, either parent would have to pick them up, or they would have to take the risk of sending them home in a taxi, even though those kids did not actually want to work those particular late shifts.

So, I am just interested to know just how engaged the Office for Youth is in issues of, particularly part-time youth—kids while they are still at school—learning the ropes, if you like, about participating in the economy and earning some pocket money. Do you have a policy or an engagement process for dealing with that situation?

The Hon. G. PORTOLESI: I am not familiar with the case but I will be as of this week some time, although, as you said, it is a federal issue. Now, like I said, we do not deliver, say, IR services, or manage complaints mechanisms for young South Australians. Where we do work is by partnering with agencies like SafeWork SA to identify any policy or systems gaps that might exist. Did you follow it up with the federal body, David? Have you taken this issue up federally with the federal body?

Mr PISONI: My understanding is the union has taken it up.

The Hon. G. PORTOLESI: But have you?

Mr PISONI: But my understanding is the union has taken it up.

The Hon. G. PORTOLESI: And you are not happy about that?

Mr PISONI: No, I am just asking what role your department is playing in that.

The Hon. G. PORTOLESI: Yes, and I have explained that, but I am just asking whether you have taken it up.

The CHAIR: Well, it is not really the role of the member for Unley—

The Hon. G. PORTOLESI: I am just trying to get more information.

The CHAIR: —to be answering questions here today. I believe he gets to ask them.

Mr PISONI: As I said in my explanation—

The Hon. G. PORTOLESI: Thank you, Madam Chair.

Mr PISONI: —your friends in the SDA have taken that up.

The Hon. G. PORTOLESI: Yes, they are my friends, as you are my friend too.

Mr PISONI: Well, we know what the friendship is like then, don't we?

The Hon. G. PORTOLESI: But—particularly with the fascinators—look, as I said, I am very happy to take it up.

Mr PISONI: Okay; all right.

The Hon. G. PORTOLESI: I am not familiar with the case. There is no issue here; I am happy to take it up.

Mr PISONI: There is a budget line here on page 5.19 from the same budget paper in regard to 'reconciliation to agency net cost of providing services—Office for Youth from the Department of Further Education, Employment, Science and Technology'—\$4.739 million. Is that the entire budget for the Office for Youth?

The Hon. G. PORTOLESI: I can give you the details for the Office for Youth. This is, of course, when the Office for Youth was still in that department, when it was in DFEEST. It is now in AGD. The figure for the 2009-10 budget is, as is reflected in that table, \$4.739 million. The difference is obviously that the Office for Youth was with DFEEST. On 1 July last year, it came over to AGD.

Mr PISONI: So, did that budgeted amount for 2009-10 never eventuate from the Department of Further Education?

The Hon. G. PORTOLESI: No; we are now with AGD.

Mr PISONI: So there's a budgeted amount, but there is no estimated result, so it was budgeted for but it never eventuated. That is all I am just trying to establish.

The Hon. G. PORTOLESI: I have got this information here, if you want it. Do you want it?

Mr PISONI: I'm waiting.

The Hon. G. PORTOLESI: I might just ask Debra Contala to explain in accounting terms why it is presented this way.

Ms D. CONTALA: This table shows the reconciliation between the program, so that line only reflects the transfer of funds from DFEEST in 2009-10.

Mr PISONI: But that transfer never happened, is what I am trying to establish.

Ms D. CONTALA: In the Budget Papers for 2009-10 the Office for Youth was shown in the DFEEST budget pages. For the 2009-10 estimated result and the 2010-11 budget, the budget showed under the program in the AGD budget papers.

Mr PISONI: Okay; so the money came from the department of employment, but it does not show up in the estimated result, for what reason?

Ms D. CONTALA: Because it is shown under the program above, under program 18, in the totals—building communities, multicultural, youth, volunteer services.

The Hon. G. PORTOLESI: It is shown in relation to where it now fits—in AGD—as it does with Volunteers and MSA.

Mr PISONI: Where did the money from the department of further education go? Did it go directly to the Office for Youth, or did it go via another department?

The Hon. G. PORTOLESI: I understand that—correct me if I am wrong—when the Office for Youth moved out of that one big box called DFEEST and it moved that next big box called AGD, the Office for Youth, the money and all the people went to that second big box. Is that correct?

Mr J. MAGUIRE: That is correct, yes.

Mr GARDNER: Minister, can you give us the details for the Office for Youth as you did with the multicultural and volunteers offices?

The Hon. G. PORTOLESI: Yes, I am very happy to. You are right: the 2009-10 budget is 4.739. The estimated result in 2009-10 is 4.182, and the budget in 2010-11 is 3.697. The Office for Youth does have Sustainable Budget Commission savings that it has to wear; they will not kick in until 2012-13. I might just explain some of these variations.

The decrease in total expenses from 2009-10 estimated result of \$4.3 million to the 2010-11 budget of \$3.7 million is mainly due to a decrease of \$254,000 due to one-off funding for the Targeting Skills Needs in Regions program, a decrease of \$160,000 for accommodation costs (a budget adjustment will be processed in 2010-11 to reinstate this budget), and a decrease of \$122,000 for savings allocated to the Office for Youth, 2010-11. That \$122,000 represents the residual savings targets and are separate to the SBC targets, which do not start for a couple of years.

Mr GARDNER: The Office for Youth, I think you said earlier, has 18.3 full-time staff. Are any of those located in your ministerial office?

The Hon. G. PORTOLESI: The structure in a ministerial office is that you have your advisers and a couple of PAs here and there who are private contract staff—my staff—and then we have an MLO, as we have with Aboriginal Affairs, MSA and Volunteers. We do have an MLO, who is a public servant.

Mr GARDNER: So, you have an MLO for each of those offices. Is that in addition to the 11 full-time staff you have listed in your office?

The Hon. G. PORTOLESI: I do not know the total numbers but this is the structure: minister; I have a PA who is a public servant; my chief of staff—God bless her—is obviously political staff. She is up there. They are all blonde. Apart from Adriana, I have an adviser for MSA. I have an MLO for MSA; that person is a departmental person. I have an adviser who looks after Volunteers and Youth and I have a departmental person who is an MLO who looks after Volunteers and Youth. Aboriginal Affairs is looked after by my chief of staff and we have an MLO who looks after Aboriginal Affairs. I think we are a very lean office, actually.

Mr GARDNER: I appreciate that. In Budget Paper 4, Volume 2, Part 1, Premier and Cabinet, page—where is it?

The Hon. G. PORTOLESI: What is the question?

Mr GARDNER: I just wondered if you could clarify whether that 11 that is referred to in the Premier and Cabinet budget paper—

The Hon. G. PORTOLESI: I will need to check. I just need to check what is in the budget paper. I actually did not look at that. Of course we will undertake our own savings process as well. As you know, ministerial offices are copping a 15 per cent savings cut as well, but I think I have quite a lean office.

Mr GARDNER: I was not accusing you otherwise.

The Hon. G. PORTOLESI: That's okay.

The CHAIR: There is so much love in this room.

The Hon. G. PORTOLESI: I know.

The CHAIR: It is just revolting. I would just remind you before we carry on with that that there are only four minutes until we adjourn, so keep going.

Mr PISONI: I refer to Budget Paper 4, Volume 2, page 5.18, Highlights: Commissioned and released the Youth Report—South Australia's Young People: Emerging Issues and Priorities and developed a policy rationale for a whole of government youth policy framework. How much has been allocated to the actions arising from the report? Have you worked out a budget as to how much money you have to respond to the report?

The Hon. G. PORTOLESI: Yes, this is the subject about which I spoke earlier. I was talking about John Spoehr's report. This is the report that we commissioned. I think it cost about \$25,000. It is a very useful report and you can get a copy of it from the website. My response to that report is the whole of government policy that we are in the final stages of wrapping up.

I have told you the broad outline of it, which is that, whereas the previous minister had a focus on disadvantaged youth, we will have three areas largely or three directions, and we are in the middle of basically reconfiguring and considering everything that the Office for Youth does, either inside the office or in collaboration with other NGOs, and matching them up to those three key target areas.

It has not been necessary to establish a dollar figure to attach to that. We commissioned the report. I am using the report as a way to go forward. I have told you how much it cost. It has been very useful and it provides a very valuable snapshot for anyone interested in youth issues of the state of play of young South Australians.

Mr PISONI: Was the report released as it was written or was it edited by the department?

The Hon. G. PORTOLESI: No, it wasn't. I think it was received late in 2009. I think it is fair enough to say that the government then went into caretaker mode earlier in the year. Anyway, I became minister and I was presented the report and I released it as it was.

Mr PISONI: So the report was—

The Hon. G. PORTOLESI: Presented to me as the new minister and I released it.

Mr PISONI: My question was: was it edited by the department or was it released in its entirety as it was written?

The CHAIR: That will be the final question because we do need to finish up there, so if you could make it brief, minister.

The Hon. G. PORTOLESI: We received the report. I am advised that the Office for Youth then confirmed with the agencies across government that the data was correct as it was presented. We did that; then we released the report.

Mr GARDNER: I need to put something on the record very quickly. The reference in the question you took on notice was Budget Paper 4, page 1.4.

The CHAIR: I declare consideration of the proposed payments adjourned and transferred to Estimates Committee B.

[Sitting suspended from 10:45 to 11:00]

DEPARTMENT OF THE PREMIER AND CABINET, \$132,619,000
ADMINISTERED ITEMS FOR THE DEPARTMENT OF THE PREMIER AND CABINET,
\$11,541,000

Membership:

Dr McFetridge substituted for Mr Pisoni.

Mr van Holst Pellekaan substituted for Mr Gardner.

Witness:

Hon. G. Portolesi, Minister for Aboriginal Affairs and Reconciliation, Minister for Multicultural Affairs, Minister for Youth, Minister for Volunteers.

Departmental Advisers:

Mr C. Eccles, Chief Executive, Department of the Premier and Cabinet.

Ms N. Saunders, Executive Director, Aboriginal Affairs and Reconciliation Division, Department of the Premier and Cabinet.

Ms P. Peel, Deputy Chief Executive, Aboriginal Affairs and Reconciliation, Sustainability, Department of the Premier and Cabinet.

Ms K. Petersen, Director, Remote Communities, Aboriginal Affairs and Reconciliation Division, Department of the Premier and Cabinet.

Mr D. Bertossa, Director, Policy and Strategy, Aboriginal Affairs and Reconciliation Division, Department of the Premier and Cabinet.

Ms B. Weis, Director, Operations, Aboriginal Affairs and Reconciliation Division, Department of the Premier and Cabinet.

Mr R. Starkie, Manager, Strategic Services, Aboriginal Affairs and Reconciliation Division, Department of the Premier and Cabinet.

The CHAIR: I declare the proposed payments open for examination and refer members to the Portfolio Statements, Volume 1, Part 1. Minister, do you wish to make a statement?

The Hon. G. PORTOLESI: Thank you, Madam Chair, I will not make an opening statement nor have I arranged for dorothy dixers so that we can be productive in the time that we have.

The CHAIR: Thank you, minister. Member for Morphett, did you wish to make an opening statement?

Dr McFETRIDGE: Palya, palya, minister. Nyalu pulka pukalpa Parliamentlakutu ananyi kuwari. What I have just said in Pitjantjatjara is: 'Thank you, minister, for your time; I am very pleased to be here to ask questions in parliament today.'

The CHAIR: Well done.

Dr McFETRIDGE: I not only respect the people of Pitjantjatjara background but also all Aboriginal people in South Australia, and I will be asking questions about all people in South Australia. My first question is about the APY lands. I refer to Budget Paper 4, Volume 1, page 1.3. Minister, can you provide a breakdown of the expenditure of the APY Task Force pooled funding for the 2009-10 financial year? In other words, how much is spent on specific programs and activities and can you list the programs?

The Hon. G. PORTOLESI: I am very happy to provide that information. The APY lands task force program was established in response, as the honourable member would know, to the Coroner's findings relating to Aboriginal deaths on the APY lands. Since the establishment of the task force in 2003-04, the state has contributed \$25.46 million to the fund. In 2009-10, a total of \$5.46 million of state funds was allocated. The program included an allocation of \$3.8 million for delivery of the substance misuse, rehabilitation, family, homemaker and youth support programs and services across the lands.

The funds also enabled the continuation of the Nganampa Health service. Also, \$1.66 million was provided to continue to improve capacity building in communities and create sustainable economic development (which is very important), employment and training opportunities, governance training (another key theme that keeps coming back to me as minister), interpreter services (again, another really important issue), art-based tourism (which, I know, the member for Norwood feels very strongly about) and the completion of the skill centre at Pukatja School.

In 2010-11, a total of \$5.587 million in state funds will be allocated to the task force and \$4.27 million has been allocated for the coordination and delivery of substance misuse, rehabilitation, family, homemaker and youth support programs and services across the lands. A further \$403,000 will be provided for rural transaction centres. We are nearly there: \$265,000 was provided to support the function and administration of community councils. This is a very important initiative, and we can talk about that more in a second. In addition, funds will be provided for an APY housing audit, and more money for the Mai Wiru stores project and for interpreters. Anyway, the list goes on. Those are just some of the projects.

Dr McFETRIDGE: Could the minister provide the full list to the committee, perhaps not now?

The Hon. G. PORTOLESI: Yes.

Dr McFETRIDGE: When did the task force last report? From my recollection, the last report on the net was, I think, a couple of years ago.

The Hon. G. PORTOLESI: I will need to check with my advisers. I get briefings from my own agencies on a regular basis about the work of the task force. I will ask Ms Nerida Saunders to respond to that question.

Ms SAUNDERS: There has been no formal update in terms of the website. We are looking at the allocation of next year's funds and, once that is approved, that will actually then be the update to the register. The task force has not met in the last three months simply because we are reviewing the new funding budget for next year.

The Hon. G. PORTOLESI: Can I say that that is as a direct result of the fact that I am the new minister. I have been spending the time since March determining the direction and on the priorities that are important to me. For instance, food security or food supply is a very significant issue for me as the new minister. We are considering the future of the APY Council's funding in light of my priorities.

Dr McFETRIDGE: Thank you, minister. The same budget reference: Budget Paper 4, Volume 1, page 1.3. You have just told us about the recent meetings of the APY task force. What about their cross-government TKP forum? When did they last meet and are their reports published, as well?

The Hon. G. PORTOLESI: No, that group no longer meets. The APY executive and the government agencies that were involved have agreed to stop meeting. They certainly have not met as far as I am aware since I became minister in March.

Dr McFETRIDGE: Has any other group assumed their role, because I assume that was a very broad—

The Hon. G. PORTOLESI: I had my first meeting with the APY executive, it might have been May. Before parliament met for the first time after the election, I headed up to the APY lands and we talked about the best way for engaging with each other; that is, the APY executive, the communities on those lands and government, and not just me as minister or the other government agencies that have responsibilities for delivering important services. We are considering future governance arrangements—engagement, architecture (if you want to call it that)—in the context of the review that is being undertaken by the APY executive.

Dr McFETRIDGE: You mentioned government engagement then, minister. I understand that every CE of every department visited the APY lands.

The Hon. G. PORTOLESI: Yes, that is correct.

Dr McFETRIDGE: I have FOled these minutes, notes of meeting, reports to ministers from every chief executive, and every one has said that they do not have any minutes, notes or reports. It seems absurd.

The Hon. G. PORTOLESI: I cannot comment on your FOI application. That application would have been considered according to due process. Shortly after I visited the APY lands, I am aware that Chris Eccles and many, many chief executives across government visited the lands. It was a very important visit. I understand it was a very positive visit. I cannot comment on your FOI application, but there was a visit and it was very important.

Dr McFETRIDGE: Have you received copies of the reports to each of the ministers from their chief executives?

The Hon. G. PORTOLESI: I cannot answer that because I simply cannot remember, but I will check that in a second. There is a body called CEGAA. I think it is called the Chief Executives Group on Aboriginal Affairs, CEGAA. It is a relatively new body and it is a meeting. It was this group that headed up to the APY lands. I have certainly met with them and worked with them on progressing issues in relation to Aboriginal people in South Australia. I receive information from time to time from CEGAA through Pauline Peel, Chris Eccles and Nerida Saunders. I think what CEGAA represents and what the visit to the APY lands represents is the ramping up of this issue as far as government attention and concentration is concerned. It is happening at the very highest level.

Dr McFETRIDGE: Is that going to be happening at all the other communities as well, from Yalata in the west, Raukkan, Gerard, all of those?

The Hon. G. PORTOLESI: I certainly intend to get around to as many communities as I can. I am not sure of what the work program is for CEGAA, but I congratulate them on the work they are doing—of course, it is work they should be doing, anyway, because they are government chief executives. They have a detailed work program and I am satisfied that they will visit as many communities as they need to in order to do the work that they need to do. Mimili and Amata, which is where CEGAA went and where I went the first time, they are certainly, in the first instance, the priority communities for CEGAA because they are priority communities under COAG.

Mr Marshall interjecting:

The Hon. G. PORTOLESI: Yes, and they have the LIP funding. The focus of our work has been on Amata and Mimili, but there is a lot of work to do in all the communities.

Dr McFETRIDGE: Minister, if you have met with this group, CEGAA—

The Hon. G. PORTOLESI: Yes.

Dr McFETRIDGE: —are there reports that you could give to the opposition just so that we can—

The Hon. G. PORTOLESI: Let me follow that up for you.

Dr McFETRIDGE: I think you know that Aboriginal affairs is a bipartisan issue and it is not about trying to keep anybody honest or anything like that; it is about making sure that we know what is going on so that we can all have input into this. So, if there is any information that you have—because it has been a session of pedantics and semantics getting FOIs approved by this government, unfortunately, generally, but I was very surprised not to have any reports, notes of minutes—anything from every CE.

The Hon. G. PORTOLESI: Like I said, I cannot comment on your FOI application or what it was that you asked for or how you asked for it, but all of the CEGAA actions, agendas, etc. have been captured.

Dr McFETRIDGE: Are they on the net?

The Hon. G. PORTOLESI: What is on the net are the local implementation plans (LIP) for Amata and Mimili, so CEGAA actions, agendas, whatever, are linked into those LIPs. So, it is reflected in the LIPs, but I am very happy to go away and look further into whatever information can be made available. I am very happy to sit with you with Chris Eccles, Pauline Peel and Nerida Saunders if you want to explore some issues, as I have done with the member for Norwood.

Dr McFETRIDGE: Yes; it is a matter of just assisting you. We are here to help, minister.

The Hon. G. PORTOLESI: Gee, thanks.

Mr MARSHALL: My question relates to Budget Paper 4, Volume 1, page 1.41, the review of the Aboriginal Lands Trust Act 1966. The state government began its comprehensive review of this act back in 2008. On the DPC-AARD website it currently indicates that consultations for the review concluded on 23 April 2009, yet under the achievements for 2009-10 in the budget papers it states:

Continued the review of the Aboriginal Heritage Act 1988 and the Aboriginal Lands Trust Act 1966, including extensive community consultation process.

The website says that this consultation was completed in April 2009, which of course was in the prior financial year. Can you outline to the committee what extensive consultation processes occurred that you have alluded to in this report?

The Hon. G. PORTOLESI: I have not seen the website to which you are referring, but certainly, in terms of the legislative program, the review of the Aboriginal Heritage Act and the Aboriginal Lands Trust Act are the two key projects that we have on the go. I was very pleased to meet with the board of the Aboriginal Lands Trust a couple of weeks ago about this review. I can ask my adviser to outline the very detailed and extensive level of public consultation that has been undertaken. In fact, I can give you that information. A big round of applause goes to these communities who have been working very closely with us on modernising this legislation. This legislation dates back to 1966. I believe it has not been touched since then. It dates back to before I was born, actually, Steven.

In 2009, consultations were held at 23 locations across South Australia, including in all ALT communities, and consultations were also held with key stakeholders, including the Local Government Association. Nineteen submissions were received from a range of Aboriginal industry

and government groups, and a reference group of senior Aboriginal people was appointed to provide policy advice to the minister. It was not the ALT that I met with; it was the reference group that has been charged with the review of the legislation. Where we are at the moment is—

Mr MARSHALL: That was not my question. My question was really—

The Hon. G. PORTOLESI: Can I just tell you where we are at the moment by way of background?

Mr MARSHALL: That is not my question. The question was specifically that the budget papers refer to your department conducting extensive community consultation during the 2009-10 year. My understanding is that all of that extensive community consultation actually finished—and this is published on the DPC-AARD website—on 23 April. So, I am wondering whether any consultation actually occurred through the budget year, as highlighted in your own papers.

The Hon. G. PORTOLESI: There were two rounds of consultations. The first is completed and on the website to which you were referring, although I have not seen the website, and the second is due to commence after the release of the discussion paper. That is what I was going to tell you. We are in the process of finalising a discussion paper which, in a sense, represents our position on the direction for the review of the legislation. That will go out to communities and we are finalising how long that will be out. I will involve myself in that consultation process, and I imagine that we will probably not have legislation to take back to parliament until next year.

Mr MARSHALL: When did this second round start?

The Hon. G. PORTOLESI: It will start when we release this discussion paper, and we have not released it yet.

Mr MARSHALL: Just as a matter of—

The Hon. G. PORTOLESI: I do not understand the point; sorry.

Mr MARSHALL: My point is that there has been an 18-month hiatus in the sense of consultation—

The Hon. G. PORTOLESI: No; that is not correct.

Mr MARSHALL: The first round was completed in April 2009, and the second lot of consultation has not started. That is an entire financial year. In your own budget papers you have highlighted that it was one of the achievements but, in fact, the achievement did not occur whatsoever.

The Hon. G. PORTOLESI: What you yourself should acknowledge, as a man who has been working for many years, is that a review of legislation is more than consultation. You need to decide where you are going and the direction you are going in, you need to consult with communities, you need to do work inside government, and you need to do it properly. That takes a long time, particularly with Aboriginal communities.

We are dealing with people who are often not based in Adelaide. We are dealing with very complex issues of land tenure. The review of that piece of legislation is bigger than just the community consultation as presented in the budget papers. However, I am very happy to sit down with you and give you a much more detailed briefing as to that review if you would like that.

Mr MARSHALL: Yes; thank you, minister.

The Hon. G. PORTOLESI: But we are about to wrap it up soon.

Mr MARSHALL: Thank you. I will just put on record, though, that I understand fully that you have been working on the review, but your budget papers specifically say that you were involved in extensive community consultation—not the review; the extensive community consultation which you have confirmed did not happen during that financial year.

The Hon. G. PORTOLESI: No; extensive community consultation did occur.

Mr MARSHALL: My question now is: has the minister established a timeframe for introducing a bill designed to give effect to the findings of the review?

The Hon. G. PORTOLESI: I am hoping to bring some legislation to the house next year.

Mr MARSHALL: But do you have a timeframe specifically for when that is—

The Hon. G. PORTOLESI: This is my timeframe. We are in the middle of finalising the discussion paper. I need to take that to cabinet and caucus and, once they have ticked off on it, we will undertake another process of community consultation. I disagree with the member for Norwood, because there has been a very significant period of consultation. Given cabinet, Christmas, etc., I am certainly hoping, at the outset, for legislation to come to parliament next year.

Dr McFETRIDGE: Minister, my question relates to Budget Paper 4, Volume 1, page 1.41, the targets in the Strategic Plan. One of the targets identified in the 2010-11 timeslot was to improve the overall wellbeing of Aboriginal South Australians. How are you measuring this and what are the performance indicators for these programs? What are the programs? I suppose that is another great question.

The Hon. G. PORTOLESI: The progress on this Aboriginal wellbeing target is measured by 21 indicators, which are drawn from other areas of South Australia's Strategic Plan, the National Indigenous Reform Agreement and departmental data sources. Indicators were selected in consultation with the South Australian Aboriginal Advisory Council. I am sure you are familiar with them and the work they do. We believe they represent a measure of Aboriginal wellbeing.

The SASP T6.1, which embodies the direction of the strategic plan and the national Closing the Gap agenda, does not have dedicated funding attached. The priorities of this target are early childhood, schooling, economic participation, health, safe communities, healthy homes, governance and leadership, aligned with the NIRA—the National Indigenous Reform Agreement.

What you can see, and what you would absolutely be aware of, is that if you are doing any kind of business in Aboriginal affairs, it absolutely needs to be a collaboration between the communities that we are dealing with, whether they are in the lands or in urban and metropolitan areas, and the commonwealth; hence, the connection with the NIRA targets. The SASP T6.1 target also prioritises reconciliation, culture and traditional lands.

The latest progress report on the Aboriginal wellbeing target in May 2010 indicated that, of the 21 targets, 13 indicators had moved in a positive direction, including the areas of preschool attendance, SACE achievement, unemployment rate, healthy life expectancy and native title claims resolution. Four had remained steady, namely year 1 age-appropriate reading, year 7 literacy, Aboriginal public sector employment and early childhood birthweight. Two had shown negative movement, and this is cause for concern: labour force participation and imprisonment rates. Two are yet to have sufficient trend data, which are in the areas of Aboriginal victim reported crime and schools delivery Aboriginal cultural studies curricula.

Dr McFETRIDGE: Is that trend data available? You know, positive trends or negative trends do not really mean too much.

The Hon. G. PORTOLESI: Yes, that is available.

Dr McFETRIDGE: Are there more concrete specific objective measures there?

The Hon. G. PORTOLESI: Yes. I am advised that the SASP website has more information about those targets.

Dr McFETRIDGE: Certainly health and life expectancy are areas that are questioned all the time. It would be nice just to be able to say what has happened.

The Hon. G. PORTOLESI: I just want to check the facts. I am just wondering about a report that was released by the commonwealth earlier this year, but it more or less covers the same kind of information but does not directly relate to those targets. I was just checking the status of that report.

Dr McFETRIDGE: Yesterday, in the health portfolio—and this relates exactly to Aboriginal wellbeing—I asked about the plans for the mental health program on the APY lands, and the involvement of communities there. We all recognise that it is so important to have community involvement, otherwise you will get nowhere, but all we heard from the Minister for Health and his chief executive was that none of the health or government agencies were involved. Have you been consulted on this? It is just so important that, as you said, communities become involved.

The Hon. G. PORTOLESI: I have not had a discussion with minister Hill about this, but certainly at an agency level they have had consultation and discussions. I cannot comment on the Minister for Health's budget papers or what he may or may not have said in his own estimates.

Can I just say that, in relation to activities on the lands, say at Mimili and Amata, we have these local implementation plans which were signed off, I think, at the end of June. They were the

first in the country. They were the first to be signed off in the country, across the country. Those communities, the commonwealth and my own officers deserve a big round of applause for working very diligently to make this happen.

So, if we are talking about any activity—or, say, with me my issue is food—we go to those LIPs. We go to those very open and transparent documents that can be downloaded from the website. There is public information, and it is about a local plan that has been designed by the community. We go back to the community, sit around the table and work out how on earth we are going to deliver these things, and we sit down in good faith. I am not sure how mental health issues feature in those LIPs, but I will get some advice. There is obviously the issue of the substance abuse centre in Amata. We are currently doing some work on transforming it into a wellbeing centre.

Dr McFETRIDGE: Is the federal government doing a scoping review on that?

The Hon. G. PORTOLESI: We are doing some work, yes, on—

Dr McFETRIDGE: Sorry, minister; is it you or the feds doing that?

The Hon. G. PORTOLESI: It is a collaboration between the two. Like I said, everything we do, particularly on the lands, is virtually always a collaboration of the two. If the commonwealth is not involved, we want them to be involved, because it is the only way you can get anything done, and if we can get any money out of them, that is even better. We are looking at turning that into, potentially, a wellbeing centre, where issues around mental health will certainly feature prominently.

Dr McFETRIDGE: When I was at Maralinga I had an opportunity to speak with the federal minister, Jenny Macklin, about income management strategies and legislation. The federal government at that stage—and I do not know what they are doing now—was going to introduce federal legislation for income management nationwide. I do not think it was just for Aboriginal people; I think it was for lots of people, and I think that is quite necessary.

The Hon. G. PORTOLESI: You think that's necessary, did you say?

Dr McFETRIDGE: I think it is, yes. There are some people who need it. It depends on how far you go you go, whether you are controlling their money or just giving them advice. The homemaker program is a classic example of how you could implement that without being too draconian. I am not suggesting we grab the cash and tell them how to spend it. I do not want to go back to the missionary days—far from it. Have you had discussions with the federal minister about it? I understood that the legislation was coming in earlier this year.

The Hon. G. PORTOLESI: No, I have not had discussions with the federal minister about this matter; in fact, we have not spoken since their election, but—

Dr McFETRIDGE: Why is that?

The Hon. G. PORTOLESI: I am going to ignore that question. I have not seen any proposed legislation; my departmental officers may have. Have you seen any proposed legislation? No. The answer to the question is: no, I have not spoken to her about this proposal. I am aware that it is an initiative that has received a mixed reaction. I know that SACOSS here, in anticipation of this kind of thing, was very vocal about this earlier in the year, and thought that it was a bit of a problem.

I have received some initial briefings for my own agency (because I asked for it) about how this income management program has gone down. I have watched it very carefully, but I have certainly not been approached by the federal government. Whether the APY executive, other communities or other agencies in the sector have had discussions with the commonwealth, that is up to them. That is the answer to that question.

Dr McFETRIDGE: I will be up front with you: I approached parliamentary counsel a while ago to draft legislation for the introduction of income management based on the Cape York model. After having spoken to the APY executive, that is one that they would agree with. I have not progressed it, because after speaking to minister Macklin I understood the feds were going to do this.

The Hon. G. PORTOLESI: I cannot speak for the feds, and I did not know that you are preparing your own form of legislation. I think there is some sense in federal legislation, if any. Like I said—

Dr McFETRIDGE: That's right, yes.

The Hon. G. PORTOLESI: But you just said you just prepared legislation for the state.

Dr McFETRIDGE: That's right; but I said I have not progressed it because, after speaking to minister Macklin—

The Hon. G. PORTOLESI: Oh, I see; she satisfied you.

Dr McFETRIDGE: And I agree that it is much more sensible to take a commonwealth approach, and a broader approach for black and white.

The Hon. G. PORTOLESI: Certainly, according to media reports, again going back months, there was talk about rolling it out in a number of communities in South Australia, but those discussions have not progressed. They have not even started. I am not going to initiate them at this point in time. I have not made up my mind yet about whether I think income management is good or bad. I think we need to look at things that work and do not work. I am not familiar with the Cape York model. I know they are doing some pretty radical things in Cape York.

Dr McFETRIDGE: It is a good community-based model.

The Hon. G. PORTOLESI: Everything we do needs to be based and designed around those communities. I have started talking about a place-based approach instead of applying the stock standard services from one end of town to the other. The LIPs symbolise a way forward and a plan of action that suits those particular communities.

Dr McFETRIDGE: Referring to the same budget reference regarding improving wellbeing, I have received some extra information. I am not allowed to mention the Auditor-General's Report, but it is on page 969 if you are interested. It notes that Aboriginal community assistance has been reduced from \$4.2 million in 2009 to \$1.8 million in 2010.

The Hon. G. PORTOLESI: We do not think that is one of our programs.

Dr McFETRIDGE: Who will be running that—Families and Communities?

The Hon. G. PORTOLESI: Possibly, yes.

Dr McFETRIDGE: It is a significant issue.

The Hon. G. PORTOLESI: We do not think that is one of ours. We are certain it is not one of ours, in fact.

Dr McFETRIDGE: Going on from that, Aboriginal community essential services assistance has gone down—

The CHAIR: Member for Morphett, I am sorry to interrupt you, but are we still on 1.41?

Dr McFETRIDGE: We are. This is the strategic plan targets, tier 6.1 that we are talking about, wellbeing of Aboriginal South Australians. The additional information I have received (and this may be minister Rankine's Families and Communities' responsibility again) is that Aboriginal community essential services assistance has gone down from \$2.97 million in 2009 to a paltry \$344,000 in 2010. It is not quite a tenfold reduction.

The Hon. G. PORTOLESI: We will go away and figure that out. We do not think it is ours.

The CHAIR: We will have to come back to that?

The Hon. G. PORTOLESI: My advice is that it is not our program.

Dr McFETRIDGE: But you will get back to the committee with information, if it is?

The Hon. G. PORTOLESI: We will just tell you whose program it is. I am not going to answer questions for other ministers. We will direct it to the relevant minister.

The CHAIR: The minister will verify it one way or the other.

Dr McFETRIDGE: I refer to Budget Paper 1, page 7, the petroleum subsidy scheme. Minister, what effect will this have on remote Aboriginal communities? As you said just a moment ago, your issue is food, and you talked about food security. We know that food prices in remote communities are horrendous and that transport costs are one of the biggest contributors.

The Hon. G. PORTOLESI: I am happy to talk about food, but this petroleum subsidy scheme is not our thing, either.

Dr McFETRIDGE: But the bottom line is that it will affect Aboriginal—

The Hon. G. PORTOLESI: Yes, and I am happy to talk about food. I cannot comment on this petroleum subsidy scheme. I am not the minister responsible for this program, so I cannot make any informed commentary about this, but I am happy to talk about the issue of food on the lands.

Dr McFETRIDGE: I think it is an act of political bastardry by this Rann Labor government to have done this to people in the country, never mind our Aboriginal communities, who are doing it tough.

Mr Piccolo interjecting:

Dr McFETRIDGE: The question is, Tony: why the hell did your government do this to people in the country? It is atrocious. It is food prices, power generation, transport costs, delivery of government services and delivery of health services. Petrol goes up, diesel goes up and delivery of services goes up. You either cut services or you increase the funding, and I do not see any funding increases there.

The CHAIR: Which page are you on, member for Morphett?

Dr McFETRIDGE: We are still on that Budget Paper 1, page 7, the petroleum subsidy scheme, and the question to the minister is: what will be the—

The CHAIR: I understood the question. I just did not know where we were physically.

Dr McFETRIDGE: The questions really centre around the effect on remote Aboriginal communities of food prices, power generation, transport costs and delivery of government services.

The Hon. G. PORTOLESI: I cannot comment on that program, not because I do not want to, but because I do not have the information in front of me. I am not responsible for—if you want to have a dingdong, we can do that, or we can try to be productive.

Dr McFETRIDGE: No; I am just frustrated, and I know that you are frustrated as well by the challenges of delivering the services and closing the gap.

The Hon. G. PORTOLESI: Sure, but I cannot talk with confidence about the impact of what you are claiming here on the issue around food.

Dr McFETRIDGE: But we had this discussion on radio. I think you were on just before me, on country radio.

The Hon. G. PORTOLESI: Yes; that is right, where you called for a subsidy. I love that you are an agrarian socialist in the Liberal Party.

Dr McFETRIDGE: We subsidise public transport—\$130, or something, a year for people here in town.

The Hon. G. PORTOLESI: I cannot comment about the impact of this issue on the lands, because I do not have the information in front of me, but I am very happy to talk about food on the lands.

Dr McFETRIDGE: If you would, please.

The Hon. G. PORTOLESI: As you said, we have had a debate about this on radio. My officers and I, and people on the lands, are in the final stages of putting together a bit of a food strategy that tackles a number of issues. You are familiar with all of these issues because we talked about it on radio. I can say very clearly that the solution here is not a subsidy. The solution to the issue of access and availability of fresh food on the lands is not a subsidy.

I understand that there is an issue regarding nappies and other goods, for instance, and we are working on that. I hope to be able to release a policy—a strategy—before the end of the year on this issue. It certainly has been one of my key issues. I was up there and I was completely shocked, as everyone is, by the poor quality of food and by the expense of the food.

Some work has commenced, and I will give you some information about the Mai Wiru Stores Regional Council. On 28 April this year, the Mai Wiru Stores Regional Council agreed to proceed with the incorporation of stores on the APY lands through the Office of the Registrar of Indigenous Corporations. This is a significant milestone, as it brings together all stores on the APY lands under an overarching agreement that covers fresh food provision, storage and pricing and employment and training.

I met with representatives of the council on 23 June to congratulate them on their recent incorporation and to discuss the issue of food. The council is being funded by FaHCSIA, with the funding agreement to be finalised shortly.

Because of this new policy—new structure—we absolutely expect to see prices come down in relation to those items we discussed through better management of the stores. So, there is the strategy for dealing with those kinds of products—the nappies, the tampons, whatever—and then there is the issue around the fresh food, which is a real problem. It is a number one priority for me on the lands, but I do not think we are going to go down the subsidy path.

Dr McFETRIDGE: I find it unusual, because the fact is that we do subsidise every user of public transport in Adelaide to the tune of, I think, \$130, or it might even be \$180, per person per year. A subsidy for 3,000 people on the APY lands is a significant amount, but it would be doing exactly what we are trying to do: social inclusion, equality, no discrimination just because they live in the country.

The Hon. G. PORTOLESI: We are doing some work on what it would cost to roll out a subsidy program. The thing is, in a hundred years, when I stop being minister and maybe you become minister, Duncan, you might decide that you do not like a subsidy, and for me that does not make a very resilient solution to what is always going to be a big problem. Before we even think about going down the subsidy path, I want to explore in a really serious way other solutions first.

I want some time to be able to do that before we think about subsidies, because they are just not sustainable for those communities. What is the best program; what is the best way to deliver the subsidy? Do we give direct subsidies into the hands of private transport operators, is that a good way to spend taxpayers' money, or would I prefer to be putting that money in the hands of communities so that they can build their own capacity to deal with this issue? It is a complex issue that I am discovering, but I would rather put my money, my energy and my resources into building the community capacity where it is possible and, if that is a failure, we will look at other options.

Dr McFETRIDGE: I am the first to admit that subsidies are a short-term solution for a long-term problem, but we continue to subsidise private transport operators in our bus services here. I remember quite clearly the division in this house when we asked the government to buy back the private operators here. Everybody, apart from Kris Hanna and me and Mitch Williams, sat on that side so that the division could be counted—not that we agreed with him. We have been subsidising those for a long time.

The Hon. G. PORTOLESI: Can I just say on the subject of food, I am very happy to work with you and your party on this issue because it is just so important, but I will just be very clear that at this stage, no subsidy.

Mr VAN HOLST PELLEKAAN: My question relates to Budget Paper 4, Volume 1, page 1.41 and specifically the Davenport community. Certainly improving wellbeing, implementing plans, progressing essential service management reforms come up on that page. Can you tell me, please, in a bit of detail where you are heading, what your plans are and what you can achieve in the medium to short term for the people of Davenport?

The Hon. G. PORTOLESI: I had the pleasure of meeting for the first time with the Davenport community. I was in Davenport and Port Augusta not that long ago for the release of Lew Owens' report, a report that my predecessor, Jay Weatherill, commissioned. Again, a big round of applause for Lew—

Mr Marshall interjecting:

The Hon. G. PORTOLESI: Focus, grasshopper—because it was a report that Lew did strictly as a volunteer. He did not get paid for it. He pulled together a report that looked into a number of issues. I do not have it in front of me, but I met with the Davenport community when I was up there. There is no doubt that that community is struggling with a number of issues.

The thing that struck me about Davenport, say, compared to other communities that I have met with is that there is a sense of bitterness and a sense of anger amongst key leaders in that community about the withdrawal of some commonwealth government resources. I want to work with Davenport. I have made it very clear to the Davenport community that we want to work together on a way forward as other communities have done.

I may have said this publicly, I cannot remember, but we intend to make Port Augusta and Davenport a key focus of future activity. For instance, 81 per cent of Aboriginal South Australians

do not live in the APY lands; they live in urban and regional communities, and Port Augusta and Davenport are key communities. In relation to Davenport and communities in Port Augusta, in fact as a result of the work being done by CEGAA (which is that group we talked about before, Duncan) and by my own department, there is currently a strong focus there, and we are talking with those communities about how to build a strategy in much the same way as we have done with Amata and Mimili, a local place-based plan for the future.

We certainly had discussions with you, Dan, about some very specific issues that were of concern in Davenport, and I understand that that issue has now been fixed up. But there are challenges in Davenport, there is no doubt about that, and we are working off a low base, so I am committed to working with those community members on a way forward.

Mr VAN HOLST PELLEKAAN: Minister, I think we would all share that broad view that we would all like to contribute to improving the circumstances of the people in Davenport, but when the budget papers say 'implemented plans for achieving', is there anything specifically you can point to—

The Hon. G. PORTOLESI: Yes.

Mr VAN HOLST PELLEKAAN: —apart from making them, you know, a key feature of future activities?

The Hon. G. PORTOLESI: No, no, they are a feature of activities now. The Lew Owens report into Port Augusta is receiving work now. They are featuring very heavily in the work that we were doing with the review of the Aboriginal Lands Trust, so we are doing work with them as we speak, as we do with a lot of our communities. So I am satisfied that we are engaging with them. I do acknowledge, however, that in all these communities we are working off a very low base and there is always more to do. So I am not going to be silly about that. Davenport is one of those communities, and I saw that when I visited them myself. So we deserve some credit. We are doing some serious work. I have given you just two examples of the work we are doing. I am going to invite Nerida Saunders to add anything to my answer.

Ms SAUNDERS: No, I think certainly from the community's point of view it is about the re-engagement, particularly in terms of building the capabilities within that community around its governance structures and its supports. That is certainly part of the discussions and conversations with the community and I think we will advance that through the current programs.

Mr VAN HOLST PELLEKAAN: I am not trying to be difficult. I am sure that you are engaging with them. I am sure that the people of Davenport are satisfied that you are engaging with them, but can you actually point to one or two or three things that they will see differently on the ground in six or 12 months?

The Hon. G. PORTOLESI: Well, I can—

Mr VAN HOLST PELLEKAAN: Not just plans.

The Hon. G. PORTOLESI: No, no. This is why we need a process for engagement. We need to engage with them, in order to determine exactly what it is that they want. That is where we are at at the moment in terms of those two very specific initiatives, the Lew Owens report and the review of the ALT. So, what I hope to see are communities that have a much more sustainable economic level, that tick all the boxes of those indicators that we talked about before. So, we will do what we did with the APY lands with Davenport. We will sit down with them, we will work out what are the key issues that are important to them. I cannot tell you right now what it is that they want specifically, because that is what we are doing at the moment. We are trying to work that out. And unless we do that together, there is no point in me saying to you that I want this, that or the other.

Mr VAN HOLST PELLEKAAN: So, it is probably inappropriate that the budget papers say 'implementing plans'. It is a bit early for that. Is that what you are saying?

The Hon. G. PORTOLESI: Well, no, no. I have not even looked at the line that you are referring to, but I am talking about the work that we are doing as we speak. I would probably suggest speaking to the minister about the work that is happening rather than trying to infer it from the budget paper. You are probably better off going with what I might be saying, but that is your call.

Mr VAN HOLST PELLEKAAN: Thank you, minister.

Mr MARSHALL: This is a supplementary to that. As you would be well aware, many Aboriginal communities lost their MUNS funding, which provided that secretarial, administrative

support to each of the communities. The state government responded by putting some resources in place for some of these communities. Can you advise whether a resource is going to be put in place for the people of Davenport?

The Hon. G. PORTOLESI: I will need to check with my adviser, but I understand that at the time that the commonwealth was withdrawing from Davenport, that it had put a sum of money on the table that represented a transitional arrangement, and that money was not taken up by the community. This is federal, commonwealth money.

Mr MARSHALL: But my question is regarding the state government's response to the withdrawal of MUNS funding in Davenport. Has there been a state government response? There has been in other areas.

The Hon. G. PORTOLESI: As far as I am aware we work with these communities, as we do with all sorts of communities, but we have not, in this case, stepped in to replace the money. I just want to check to see if that is correct; no, we have not stepped in. The reason I mention the point about the million bucks from the commonwealth is that some communities—you are shaking your head, it wasn't a million bucks?

Mr MARSHALL: It was not my question.

The Hon. G. PORTOLESI: No, but I just want to add this: some communities used the transitional money, whatever it was, as a way of transitioning themselves into the future. I am advised that Davenport did not. What we are dealing with is a community that has been deprived of the commonwealth money. They are pretty angry about that so I think that the issue is just a bit more complex because of that fact. We have not stepped in, nor should we in a sense, to fill that gap.

The CHAIR: I just make the committee aware of the time: it is four minutes to 12:00. Did you want to read some questions in before we rise at 12?

Dr McFETRIDGE: Thank you, Madam Chair. I understand that the omnibus questions have been put on the record. If not, we will put them on notice anyway, thanks.

The CHAIR: Member for Norwood, I just apprise you to be aware of the time.

Mr MARSHALL: I will be very quick. My question relates to the Umuwa courthouse, is that a question I can ask you about? In 2008 the state government committed to building a new facility at Umuwa. They announced \$4.5 million and in last year's pages it was re-announced, of course, as is the custom for this government, and it would be completed in June 2010. This obviously was not met because it is not a place at the moment. I was up there recently. Can the minister advise what obstacles or circumstances prevented the government from completing construction of the Umuwa court and administration centre by June 2010?

The Hon. G. PORTOLESI: I understand that the delay was predominantly around delays negotiating the lease with the APY Executive.

Mr MARSHALL: Well, of course it was the budget timeframe that was put forward by your government. Has the contract for the construction of the centre been issued?

The Hon. G. PORTOLESI: The facility is currently being designed with the partners which are SA Police, Families and Communities and the Department of Health and should be completed in October 2010, which is now. DTEI will then prepare specifications and tender documents. Tenders will be called in January 2011. The final outcome is expected to still, nonetheless, satisfy the needs as identified in the Mullighan report recommendation.

Mr VAN HOLST PELLEKAAN: Minister, I understand that the airstrip on Angepena Station, very close to the Nepabunna community, is going to be upgraded with a bit over half a million dollars of state and federal money, which is terrific. There is a guarantee in place that the airstrip could be used for emergency services use for the people of Nepabunna, which is terrific. Do you have any plans to negotiate with and on behalf of the people of Nepabunna so that that airstrip might be able to be used for other activities such as tourism and business development and a lot of other things that would help with regard to wellbeing and leadership and commercial activities?

The Hon. G. PORTOLESI: I don't I have been approached yet by the local communities, but I am very happy to have discussions about the multipurpose use of that.

Mr VAN HOLST PELLEKAAN: That would be very beneficial. Obviously emergency service is first and foremost, but it would be great if they could negotiate that opportunity.

The Hon. G. PORTOLESI: If you were to bring in a delegation of people to meet with me I am very happy to have that discussion.

Dr McFETRIDGE: On that, minister, not just Iga Warta, not just that community, but the Nepabunna community themselves because, I understand the rift is still on between the Iga Warta group and the Nepabunna group. You are probably aware of all of the factional rivalries, as we all are in Aboriginal affairs, but good luck.

The Hon. G. PORTOLESI: Thank you.

The CHAIR: Thank you very much. There being no further questions, I declare the proposed payment adjourned to later today.

[Sitting suspended from 12:00 to 13:00]

Membership:

Mr Evans substituted for Dr McFetridge.

Mr Pengilly substituted for Mr van Holst Pellekaan.

Witness:

Hon. P. Holloway, Minister for Mineral Resources Development, Minister for Urban Development and Planning, Minister for Industrial Relations, Minister Assisting the Premier in Public Sector Management.

Departmental Advisers:

Mr G. Mackie, Deputy Chief Executive, Department of the Premier and Cabinet.

Mr B. Russell, Acting Executive Director, SafeWork SA.

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

Ms M. Boland, Director, Policy and Strategy, SafeWork SA.

Ms T. Bowe, Director, Workforce Wellbeing, Public Sector Workforce Relations.

Mr P. Lambropoulos, Principal Financial Consultant, Corporate Affairs, Department of the Premier and Cabinet.

The ACTING CHAIR (Mr Piccolo): Good afternoon. I will make some introductory remarks for the benefit of the minister who is appearing before the committee. The estimates committees are a relatively informal procedure and, as such, there is no need to stand or to ask or answer questions. The committee will determine an approximate time for the consideration of proposed payments to facilitate the changeover of departmental advisers. I ask the minister and the lead speaker of the opposition to indicate whether they have agreed on a timetable for proceedings this afternoon.

The Hon. P. HOLLOWAY: I assume we have; it has an hour.

The ACTING CHAIR (Mr Piccolo): It is as published? Members indicate yes. 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 19 November 2010. This year the *Hansard* supplement, which contains all estimates committee responses, will be finalised on Friday 3 December 2010.

I propose to allow both the minister and the lead speaker for the opposition to make opening statements of about 10 minutes each, should they desire. 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 a member 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 it applies in the house, that is, it must be purely statistical and limited to one page in length.

All questions are to be directed to the minister, not to the minister's advisers. The minister may refer questions to advisers for a response. I also advise that, for the purpose 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 Portfolio Statements, Volume 1, Part 1. Minister, do you wish to make a statement?

The Hon. P. HOLLOWAY: Yes. The government is committed to ensuring that all South Australians enjoy safe, fair and productive working lives and it has led the way in development at a state and national level in both industrial relations and occupational health and safety. From January 2010, as a result of this state's referral of certain industrial relations powers to the commonwealth, South Australia participated in a significant change to the industrial relations landscape nationally. The entire private sector in South Australia is now part of the national system of industrial relations.

This government was instrumental in establishing the national system and bringing the commonwealth, states and territories together to progress this historic reform. South Australia was the first state to agree to refer certain industrial powers to the commonwealth, and the referral legislation developed in South Australia was used as a model for other Australian jurisdictions. South Australian workers now have clearer protections, while a national more streamlined process for employers has made it easier for them to do business in South Australia and across the border.

To assist in administering the national system, the government has signed a three-year contract with the Fair Work Ombudsman for this government's industrial relations agency, SafeWork SA, to provide education, compliance and enforcement services to transitioning employers and workers. To facilitate this service delivery, SafeWork SA industrial relations inspectors were appointed under the federal industrial relations legislation (in addition to their powers under state laws). At the end of the financial year, SafeWork SA had met its target of 2,250 transitional education visits to support referred employers with the transition to the national system, while 40 audits and 227 investigations had commenced. These interventions had resulted in the recovery of just over \$222,000 in total underpayments for employees in 2010.

South Australia has also retained a state industrial relations system to cover the public sector and local government employers and employees. This state infrastructure is also required to undertake the compliance and enforcement functions associated with continuing state laws such as those dealing with long service leave, employment agents, training and apprenticeship arrangements, shop trading arrangements and public sector dispute resolution.

While commonwealth compliance functions are undertaken using commonwealth funding, continuing state compliance functions are undertaken using appropriation resources. This work includes servicing our most vulnerable workers, including outworkers, migrants and young workers. There is a lot more I could say about the work that SafeWork SA has done, but perhaps we will leave that to the questions.

I would like to briefly say a little bit about Public Sector Workforce Relations. We implemented a range of industrial relations and wellbeing initiatives and programs during 2009-10 to support the effective management of the South Australian public sector workforce. This included successfully negotiating major enterprise agreements for the SA government wages parity salaried, Parliament House, Lotteries Commission, Land Management Corporation and Nursing and Midwifery Board employees.

Public Sector Workforce Relations completed the monitoring and reporting of agency workplace safety and injury management performance against the Safety in the Public Sector 2007-10 Strategy Targets and developed the Safety and Wellbeing in the Public Sector 2010-15 Strategy. It also provided strategic risk management interventions for whole of government in occupational health, safety and injury management and managing crown self-insured employer requirements.

In addition, the functionality of the whole of government workers compensation claims management database system was upgraded and an across government system for reporting hazards and incidents was developed and piloted. Public Sector Workforce Relations implemented

a capability development program targeting injury prevention and injury management practitioners to achieve nationally accredited qualifications in government, and delivered high quality and cost-effective injury management services to 30 client agencies.

Finally, to the ongoing role of the Industrial Relations Commission of South Australia, the government commends the valuable work of our Industrial Relations Commission in resolving disputes and facilitating the continuation of enterprise bargaining in the public sector and local government. These sectors were excluded from the referral of powers and remain in the state industrial relations system. Three members of the commission are dual appointees to the federal tribunal Fair Work Australia.

The commission also plays a continuing role in dealing with long service leave, apprenticeship and training issues, and some occupational health and safety matters. The Industrial Relations Court of South Australia is an eligible court for the purposes of the new commonwealth legislation. This means that South Australian employees continue to have easy access to industrial justice whether they are in the state or federal jurisdiction. Against the backdrop of historic national reform in occupational health and safety, we will continue to strive to ensure safe, fair and productive lives for all South Australian workers.

The ACTING CHAIR (Mr Piccolo): Does the lead speaker for the opposition wish to make a comment?

The Hon. I.F. EVANS: No; straight to questions, thanks, Mr Acting Chair.

The ACTING CHAIR (Mr Piccolo): Go ahead.

The Hon. I.F. EVANS: Minister, Budget Paper 6, page 13, details the cuts to long service leave and leave loading for public servants. Last year the minister, on behalf of the government, said this to this estimates committee:

It is certainly not our intention in any way to promote or perpetuate anything that will discriminate against any person or any group of people in respect of the calculation of long service leave and their ability to be able to access that long service leave.

How do you, as a government, now reconcile that statement with your slashing to the Public Service long service leave in this budget?

The Hon. P. HOLLOWAY: I am sure the shadow treasurer had the opportunity in estimates last week to talk to the Treasurer—in fact, I am certain he did ask questions of the Treasurer in relation to these budget proposals, and the Treasurer would have explained to him, no doubt, the economic circumstances in which the state finds itself.

The Hon. I.F. EVANS: Last year you were promising not to cut long service leave. Last year you were promising not to change long service leave.

The Hon. P. HOLLOWAY: The word that I heard used last year was 'discriminate'. This government has to deal with a situation that currently faces us. The options that one has in government in the broader budget context are that you either raise taxes or you cut expenditure in the public purse. About 70 per cent of all the dollars we spend goes on wages, so of course any cuts will inevitably have an impact on the public sector workforce. Or, you look at other measures. I am sure that the shadow treasurer will have his chance during the budget to put his alternative plan as to how he thinks we can deal with the economic situations that face us.

I guess the bottom line here for governments is to either increase the number of public sector cuts which we could have had or to have these measures which are distributed across the public sector but enable us to have a greater level of employment than would otherwise be the case. Ultimately, obviously, it will be up to parliament to determine that when members have the chance to vote on this legislation.

The Hon. I.F. EVANS: Still on the same budget page, would you like to take the opportunity to tell South Australians then why they should now trust this government, given that it made the commitment prior to the election not to touch long service leave and now it is slashing it? Do you want to take the opportunity to tell the Public Service and South Australians why they should actually trust this government any more and believe anything this government says?

The Hon. P. HOLLOWAY: As I said, I am sure the honourable member had the opportunity during his budget speech to put his alternative as to how he would deal with the situation.

The Hon. I.F. EVANS: Yes; but why should they trust this government now, minister? Why should they trust this government?

The ACTING CHAIR (Mr Piccolo): Give the minister an opportunity to respond uninterrupted, please.

The Hon. P. HOLLOWAY: Mr Acting Chairman, this government has, I think, over a long period, earned the trust of the people of South Australia because we have delivered.

Mr Marshall interjecting:

The Hon. P. HOLLOWAY: You say, 'You're joking', but for a new member who has not been in parliament for long perhaps in your budget speech—as I hope you will do—you will indicate what you would do, because at the end of the day—

Mr MARSHALL: He's not asking about what I would do.

The Hon. P. HOLLOWAY: Of course not, because you have no idea; we know that, and that is typical of members of the opposition. We know you are great critics but, as well as being a critic, sometimes someone has to write the book. This government was faced with, as I said, finding ways in which to contain the growth in government spending. Remember, what has been happening in this state over the last decade, or two or three decades: expenditure, particularly in health—demand for health services and disability services—has been rising at 10 per cent a year, whereas revenue is growing at 5 per cent.

Governments face restructuring problems, and that is a problem that we are doing something about—and doing so with minimum impact on the public sector. I think that will be increasingly understood within the public sector. Of course, everyone would prefer that you never had to make any cuts anywhere but that is not the option, and it will not be the option for future governments, either, because health expenditure is still rising at 10 per cent a year. At some point in the future every government has to come to terms with those basic facts.

It is just a fact of life that, if expenditure is rising in those areas at 10 per cent a year and revenue is rising at 5 per cent, you have to restructure. As I said, I welcome the opposition putting up their alternatives as to how they might deal with the restructure. What they cannot do is run away from the fact that there needs to be restructuring.

The Hon. I.F. EVANS: On the same budget page, would the minister like to explain to the South Australian community, this committee and the union movement, why the government did not raise any of these matters in the enterprise bargaining negotiations prior to the election; why it did not put these on the table as part of the enterprise bargaining process, and how, by hiding these, the government meets the negotiating in good faith test?

The Hon. P. HOLLOWAY: I think the Treasurer has already answered this question in his estimates. After all, this government had to deal with the financial situation it faced. Again, I come back to the fact that if health is rising at 10 per cent a year, over a four-year government period that is a 40 per cent increase.

The Hon. I.F. Evans interjecting:

The Hon. P. HOLLOWAY: We could have done what the previous government did I suppose, what your colleagues did when you were in government, and hide away all the health expenditure that was growing in each of the agencies. When this government came to office each of the health units had about \$40 million or \$50 million in deficit hidden away from the core budget. That is how it was dealt with in your time as a minister. However, this government looked at its alternatives and established about 12 months ago, as the honourable member would know, the Sustainable Budget Commission to look at all the options. What we had to do at the end was look at the choices. I am saying that—

Mr Marshall interjecting:

The ACTING CHAIR (Mr Piccolo): The member for Norwood will get an opportunity to speak.

The Hon. P. HOLLOWAY: —if the shadow treasurer would like to put up his alternatives he, of course, has the opportunity to do so. I have not seen too much to date about what they would do. I am quite happy to defend what the government is doing in terms of the effective alternatives, as to what the real alternatives are.

The Hon. S.W. KEY: My question is in relation to Budget Paper 4, Volume 1, page 1.31, the Industry Improvement Program. Minister, can you report on what is being done by SafeWork SA to assist and guide employers in reducing the number and cost of work-related injuries and illnesses in South Australia?

The Hon. P. HOLLOWAY: SafeWork SA, as part of its key role as occupational health and safety regulator develops and implements a range of injury prevention strategies and projects. SafeWork SA's key proactive injury prevention initiative is the Industry Improvement Program.

The Industry Improvement Program is designed to guide and assist industry in South Australia to reduce the number and cost of work-related injuries in line with target 2.11—Greater Safety at Work—of the South Australian Strategic Plan and the National Occupational Health and Safety Strategy. Through this program employers are engaged in a range of intervention strategies that build the employer's capability to prevent work-related injuries and illness.

The agency works with a range of key industry consultative committees in the development and implementation of specific safety initiatives. Committees are in operation for five high-risk industry groups: construction, hospitality, aged and personal care services, manufacturing and meat products manufacturing. In addition to working closely with industry groups, the Industry Improvement Program targets small businesses and medium to large employers to ensure that workplaces across a range of industry activities are involved.

In relation to the small business strategy, small businesses represent more than 90 per cent of employment in this state. This group is strongly supported by SafeWork SA through a range of proactive prevention initiatives. This support includes an ongoing series of targeted small business forums to raise awareness of industry risks for small business and to encourage a systematic approach to managing health and safety successfully. In 2010, 23 such forums have been conducted in both metropolitan and country regions to date.

A new small business visits project has also been implemented. This strategy, engaging 117 small businesses experiencing a disproportionate number of workers compensation claims, provides face-to-face assistance and guidance at the workplace for the employers to reduce injuries and successfully manage their health and safety.

SafeWork SA also continues to support small businesses in 2010 through sponsorship of the Messenger Small Business Awards. Medium and large employers with higher rates of workers compensation claims than the industry average are engaged in a registered employer targeted intervention strategy. This strategy provides guidance to these employers to comply with their legislative responsibilities, improve their occupational health and safety performance and reduce injury rates.

There were 354 employers engaged in this strategy over the years measured. I am delighted to inform the committee that the latest data available indicates that, as at 30 June 2010, when comparing their performance in 2008-09 with 2007-08, these employers had achieved a reduction of 10.1 per cent in injury claims above any reduction they may have achieved had they not been involved in the program.

The reduction in injuries represents approximately 473 workers compensation claims avoided over the year for the group and estimated total workers compensation claims cost avoidance in excess of \$6.4 million. The government remains committed to working in partnership with industry and employers to ensure further reductions in injuries and accidents across all workplaces.

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

The Hon. P. HOLLOWAY: In 2009, the South Australian government referred certain industrial relations powers to the commonwealth. This meant that, from 1 January 2010, the full private sector in South Australia, including non-government community services, private schools and universities, was covered by the Commonwealth Fair Work Act 2009.

South Australia has retained the state industrial relations system to cover public sector and local government employers and employees. This state infrastructure is also required to undertake the compliance and enforcement functions associated with continuing state laws, such as those dealing with occupational health, safety and welfare, long service leave, training and apprenticeship arrangements and public sector dispute resolutions. Three elements facilitate South Australia's participation in the national system. These are:

- a multilateral intergovernmental agreement between the commonwealth and all the participating states and territories providing the governance arrangements that underpin the new system;
- a bilateral agreement between South Australia and the commonwealth dealing with issues specific to this state's involvement in the system, such as the resourcing of Fair Work Australia—including matters relating to the dual appointment of members from the Industrial Relations Commission of South Australia—consultation processes and processes for the future exclusions of government business enterprises and local government entities from the system; and also
- a contract between the Fair Work Ombudsman and SafeWork SA dealing with the practical issues arising from the partnership arrangements between state and federal service delivery agencies.

Three members of the Industrial Relations Commission of South Australia have been appointed to Fair Work Australia as dual appointees. They are the President, Judge Peter Hannon; Deputy President, Karen Bartel; and Commissioner David Steel.

To assist in administering the national system, the government has signed a three-year contract with the Fair Work Ombudsman for SafeWork SA to provide education, compliance and enforcement services to South Australian employers and workers transitioning to the national system. To facilitate this service delivery, SafeWork SA industrial relations inspectors are now dual badged, appointed as inspectors under both the state and federal laws. By the end of 2012, they will undertake 10,000 targeted education visits to assist employers transitioning from the state to the federal system. They will also undertake audits and investigate claims for underpayment of wages.

The transitional educational visits will be conducted with a significant number of employers in regional and metropolitan areas. The transitional educational visits will be unobtrusive and focus exclusively on providing meaningful support to employers to ensure that they understand their new workplace rights and obligations.

Inspectors will target the transitional education visits to the specific needs of the employer they are visiting and provide a tailored suite of educational products. These products will include, among other things, specific fact sheets to help that business, a business self-assessment sheet, best practice guides and Fair Work education and information program materials. The visits will focus on businesses that were previously in the South Australian industrial relations system, such as sole traders and partnerships.

In 2010, SafeWork SA will undertake 5,000 transitional educational visits, with a further 2,500 in 2011 and again in 2012. At the end of June 2010, SafeWork SA inspectors had met the target of 2,250 transitional educational visits and are on target to meet the 5,000 visits scheduled for 2010.

In addition to those visits, SafeWork SA will undertake approximately 500 complaint investigations a year and 500 targeted compliance activities a year for the next three years. SafeWork SA will also complete at least two litigation briefs for consideration per year. At the end of June 2010, 227 investigations and 40 audits had commenced under the federal contract. SafeWork SA has negotiated a further 12 month contract, which commenced on 1 July 2010, with a Fair Work Ombudsman, for the provision of additional services to implement the fair work system in South Australia.

The Fair Work Ombudsman will provide funding of \$250,000 to South Australia for delivering the two additional programs. The first is the Shared Industry Assistance Program. It involves working with industry and union organisations to identify significant information or skill gaps at the local and state level and to develop information and educational programs to address these gaps. The industries targeted by SafeWork SA include horticulture, security and retail.

The second is the Transitional Education Services Program, which requires SafeWork SA to develop and implement an education program directed to students in schools, TAFE and universities. The program will focus on industry and occupational-based modern award obligations, occupational health and safety and work-life balance.

South Australia continues to play a key policy development role in the national system through its participation as a referring state in all consultation regarding future changes to the

national system. I commend SafeWork SA for its commitment and leadership in advancing this important work.

Ms THOMPSON: I refer to Budget Paper 4, Volume 1, page 1.31. Can the minister provide the outcomes and achievements of the events and programs that took place during Safe Work Month 2009, and what is planned for the event this year?

The Hon. P. HOLLOWAY: It gives me great pleasure to inform the committee about preparations for South Australia's annual occupational health, safety and welfare event: Safe Work Week 2010. The Safe Work Week 2010 program presents an opportunity for SafeWork SA to provide information and promote safe work practices aimed at reducing work-related death, injury and disease in South Australia in line with South Australia's Strategic Plan targets.

The event is presented by the SafeWork SA Advisory Committee in partnership with SA Unions, Business SA, WorkCover SA, and the government through SafeWork SA. I am very pleased to inform the committee that the 2009 Safe Work program, launched on 4 October 2009, was an overwhelming success in that it delivered a greater number of workshops than ever before, was far reaching into regional South Australia, and provided valuable community engagement. The program included over 200 workshops and events that were held throughout the North-East, North-West, South-East, and metropolitan areas of South Australia.

Safe Work Week this year aims to be just as successful as previous years, this time with a new overarching theme focusing on consultation in the workplace. A mix of free seminars, briefings and on-site workplace engagement will be offered and directed at helping people understand and apply consultative techniques and solutions to common workplace issues.

Topics such as asbestos, anti-bullying, and the model work, health and safety laws will be included in this year's program. SafeWork SA, in partnership with regional stakeholders, has commenced workshops and events for regional communities throughout the year and delivered them at a time that is suitable for local industries. In addition, some workshops will be held in regional areas during the 2010 Safe Work Australia Week (25 to 29 October).

As in previous years, the 2009 event concluded with the Safe Work awards, which publicly recognised innovative and outstanding safety practices. It was most pleasing to see that businesses of all sizes, work groups and individuals continue to strive to meet our shared goals of safer workplaces and work practices in South Australia. Five out of the nine successful state award winners gain automatic entry into the national Safe Work Australia Awards. For a state our size, that is quite an achievement.

I am delighted to inform the committee that South Australia recorded an outstanding achievement, winning three of the national SafeWork Australia awards with a fourth receiving a high commendation. The high increase in award applications in 2009 and again this year has highlighted the fact that the message of success achieved by previous award winners at both state and national levels has been far-reaching.

The 2010 state finalists and winners from the six categories will be announced at the SafeWork awards dinner on Friday 29 October, so that is coming up in just over a fortnight. This annual gala event is a highlight in the program as it not only celebrates and recognises excellence in occupational health and safety but also, on this night of celebration, publicly recognises South Australia's true workplace safety champions.

The SafeWork events and awards program remain the government's centrepiece initiative to educate the community on the need to stay safe at work and practical ways to do so. Further information is available on the SafeWork SA website.

The Hon. I.F. EVANS: Returning to Budget Paper 6, page 13, regarding the 17.5 per cent change to an extra two days' leave, the government argued against the previous federal government about introducing a no-disadvantage test. Has the government done calculations to ensure that no-one is going to be worse off under the change to the 17.5 per cent loading or is it the intention of the government that people be worse off?

The Hon. P. HOLLOWAY: Again, the budget bill has gone through the honourable member's chamber. I do not know what you were doing during the committee stages in terms of asking these questions because the Treasurer—

The Hon. I.F. EVANS: That is the answer to every question. You are actually in another place. I do not get to ask you questions. You have 24 advisers here to come and listen to the minister talk about Health and Safety Week last year. I am simply asking you a question: are you

going to introduce a no-disadvantage test as you argued against the federal government or is it the intention of this government for people to be worse off?

The Hon. P. HOLLOWAY: It is the intention of this government that we should deal with the budget situation that we have and we should do so in a way that has the minimum impact on our public services. As I said earlier, the options open to the government were that one could increase the number of cuts to the public sector, but it is ultimately up to parliament of course whether it accepts this. In relation to the leave loading, the government is offering additional recreation leave of two days per annum, and the honourable member can work out himself what the impact will be.

The government believes that that is a reasonable response to deal with this issue. As I said, the alternatives would have been essentially greater cuts to other services elsewhere which would inevitably have led to more jobs going or increased taxes—and, again, the opposition can put its alternatives. What the opposition should not be able to do is to come and hide as to any alternatives in relation to the budget position. It is all out there.

Mr MARSHALL: What the government should do is come clean with the people of South Australia before they go to the election. That's what they should do.

The Hon. P. HOLLOWAY: You mean 'clean' sort of like you mean your government did when it said it wouldn't sell ETSA and then went and did it in the campaign. I well remember that. What this government has said it will do is—

Mr Marshall interjecting:

The CHAIR: Member for Norwood, no interjections.

The Hon. I.F. EVANS: Minister, you've got to do better than that. Only three of your 24 people laughed, Paul. You've got to do a lot better than that. You can't go back to 1990 or whatever it was.

The Hon. P. HOLLOWAY: The fact is—

The CHAIR: Order, the member for Davenport! We could all go back in time about many things but we are not going to. Your second question, the member for Davenport?

The Hon. I.F. EVANS: It is a supplementary question, because it is not clear to me from the minister's answer. Can the minister guarantee that no-one is worse off under the changes to the recreation leave loading as proposed in Budget Paper 6, page 13? Can the minister guarantee that no-one is worse off?

The Hon. P. HOLLOWAY: What I can say is that people would be a lot worse off if they lost their jobs if as a result of this measure—

Mr MARSHALL: You are a joke.

The CHAIR: Member for Norwood! Excuse me, I am so sorry, minister. Member for Norwood, you did not ask this question.

Mr MARSHALL: Correct.

The CHAIR: I don't need you to tell me that that's correct; I need you to listen to me, and I would appreciate it, as I am sure would your colleagues, if you did not interject quite so vigorously.

The Hon. I.F. EVANS: I don't mind.

The CHAIR: I do. Now, carry on.

Mr Marshall interjecting:

The CHAIR: Are you actually defying me there, member for Norwood? Did you want to have a moment? No.

The Hon. I.F. EVANS: The question is: can the government guarantee that no-one will be worse off? You asked that of the Howard government; I am asking you the same question, minister: can you guarantee no-one will be worse off?

The Hon. P. HOLLOWAY: The answer I am saying is that, if the alternative for the government were to remove a number of other jobs—because \$60 million a year is equivalent to 700 jobs—if we do that then those people would be far worse off if that were the alternative.

Mr Marshall interjecting:

The CHAIR: Member for Davenport, I am actually on my feet, I do apologise. Member for Norwood, if you are feeling particularly cross and particularly angry, I recommend that, because this is the estimates process, you go outside—

Mr MARSHALL: I am happy here.

The CHAIR: Well, I am not happy with your behaviour, so you can either go outside and calm down or be in here and not interject. You make the choice. Okay? Thank you. Sorry, minister; very sorry.

The Hon. P. HOLLOWAY: The government believes that it is a reasonable situation to offer two extra days recreation leave in lieu of that, given the alternatives that the government is facing in its budgetary situation. If the opposition wants to come up with an alternative, I would be interested to hear it.

The Hon. I.F. EVANS: Madam Chair, just a further supplementary question, if I may: would the government then have no objection if this were adopted in the private sector? The government would not object to that, one assumes, given the government has done it.

The Hon. P. HOLLOWAY: In relation to what happens in the private sector, my understanding is that in many sectors, in fact, leave loading has been cashed out for some years and it still remains in some areas. What I do remember is the reason that leave loading was originally introduced some years ago. It was many years ago; in fact, it was during the Whitlam government that it was done. Clyde Cameron was the industrial relations minister at the time, and the idea was that in those days many tradespeople had above-award wages.

Members interjecting:

The Hon. P. HOLLOWAY: If you want to go through the history of this, what happened was that it was introduced so that, when going on holidays, people who had received significant above-award payments would not be disadvantaged during their holiday. That is why it was introduced. I come back to this issue: that is why this government is, I believe, consistent with that principle in terms of ensuring that those public sector employees who are on shift work and who would therefore receive significant payments will continue to receive the leave loading.

That was why it was originally introduced. My understanding—and my advisers may have further information in relation to it—is that in many areas it has been cashed out. Obviously, as I have just indicated in other answers, the private sector is now in the federal jurisdiction. At the end of the day, we will be judged on the decisions we take and the alternatives.

The Hon. I.F. EVANS: Volume 4, page 130 refers to losses of time for industrial action in the public sector. How many hours per thousand employees were lost to industrial action in 2009-10? Does South Australia have a worse industrial relations record in the public sector than other states? We note that the strategic plan talks about having the lowest number of working days per thousand employees of any state. In relation to the public sector workforce, does the minister accept that the legislative change of removing leave conditions—that is, long service leave and leave loading—will lead to worse results in the hours lost due to industrial action in the next year?

The Hon. P. HOLLOWAY: In regard to the latter question, that remains to be seen. Obviously, public sector workers would rather not lose those conditions; I think that is obvious but, again, we have to consider the alternatives. From the period of 1 July 2009 to 30 June 2010, eight hours were lost per thousand employees due to industrial action in the South Australian public sector. The only significant industrial action was that of a small number of TransAdelaide maintenance employees who held a series of stop work meetings over enterprise bargaining issues. This did not result in any disruption to services. The result of eight hours per 1,000 public sector employees compares favourably with the ABS reported national average to June 2010, which equates to 126.5 days lost per 1,000 employees.

The Hon. I.F. EVANS: Budget Paper 6, page 21, talks about public sector workforce services savings of \$1.69 million. Can you explain how those savings are to be achieved and how many jobs are to go as a result of that change? In a similar manner, Budget Paper 4, Volume 2, also refers to other cuts. Can you explain those? There is a revenue measure—it is Budget Paper 6, page 22, SafeWork SA, savings of \$13.8 million over four years. There is also a revenue measure there. Can you explain that?

The Hon. P. HOLLOWAY: Sure. I will start with the public sector workforce services. Those public sector workforce services will be functions that have a cost impact on the budget. That will cease by June 2013. With the shift under the Public Sector Act making chief executives

more accountable for the performance of their respective agencies, it was considered that accountability and responsibility for this function should also shift to chief executives who will have to ensure greater collaboration for safety and injury management policy development, performance analysis and reporting. That will shift to chief executives.

The Hon. I.F. EVANS: Chief executives will not get an increase in salary as a result, will they?

The Hon. P. HOLLOWAY: No, they will not. That shift will not happen overnight, and a phasing out approach will be developed which will take some time, so that is why those impact measures will not take place until June 2013. They will be in effect by June 2013 might be more accurate way of saying it. The chief executives will be apprised as may be applicable, and, during that interim phase-out period, will need to develop their own in-house capabilities to monitor, report and improve their strategic and operational health management of occupational health and safety injury management and collaborate in periodically reporting that through me to cabinet. That is essentially the saving there in relation to the public sector function.

In relation to SafeWork SA it is a little tricky to explain it because, as you say, there is a revenue measure. In fact, the revenue measure is what the state will receive from the commonwealth for performing those activities on behalf of Fair Work Australia, which I have just outlined in the answer to a question from the member for Ashford, I think it was.

The total savings of \$13.8 million over four years comes from the revised arrangements for industrial relations, as well as a reduction in some activities in SafeWork SA. The revised level of activity largely results from the commonwealth resuming responsibility for national industrial relations. This initiative includes an increase of revenue of \$9.1 million over the four years. That is the revenue: \$2.5 million this year; \$2.4 million the following year; \$2.2 million; and \$2 million, which adds up, I think, to the \$9.1 million over four years for the services performed by SafeWork SA on its behalf.

That revenue will ensure the continuation of existing levels of industrial relations services in South Australia. Over the four-year period, South Australia will manage the rest of the savings requirement through a review and consolidation of corporate services, including devolving some further business services responsibilities to managers, completion of short-term projects to reduce temporary staff and a review of all non-statutory functions.

A reduction of six FTEs over the four-year period will focus on non front-line and field service positions in particular. So, they will not be front-line services. With respect to corporate services and central non-statutory functions, it is anticipated that this will include a reduction of two information officers as a result of the cessation of targeted educational visits in 2011-12, and I outlined what those visits were to achieve in answer to that previous question.

The reduction of FTEs will be applied in conjunction with the government's TVSP schemes. I think it is important to recognise and make the most of the revenue. The savings are coming from the arrangements with Fair Work Australia, because effectively that work will now be done for the commonwealth under the Fair Work Act and there will be some lesser volume of savings made through non-front-line services over the four years.

The Hon. I.F. EVANS: A supplementary to that, minister, through you, Madam Chair. In relation to the SafeWork SA revised arrangements on page 22 of Budget Paper 6, in 2010-11 we get an extra 2.5 million from the feds and we spend only 192,000 doing the work to collect that, and then, every year after that, the operating revenue declines. So, we are getting less and less from the feds and our operating expenses go up: 192,000, 984,000, 1.5 million, 1.9 million. We are spending more and more to get less and less. I am just wondering how that works.

The Hon. P. HOLLOWAY: In fact, the revenue of what we get from the commonwealth is completely separate. The activities we undertake for the commonwealth—and now it is under the Fair Work Act—that is a contract we have with them, that is revenue that we get, but the expense—

The Hon. I.F. EVANS: Per year.

The Hon. P. HOLLOWAY: Well, it is, but it is 2.5, 2.4, 2.2 and 2.

The Hon. I.F. EVANS: And your expenses are going up every year.

The Hon. P. HOLLOWAY: No, that is the other savings that we are making elsewhere within SafeWork SA. So, if one looks at the total savings, the way Treasury calculates it, it is the sum of the revenue that we will be getting, the 9.1 million plus—

The Hon. I.F. EVANS: Why is revenue going down every year?

The CHAIR: That is a supplementary to a supplementary to a supplementary.

The Hon. P. HOLLOWAY: That is the commonwealth contract.

The Hon. I.F. EVANS: Can I ask this question then? I am assuming we are doing the same amount of work each year.

The Hon. P. HOLLOWAY: No, because the educational visits are gradually declining. We are being paid more for the transition.

The Hon. I.F. EVANS: At what point do we stop doing it?

The Hon. P. HOLLOWAY: I think that goes to the end of the educational visits and then, obviously, the whole contract is up for renewal after three years.

The Hon. I.F. EVANS: What year?

The CHAIR: It really is time for the member for Ashford. I know it is a lovely conversation but you can resume after the member for Ashford.

The Hon. I.F. EVANS: This is the only minister who has questions from the other side.

The CHAIR: It is because this area is so fascinating.

Members interjecting:

The CHAIR: Member for Ashford, would you like to ask a question?

The Hon. S.W. KEY: Thank you, I will. Madam Chair, so that we can support the opposition asking questions, I have one question that I want to ask.

The CHAIR: Just the one; thank you, that is very civilised.

The Hon. S.W. KEY: This is again in the SafeWork SA area. I refer the minister to Budget Paper 4, Volume 1, page 1.31. As South Australia works towards the targets outlined in the South Australian Strategic Plan, what performance targets has SafeWork SA achieved for 2009-10, minister?

The Hon. P. HOLLOWAY: SafeWork SA has made significant progress during 2009 and 2010 towards meeting three South Australian Strategic Plan targets:

- Target 1.4, industrial relations: to achieve the lowest number of working days lost per thousand employees of any state in Australia by 2004.
- Target 2.11, greater safety at work: achieve the nationally agreed target of a 40 per cent reduction in injury by 2012.
- Target 2.12, work-life balance: improve the quality of life of all South Australians through maintenance of a healthy work-life balance.

SafeWork SA undertakes a range of strategic industrial relations interventions, projects and compliance activities to ensure that fair workplaces exist for all South Australian workers and contributes to efforts to meet this target. The industrial relations target is measured using data reported by the Australian Bureau of Statistics. I am delighted to inform the committee that, based on that data, the overall trend over the last decade has been one of extremely low levels of industrial disputation in South Australia.

In the two quarters of 2009 for which South Australian performance was reported (that is, the June and December quarters), South Australia had the lowest rate of working days lost per 1,000 employees compared to other states reported, and that was 2.5 days. SafeWork SA continues to deliver a range of programs aimed specifically at reducing the number and costs of work-related injuries amongst employers. The greater safety at work target is measured using WorkCover SA claims data, specifically the rate of income maintenance claims per million dollars remuneration.

In order to reach the 40 per cent injury reduction target by 2012, South Australia needed to achieve the injury reduction target of 26 per cent by December 2008. I am delighted to inform the committee that South Australia exceeded this expectation and achieved a reduction of 33.1 per cent for all employers. South Australia now leads all other jurisdictions in progress towards the national injury reduction target. While there is still more work to be done, the programs

undertaken by SafeWork SA to provide greater safety at work are delivering improved and sustained safety outcomes for this sector.

SafeWork SA's work-life balance strategy is addressing the target through three main work areas: promotion and development of minimum standards and legislation that supports flexible leave and work arrangements, public awareness raising events and research on the social and economic arguments for work-life balance, and partnership projects with other organisations and government departments addressing the work-life balance target.

The Australian Work and Life Index has been adopted as the measurement tool for the work-life balance target. The index is a unique national benchmarking tool to compare and contrast work-life outcomes across various groups defined by geographic location, employment characteristics and social demographics. I am pleased to inform the committee that results from three years of data collection, which commenced in 2007, are showing that South Australia is improving in satisfaction levels for work-life balance.

In 2009, South Australia had the best score of any state or territory. The 2010 Work and Life Index report, which was released in August 2010, showed that South Australia recorded an index score of 42.7 against a national average score of 43.3. A lower index score reflects a better work-life balance. South Australia continues the trend of improved satisfaction with work-life balance in this state.

The Hon. I.F. EVANS: I refer to Budget Paper 4, Volume 2, page 5.21, Employee Advocacy. Are the figures as published correct? There seems to be an anomaly in the figures. Your actual employee benefits and costs in 2008-09 were \$5.5 million. Last year they budgeted \$13.4 million and then spent \$6.9 million, and then this year's budget is \$6.8 million. The \$13.4 million budget last year seems out of whack with the whole budget line for the last three years. In the same area, supplies and services went from \$4.7 million to \$11.1 million. It seems those figures are way out.

The Hon. P. HOLLOWAY: Not necessarily.

The Hon. I.F. EVANS: You have 36 advisers here now; is there anyone who can explain it?

The Hon. P. HOLLOWAY: These figures obviously come from the Attorney-General's Department, and we do not have anyone here from the Attorney-General's Department.

The Hon. I.F. EVANS: You can get back to us on that one?

The Hon. P. HOLLOWAY: We will take that one on notice, but there often are—

The Hon. I.F. EVANS: Employee advocacy is your area though, isn't it?

The Hon. P. HOLLOWAY: Yes, I believe so.

The Hon. I.F. EVANS: As long as we have confirmed it is your area; we have 36 people here and no-one can answer it. You can come back to us, minister—don't panic. It is just that the figures are way out: \$5.5 million up to \$13.4 million, down to \$6.9 million, then \$6.8 million. The \$13.4 million seems odd to me in the whole process, and supplies and services are the opposite: \$3.9 million to \$4.7 million to \$11.1 million to \$11.2 million.

The Hon. P. HOLLOWAY: That would suggest a contract—

The Hon. I.F. EVANS: So, on that basis, you have a lot less people spending a lot more on paper and pens.

The Hon. P. HOLLOWAY: No; I suggest—

The Hon. I.F. EVANS: Probably filling out the TVSP forms.

The Hon. P. HOLLOWAY: No, I do not think so. It is probably much more likely to be that there are contracts involving payments. I am sure it is just a matter of the accounting treatment of various payments.

The CHAIR: The minister will get back to you on that particular matter.

The Hon. I.F. EVANS: Minister, on SafeWork SA, which is generally in Budget Paper 4, Volume 1, page 1.31, SafeWork SA funded the Australian Services Union last year to undertake a survey. In the survey, of which we have a copy, one of the questions is whether or not people are union members. I am wondering what business it is of the government as to whether someone is a

member of a union, what was made of that union membership information, and how many other surveys have been done by your agency where that question was asked?

The Hon. P. HOLLOWAY: I will have to get that information. Obviously, that was done last year.

The Hon. I.F. EVANS: Is the head of SafeWork SA here, or a representative of SafeWork SA?

Mr RUSSELL: Yes.

The Hon. I.F. EVANS: Is the minister able to let the representative answer the question? I am sure the representative would know because it was their survey.

The Hon. P. HOLLOWAY: I think we need to determine what the program was under.

The CHAIR: Member for Davenport, you are asking the minister about the survey that was done—

The Hon. I.F. EVANS: By SafeWork SA.

The CHAIR: Which is fine because you related it to the budget line and I understand that. However, it seems to me to be quite possible that out of the people who are here no-one would have a copy of that in front of them.

The Hon. I.F. EVANS: I missed that, sorry.

The CHAIR: It is quite possible that nobody will have a copy of the survey you are discussing in front of them now.

The Hon. I.F. EVANS: No, but they would know the general principle. When they conduct surveys do they ask about union membership? They would know that as a general principle, Madam Chair, I am sure.

The Hon. P. HOLLOWAY: There is a program called the Health and Safety Workplace Partnership Program and I assume the money was provided under this. There was \$3 million allocated over three years, distributed to 12 funded unions that were required to report on the outcome of their respective projects in the second half of 2010, and the ASU was one of those. As to the detail of that particular program I am happy to take the question on notice.

I imagine that if there was a survey question there would be a whole lot of information that would be asked. Asking whether someone is a union member or not in the context of safety and so on—because that is what it is about; this is a Health and Safety Workplace Partnership Program—the fact is that unions do play a key role in workplace safety and, in some areas, there is a higher level of unionisation than others. As I said, unions do play a key role, along with employers I must say. We had the figures earlier whereby we had a significant reduction in workplace injury within the state. We are well on track and these grants are one of the reasons we do that.

I imagine that if there is a question it is all very well for the honourable member to pull that out and try to put some political significance to it but what I would put much greater significance to is the fact that there has been significantly improved occupational health and safety in this state. The statistics show that—very significantly—and this is one of the programs that enables those good results to be achieved. However, if you want more specific details then we will obviously have to get them.

The Hon. I.F. EVANS: Yes, I would like you to answer the questions raised. Even though you gave an answer you did not actually address any of the questions raised so I look forward to receiving them in due course. In relation to Budget Paper 4, Volume 2, page 5.19 regarding the Employee Ombudsman, given the greater role in industrial relations has the role of this office been impacted significantly? Are there any budget savings proposed over the next four years? Is the government considering any legislative change to that office?

The Hon. P. HOLLOWAY: The government is investigating more broadly what we will do with a number of organisations, not just the Employee Ombudsman but also one could throw in the Industrial Relations Commission more generally. The honourable member may have seen some comments made by the Attorney-General at estimates last week that was given some press coverage, about looking at the option of perhaps using those courts for some other workload, given that there is likely to be a reduction in the work undertaken by that body. Now, I have spoken to the Attorney about that and we are looking at that.

The Hon. I.F. Evans interjecting:

The Hon. P. HOLLOWAY: Sorry?

The Hon. I.F. EVANS: They can probably handle the union case against the government. They are apparently getting legal advice about the cuts to Public Service entitlements. They could probably handle that one.

The Hon. P. HOLLOWAY: I am sure that they will look at all the matters that are put before them, but, as I say, in relation to that more generally, the government is looking at how we can address these changes in workload and the Employee Ombudsman will not be immune to that. The government will obviously, over the next 12 months, be looking at ways it can more effectively utilise those services.

The CHAIR: According to the program I have in front of me, the time for questioning for WorkCover has arrived.

Departmental Advisers:

Mr R. Thomson, Chief Executive Officer, WorkCover.

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

Mr I. Rhodes, Chief Financial Officer, WorkCover.

Mr G. Mackie, Deputy Chief Executive, Cultural Development and Corporate, Department of the Premier and Cabinet.

Mr W. Potter, Executive Director, Return to Work Directorate, WorkCover.

Ms E. Siami, Manager, Policy and Government Relations, WorkCover.

The CHAIR: Do you wish to make an opening statement, minister?

The Hon. P. HOLLOWAY: Very briefly. The WorkCover scheme is funded by employers to provide fair compensation to injured workers and to support them while they prepare to return to work at a reasonable cost to employers. It has now been more than two years since the parliament passed some of the most significant reforms to South Australia's WorkCover system in its history. The government brought those reforms forward.

Mr Marshall interjecting:

The Hon. P. HOLLOWAY: Obviously, the member for Norwood did not agree with them.

The Hon. I.F. EVANS: Madam Chair, the minister is entering into debate during the courtesy that the house extends to the minister to come down from the upper house and make an opening statement.

The Hon. P. HOLLOWAY: Well on the contrary, it is my courtesy to come down here.

The Hon. I.F. EVANS: Even this minister would realise that the member for Norwood was not in this place when the changes went through. For the minister to try to get on the record—

The Hon. P. HOLLOWAY: Well he shouldn't be interjecting then.

The Hon. I.F. EVANS: —that the member for Norwood was somehow in favour of or against the previous debate on WorkCover is mischievous at best, discourteous at worst. Get on with your ministerial statement and stop wasting time.

The Hon. P. HOLLOWAY: Well let me say here, Mr Evans, that I am here as a courtesy.

The Hon. I.F. EVANS: No, you are here as a requirement.

The Hon. P. HOLLOWAY: No, I am not here as a requirement. You look at the resolution; I am here if I think fit. So, it is my courtesy. Obviously, the House of Assembly has no jurisdiction over ministers in another place, but I am very happy to be here to answer questions and I would appreciate some courtesy in terms of not being interrupted. We would probably get through this much quicker.

It has been more than two years since the parliament passed some of the most significant reforms to WorkCover. The government brought these reforms forward because of the failure of the scheme to meet its objectives and the enormous challenges we faced in getting the scheme back

on track. These reforms are now implemented and a period of consolidation has begun, with initial signs showing that benefits are being realised.

WorkCover SA's results for the 2009-10 financial year reflect a profit of \$77 million and a reduction in its unfunded liability to \$982 million—61.5 per cent funded. This is the first time that WorkCover has actually recorded an annual profit for 10 years, since the year ended 30 June 2000. This positive result continues the recent trend of real improvements in WorkCover's claims liability. For the fifth half-year in a row, WorkCover has recorded a claims result better than projected by its actuary.

There are still significant improvements to be made, however. We have never said that legislative reform is the sole solution to the scheme's problems; it is just one of the levers to achieve the cultural change necessary to get the scheme back on track. As members will know, one of the key concerns that the government and WorkCover has is that we have failed to keep our injured workers at work with appropriate medical support, or return our injured workers to work if they needed time off to recover. The government and WorkCover are committed to building a culture of keeping injured workers at work, where possible, or returning them to work if they needed time off to recover. All parties in the scheme need to be focused on the critical outcome of getting injured workers to stay at work or get back to work as quickly and as safely as possible.

Employers have an important role to play in getting injured workers back to work. This role needed more prominence within the scheme and, as such, WorkCover established a rehabilitation and return to work inspectorate to educate and support employers to understand their obligations in the return to work process. There are now 2,700 rehabilitation and return to work coordinators based at their own workplace, who have a key role in supporting their injured colleagues to return to work.

Finally, in addition to the legislative reforms we have established a \$15 million Return to Work Fund. This fund has been established to help resource innovative programs to help get injured workers back to work. Seven projects were approved in round 1, and these projects are expected to provide assistance to some 200 injured workers as they look to re-enter the workforce. Round 2 saw over 40 expressions of interest, and these are currently being assessed. The scheme will not be fixed overnight, but with the reforms it will happen.

Finally, I would like to extend the government's gratitude to Julia Davidson, who resigned as chief executive officer of WorkCover in June 2010 after just over six years in the role. During this time, Julia oversaw the implementation of legislative reform and the new claims management ICT system. Julia has left WorkCover in a much better state than when she arrived. I would also like to welcome Mr Rob Thomson, who commenced—

Members interjecting:

The Hon. P. HOLLOWAY: What's your problem?

The CHAIR: You're laughing, but I did not hear what the minister said.

Mr Marshall interjecting:

The CHAIR: All right; carry on, minister.

The Hon. P. HOLLOWAY: I would also like to welcome Mr Rob Thomson, who commenced on 15 June 2010 as the new Chief Executive Officer of WorkCover SA.

Mr Marshall interjecting:

The Hon. P. HOLLOWAY: Well, I think you're pathetic, actually. I'd heard about you, and you're proving it true. Perhaps you should—

Mr Marshall interjecting:

The Hon. P. HOLLOWAY: Well, you know, you've got a big mouth, but not much to go with it, unfortunately. Mr Thomson is the first workers compensation specialist ever to be appointed CEO in 22 years of WorkCover's history. His most recent role as general manager, Workers Compensation Division for WorkCover in New South Wales, saw him take a lead role in the financial turnaround of the scheme. I look forward to working with Rob in further improving the scheme's performance for the benefit of South Australian workers and employees.

The Hon. I.F. EVANS: The government has promised a review of WorkCover in 2011. Is it still the government's intention to start the review in 2011? Who will be undertaking the review, and will you rule out any further cuts to entitlements as a result of the review?

The Hon. P. HOLLOWAY: First of all, it is a statutory requirement to begin then, so it has to begin then. Secondly, we have not reached the final stage of selecting anyone to do it yet. I will make an announcement when we do, which hopefully will not be that much further into the future. In answer to the last part of the question, it is hypothetical as to what may come out of it but, obviously, the performance that the scheme has had (I referred to that in my opening statement) is that we are beginning to see some improvements. As I said, it did cause some mirth from the other side, but I would have thought that, if it recorded an annual profit for the first time in 10 years since the year ended 30 June 2000, that is something significant.

The Hon. I.F. EVANS: Sorry, minister; I did not hear you rule out any further cuts to entitlements as a result of the review.

The Hon. P. HOLLOWAY: The whole purpose of the review, under the statutes, is to examine what impact they have made in relation to the requirement. I do not have the specific part of the legislation here as to what the requirement is, but we are examining what the impact of those will be. The government certainly does not have any expectation that there will be any need for any further cuts.

The Hon. I.F. EVANS: As a supplementary question, you will not rule it out?

The Hon. P. HOLLOWAY: As I said, we have absolutely no expectation or plans of doing it; I do not expect that we would.

The Hon. I.F. EVANS: This is still on WorkCover.

The CHAIR: There is no mention of it.

The Hon. I.F. EVANS: WorkCover does not have a page, Madam Chair; it is one of those mysterious organisations that are mentioned with a word here and a word there. I refer to Budget Paper 4, Volume 1, page 1.50 or Budget Paper 3, page 6.8. The issue has arisen, I believe, in WorkCover in relation to concerns about proprietary limited companies with a single employee failing to register for WorkCover and the liability then falling to the head contractor for whom they are working. I am just wondering what WorkCover intends to do to fix that particular problem because it is a loophole where a proprietary limited company with a single employee that fails to register can get away essentially without paying a WorkCover premium because the liability falls to another group.

The Hon. P. HOLLOWAY: Perhaps that will be an operational matter. I will ask Mr Thomson to answer that.

Mr THOMSON: We have become aware of that only recently so we are still looking into that issue. We do not have a definitive answer but basically if there is an employer who is liable to be registered within the scheme, then the liability should sit with those employers. There is an issue then about whether there is any contribution between responsibilities if a worker is injured, but in reality an employer who should be registered should have the liability sit with them. However, that is an issue that has come up and we are looking into it. I would be happy to take that on notice and give more information out of session.

The Hon. I.F. EVANS: So, minister, is it the government's preliminary view then or the agency's preliminary view that it is going to need legislative change to fix that and, if so, would you fast-track that legislative change given the loophole?

The Hon. P. HOLLOWAY: Obviously we would have to have a look at that before we would give a commitment. Obviously we would have to see what the scope of the issue is, if any. As Mr Thomson said, clearly WorkCover is looking at it and I expect it would come to the government first of all with a report on the extent of the problem and then if there were any request, we would deal with it then.

The Hon. I.F. EVANS: As a supplementary question, is the minister aware then of a secondary problem in relation to this issue where the amount of money paid to the subcontractor through workers comp is not the dollar figure that the subcontracting entity pays its one employee but is actually the contract value that the head contractor pays the subcontractor? Not only do you have a liability problem, you have an amount of payment problem. Is the agency aware of that problem as well?

Mr THOMSON: There are two key issues: the coverage of any worker that is working and the fund actually ensures that the worker is covered—

The Hon. I.F. EVANS: Sorry, I can't hear you, can you get closer?

Mr THOMSON: It comes back to two issues. There is an issue of coverage for workers who are employed by an employer regardless of the status of the employer and the legislation ensures that the workers are appropriately covered. The issue comes back to where the employer sits in this situation and the way the remunerations calculations are actually determined. I would have to take the question on notice to give you an absolutely definitive answer.

The Hon. I.F. EVANS: Referring to the same budget line, the *Australian Financial Review* recently published a summary of workers compensation costs across Australia. South Australia rated the most expensive workers compensation scheme in Australia, even after the changes in 2008. Does the government accept that workers compensation costs in South Australia are still too high; and what advice has the minister received about the promised reduction in levy rate for businesses down to 2.25 per cent?

The Hon. P. HOLLOWAY: Obviously, one of the reasons the government introduced those reforms back in 2008 was that the WorkCover system was the most expensive workers compensation scheme but it was also the most ineffective in terms of getting workers back to work, and of course those two are not unrelated. It is the inability to get people back to work safely that is at the core of the problem. That is why the thrust of the measures of the reforms that were made was to ensure that we could get workers back to work as quickly as possible, and that is the key to bringing down the levy rates.

As the honourable member said, there has been a reduction but, of course, the government would ultimately like to see its scheme being competitive with those of other states. That is going to take some time, but also it has to be fair to injured workers as well. The key to it all, really, is getting workers back to work as quickly as we can safely do so, and that is absolutely the requirement here to getting the scheme to work. Over a number of years it has developed various cultural problems and the like and they needed to be changed.

The Hon. I.F. EVANS: But, minister, you accept that it is still the most expensive scheme in Australia. *The Australian Financial Review* article gives an example on 5.5 million remuneration: New South Wales, about 93,000; Victoria, 76,000; Queensland, 63,000; Western Australia, 95,000; South Australia, 165,000. How do you expect businesses to compete? The government went out and promised a reduction between 2.25 and 2.75; what is the time frame for a reduction in levies to 2.25?

The Hon. P. HOLLOWAY: The government is not going to reduce the levy rates until the scheme is in a financial position to do so, and that is the key requirement. The honourable member would be well aware that we have had some issues with the global financial crisis. That has affected interest rates which, in turn—

The Hon. I.F. EVANS: Victoria, Tasmania, didn't they all have the same global financial crisis? Didn't their work cover schemes suffer the same issues on investments?

The CHAIR: Let's answer the first question.

The Hon. P. HOLLOWAY: What the government is not going to do is what your government did just before the last election when it cut rates just before the election and that was unsustainable. If the question is will the government cut WorkCover levies regardless of the financial sustainability of the scheme, as you did, the answer is no.

The Hon. I.F. EVANS: I did not ask that.

The Hon. P. HOLLOWAY: No, but you are asking—

The Hon. I.F. EVANS: I asked what your timetable was to bring it down to 2.25.

The Hon. P. HOLLOWAY: The government will do it when the scheme is in a position to do so. I was just explaining that because of the global financial crisis and the impact on interest rates which affects the actuarial projections. In fact, I think it would be fair to say, and this was pointed out in the statement, that, if it had not been for those expected rising interest rates and their effect on the yield curve, the scheme would have been \$100 million better off in terms of the projected liability.

That is something that would affect other schemes except that our scheme was in worse shape than others which is why the changes were made in the first place. There is no doubt about that. Certainly, the last thing that I would want to do is to see what happened back in 2001 when rates were cut in an unsustainable way. Obviously, yes, of course the government would like to see the levy rate come down, but it has to be sustainable to do that.

The Hon. I.F. EVANS: So, there is no timetable? You do not think it will be four years or five years? Previously, the government was on record saying that it would take five to six years to right WorkCover's financial position. Straight after the global financial crisis, the premiums were cut from 3 per cent down to 2.75, so the global financial crisis could not have had that big an impact on the scheme, given they immediately cut the levy rates. I am just wondering what is the time frame? It used to be five to six years. What is the time frame now?

The Hon. P. HOLLOWAY: One can sort of put a figure, but at the end of the day it depends on those circumstances. I could pluck a figure out and who is going to be around in five or six years to see whether it is right? What I want to do is to cut it as quickly as we sustainably can, but it has to be sustainable and, if it was said a few years ago it was five to six years, the GFC may have set that back a while. Look, I am not into making those sorts of projections, but I am quite happy to make the commitment that we want it cut as quickly as we can, and I think that everyone would. Everyone would want it cut as quickly as we can but only if it is sustainable. If we can do that in another five or six years, that would be great. It will take some time; that is obvious.

The Hon. I.F. EVANS: I refer to the same budget line, Madam Chair. Minister, go to the full funding of the scheme. At what point is the advice from the board that the scheme will be fully funded? What is the current time line? I think that you said in an earlier answer or in your opening statement that it was about 65 per cent funded, I thought I heard.

The Hon. P. HOLLOWAY: It is 61.5 per cent.

The Hon. I.F. EVANS: Okay, 61.5 per cent. At what point now do you think it will be fully funded?

The Hon. P. HOLLOWAY: I am not sure that the board makes that projection. As I said, I am just as interested that the scheme progressively is restored to health. Really, one can throw a figure out all one likes, but what is important is that it moves in the right direction as quickly as possible.

Mr Marshall interjecting:

The Hon. P. HOLLOWAY: Perhaps you could ask a question, member for Norwood. He has had an awful lot to say. He has not asked a question yet. Perhaps he might care to break the drought in a minute.

The CHAIR: The member for Norwood is vocal and enthusiastic, and maybe he does have a question. Do you have a question, member for Norwood?

Mr MARSHALL: I will defer to the member for Davenport.

The CHAIR: Okay. Well, if you are going to defer to the member for Davenport, perhaps you could be a tiny bit quiet. The member for Davenport.

The Hon. P. HOLLOWAY: No, the board has not provided me with—nor have I asked it for—a projection at this stage as to what—

Mr Marshall interjecting:

The CHAIR: What did I just say?

The Hon. P. HOLLOWAY: —it would be. What I would be more interested in is the current situation and ensuring that this scheme returns to health as quickly as possible.

The Hon. I.F. EVANS: I refer to the same budget line. The Premier made a ministerial statement to the parliament on 28 February 2008 saying that the actuary, that was WorkCover's actuary, or the agency's actuary, had advised that:

...if the initiatives in the report are undertaken in accordance with the recommendations, the scheme will be fully funded within five to six years.

That was in 2008. Now, the changes went through; the unions loved that as well. So, five to six years from 2008 is, sort of, 2013-14, which is this budget cycle. Surely, someone at the table, minister, has an idea as to when the scheme, given its current circumstances, is likely to be fully funded.

The Hon. P. HOLLOWAY: One would expect that it would be at least four to five years before that happens.

The Hon. I.F. EVANS: Four or five years before you know or four or five years before it is fully funded?

The Hon. P. HOLLOWAY: Well, no; you know what I mean.

The Hon. I.F. EVANS: No, I do not know what you mean. Your government, minister, is very tricky, so I seek clarification of the answer. Are you saying to the committee that you expect it to be fully funded in four to five years?

The Hon. P. HOLLOWAY: One would expect that it would be at least that time, but we are talking here about projections. Obviously, lots of things can happen, as they did with the GFC, which impacted on the most recent result. However, the important thing is that the scheme is coming back to health, and, obviously, it would be the government's intention to do everything that it can to ensure that it does not impact further. Obviously, the review and other events that will happen will give us a clearer picture.

The Hon. I.F. EVANS: Is it the intention of the review to seek a lower level of premium than 2.25, or is the government going to restrict the premium range to 2.25 to 2.75?

The Hon. P. HOLLOWAY: An amendment was made to the act which requires a review of the impacts of the changes that were made in 2008; essentially, I think, that is what that act requires. The act requires an independent person to carry out a review concerning the impact of this act on workers who have suffered compensable disabilities and been affected by the operation of this act, the impact of this act on levies paid by employers under Part 5 of the principal act, the impact of this act on the sufficiency of the compensation fund to meet the liabilities of the WorkCover Corporation in South Australia under the principal act and such other matters as the minister may determine. Essentially, what it is requiring is to look at the impact of those changes on injured workers and employers.

The Hon. I.F. EVANS: The last paragraph 'any such matter as the minister thinks' (whatever the words were), the catch-all last point essentially gives you as minister a discretion to rope in any change or any issue to do with workers compensation that you may wish. Queensland has a scheme with a workers compensation levy of less than 2 per cent, as do other states. What I am asking you as the lead minister on workers compensation is: will you rule out seeking a lower level rate than 2.5 per cent in the review?

The Hon. P. HOLLOWAY: I do not think it is the purpose of a review to seek out rates; it is the board. Obviously, the board will look at what is a sustainable rate at the time. The review is to look at what the impact of the previous changes were and then it is up to the board to determine what impact that might have on the rates and to recommend that to government. The government's expectations have not changed, in the sense that we want to reduce the rate of WorkCover, but it has to be sustainable. We are not prepared to see it put in a situation where the scheme is under financial pressure because the levy has been reduced too early.

Clearly, can I also say while we are on this that, in relation to what the impact and review might be, of course, one of my concerns is (and this was debated in parliament at the time that that provision came up): will two years be sufficient to bring out the impact of the changes? Certainly, the act was changed two years ago, but many of those changes that were made are only just having an impact now. There are matters before the Workers Compensation Tribunal that will impact on that decision-making process.

The operation of medical panels has not been in place for all that long and one could name a number of other factors as well. It remains to be seen how much evidence there is, after a two year period, whether it is soon enough to be definitive about some of that impact. Obviously, in some things it will be, in other areas it may not be.

The Hon. I.F. EVANS: Minister, in the 2010 annual report, the chair of WorkCover reports as follows:

As at 30 June 2010 the legislative changes have all been implemented but the evidence of their precise financial impact is still emerging and won't be fully known for a number of years.

Given the financial impact of the changes is uncertain and will not be known for some years, on what criteria then did the WorkCover board decide to lower the premiums from three to 2.75, because you have been arguing throughout this whole estimates committee about the lack of knowledge about the financial impact of the changes—and that is confirmed by the chairman of the board—yet even though the financial impact is still emerging, they have managed to reduce the premiums?

The Hon. P. HOLLOWAY: I think the important thing to say there is the break even obviously has a longer time frame. The point at which that happens obviously has a much longer

time frame than the deficit. As I said, it was announced earlier in the statement, the first time that WorkCover has recorded an annual profit for 10 years was the current year that has ended. There have been quite significant changes. I think that one only has to look at the complaints that many of the unions, for example, have made and injured workers in relation to that to know that some quite tough decisions have been made. Inevitably, they will have an impact on the financial performance of WorkCover.

What the government has to do is to be fair in finding the balance, but undoubtedly those changes (I do not think there is any question) will make the scheme more viable, but what the chairman is saying and what I said in answer to the previous question is just how effective they will be. They will certainly have an impact, they will certainly reduce the unfunded liability, but just how effective it may be will still take some time for that to work out. I think that is the point that both the chairman and I are trying to make; that is, not everything is clear, but given the extent of the changes, yes, there will be improvements.

The Hon. I.F. EVANS: Same page number, minister. Why did WorkCover recently take the decision to extend EML's monopoly contract by a further 18 months? Why did that not go to tender?

The Hon. P. HOLLOWAY: I think the answer is, essentially, that we are still in this transitional period. Again, it goes back to the comments that the chairman made, and that I made earlier that you have just referred to, that there are a number of significant changes taking place at present, and it was the view of the board that, if we were to complicate matters by appointing a new claims agent or going to a new system at this crucial time, that could potentially cause significant uncertainty within the scheme. So, the recommendation of the board was that the contract should be extended just for 18 months from 1 July next year to 31 December 2012. That will enable many of these changes—remember that I said there are decisions before the Workers Compensation Tribunal and other matters are in train—to be sorted out.

We also have a new ICT system that has just been employed. The Curam system has only in the last few months been implemented, so clearly that is also having a big impact on the system. So, it was the board's view, and the government ultimately agreed with it, that extending the contract for this period of 18 months would enable the board to be in a better position to make an evaluation of Employers Mutual in the next 12 months or so, and it could then decide on a way forward with the benefit of those systems being settled and with the benefit of data as to how those changes ultimately will work out.

The Hon. I.F. EVANS: Same page number, Madam Chair. In relation to that answer, I think you mentioned an extension to 31 December 2012.

The Hon. P. HOLLOWAY: Yes.

The Hon. I.F. EVANS: Does that mean it is the government's intention to complete the review and bring legislation before the house, if it is needed, and to have it passed and in place by 31 December 2012?

The Hon. P. HOLLOWAY: That is more than two years away.

The Hon. I.F. EVANS: That is right.

The Hon. P. HOLLOWAY: The actual review that we were talking about earlier I think is due, under the legislation, in four months. The review that is provided for in the legislation is not related to the contract with EML, of course. That is not to say that there will not be things that come out in the review that might shed some light on its performance.

The Hon. I.F. EVANS: At 31 December 2012, if you decide to go to tender—and you will decide to go to tender just before that?

The Hon. P. HOLLOWAY: I think it would be well before then. You would have to go well before then.

The Hon. I.F. EVANS: Will the tenderers not want to know what scheme they are tendering upon? And, if the government is proposing changes as a result of the review, will not the tenderers want to know what the changes are and the legislative framework to which they are going to tender on? Therefore, if you extend the contract to 31 December 2012—you have just told the committee if you are going to go to tender you will have to make the decision before that—does that not imply that you would have to have the legislative changes in place prior to going to tender? Otherwise, what do people tender on?

The Hon. P. HOLLOWAY: Obviously, that depends on what the review says. That has a fairly short time frame, as I said earlier. I think it was four months, so you are talking about April 2011.

The Hon. I.F. EVANS: Sorry; is the review going to be finished by April 2011, is it?

The Hon. P. HOLLOWAY: We are talking about the statutory review that is required under the act. I think you are simply linking the two. As I have just said, I do not think the two necessarily are reviewed. The board has already been looking, for some time, at Employers Mutual's performance. As I said, the decision was made in relation to the extension of this contract for 18 months based on the fact that there had been significant changes, including to the computer system, where a whole new system was introduced.

There were a lot of other changes, including medical panels and important cases before the Workers Compensation Tribunal that may or may not impact on the scheme in various ways. Some of them have been heard, some of them are in the process of being heard and others are yet to come. All of that will impact on the workers compensation scheme. It was the view of the board that, with an 18-month extension to 31 December 2012, it gives the WorkCover board and the government sufficient time to investigate options and to be in a much better position to evaluate the performance of Employers Mutual and the alternatives.

The Hon. I.F. EVANS: Will the government give a commitment that it will have any legislative changes it is proposing on workers compensation for the four-year period before the house before 31 December 2012? When you conduct a review, minister, there is a catch-all at the bottom which allows you to have in the review whatever you wish. I daresay the union movement and other groups will want to lobby you on a whole range of issues in relation—

The Hon. P. HOLLOWAY: I'm sure they will.

The Hon. I.F. EVANS: I'm sure they will. They might lobby a little bit harder, given the events of recent weeks. There is going to be a whole range of submissions put to you. The issue will be: what will the new tenderers be tendering on? The unions will be saying bring back common law, and whether that is going to be part of the review, who knows? In relation to the tender, once 31 December 2012 comes, is the government going to look at having more than one claims agent or going to a monopoly supplier again?

The Hon. P. HOLLOWAY: That is obviously one of the key decisions that need to be made. That is why the WorkCover board and then the government have approved the extension of the contract for 18 months to properly examine that issue. I am sure members are well aware that there was a select committee, or perhaps the Statutory Authorities Review Committee looked at that. There have been various views put on whether there should be multiple tendering and all that sort of thing. These are matters which need to be considered, but they need to be considered in the context of an adequate and fair evaluation of the performance of Employers Mutual.

That is why it was the board's view (and I would accept it) that at the current time, given the large number of changes with computer systems and the others referred to within this scheme, it was probably better to enable current arrangements to be extended for a period of time and then those options could be properly evaluated. Of course, I do not disagree with the member that if you are going to change the system it obviously needs to be clear to any tenderers as to what the changes, if any, would be.

The Hon. I.F. EVANS: In the annual report there is a graph about the return-to-work rate. In the past 10 years South Australia has matched the national return-to-work rate only once. We are now five percentage points different, at 85 versus 80. All of the changes that were made to occupational health and safety through the introduction of SafeWork SA, the splitting off of the OH&S function from WorkCover and then the changes to the act last year where you slashed and burned the workers' entitlements—as seems to be a habit of this government—were all to bring about a better return-to-work rate, but the graph shows that, in fact, that has not happened. The return-to-work rate has slid in the last 12 months.

The Hon. P. HOLLOWAY: One of the issues that the government faces again is the culture of the scheme. There has been a focus on lump sums and that is one of the issues that needs to be addressed. Perhaps it would be appropriate here, given that Mr Thomson has had significant experience in New South Wales with the scheme over there, to invite him to make some comments in relation to that, because I think they would be useful.

Obviously, the return to work rate is a crucial element in getting the WorkCover scheme into a healthy financial shape, but not only that, it is also important for workers. I mean, there is

overwhelming evidence now that being in dispute with WorkCover, and off work, is the worst thing for the health of workers. It is worse than smoking a pack of cigarettes a day.

The Hon. I.F. EVANS: That is why you stopped redemptions.

The Hon. P. HOLLOWAY: Well, perhaps in relation to that, I think it might be useful to ask Mr Thomson to explain what the New South Wales experience was in relation to that very matter, because I think it would probably be interesting for the chamber.

Mr THOMSON: I guess the issue that you have faced is a cultural impact, because at the moment the situation we have had is that the legislative change took effect in 2008 and redemptions have only just ceased in 2010. So, there have still been people receiving lump sum payments. If you look at the comparison on either page 23 or 26 of the New South Wales annual report last year, it actually shows the continuance rates, or return to work. In that state they had legislative change, moving from a lump sum based scheme, which is what we have been in South Australia, to periodic benefit, which is where we are moving towards.

That change took effect, and in New South Wales, the cultural effects took place whereby there was a significant improvement in people going back to work because there was no incentive for them to stay off, on benefits, to receive the potential lump sum at the end of it. I guess the issue that we have got in that space is that we are—and there is talk in the market place, even as a result of the legislative review that you have been talking about, that the impact is some people are saying redemptions may continue, and the legislation may be reversed and rolled back.

If that is occurring, the workers out there are being advised, 'Stay on benefits. Don't go back to work because you may get a lump sum at the end of it.' That is part of the cultural effect which is reducing the impact, or the ability to get improvement in the return to work rates. If you do the comparison between New South Wales and us in that space, it is quite clear that that is part of the issue that is occurring in South Australia at this point in time.

The Hon. I.F. EVANS: Well, just on redemptions, I have an example of a redemption being offered, and I am just wondering whether this is common practice:

On 30 June at 3.50pm—

so at ten to four—

I received a call from—

X, I won't give the person's name from WorkCover—

offering me a redemption of \$150,000 for my WorkCover claim. I was told I needed to give them an answer by the close of business that day.

So, within an hour and 10 minutes.

In my previous dealing with the redemption team, I was offered \$40,000 as the first offer, then \$60,000 as the second offer. I then explained that the payout would need to be in excess of \$200,000 for me to consider it, as I would need to be able to invest the money and live off the interest. I was told this figure was not possible and the redemption negotiations were closed.

So, this person gets a phone call at ten to four, for an hour's notice, for a \$150,000 redemption. After doing some calculations, she rang this person at WorkCover back and declined the offer. She was then told that as she did not take the redemption she would now be subject to a medical review panel.

This person explained that she was injured at work and had nothing to hide. She was called before the medical panel—so be it. So I guess the question that comes is: has the medical review panel been used as a tool to try to get people to take redemptions, and is it a common practice to give them an hour's notice on redemptions?

The Hon. P. HOLLOWAY: Well no, it is not. Can I say, firstly, that it would not have been WorkCover. It probably would have been Employers Mutual that would have been negotiating—

The Hon. I.F. EVANS: Yes, the people you have just extended the contract with, but they would be operating within WorkCover guidelines, I am sure.

The Hon. P. HOLLOWAY: Well, yes.

The Hon. I.F. EVANS: They would be operating within guidelines.

The Hon. P. HOLLOWAY: We make sure that they do, but we have addressed that question. I think you said that that particular question took place on 30 June. That was, I assume,

the last day, which is why they would be negotiating that. I mean clearly, as Mr Thomson just said, if one looks at New South Wales, the scheme there has had dramatic improvement since there were those changes made to redemptions. Here in South Australia they have only happened since 1 July, which again reinforces the point that we are making that it is still going to need some time to see whether that impact can be embedded.

The Hon. I.F. EVANS: My omnibus questions are:

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 above \$10,000 in 2009-10 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 2010, 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 2009-10 for all departments and agencies reporting to the minister, what underspending on projects and programs was not approved by cabinet for carryover expenditure in 2010-11? How much was approved by cabinet?

5. Between 30 June 2009 and 30 June 2010, will the minister list job title and total employment cost of each position (with a total estimated cost of \$100,000 or more)—

(a) which has been abolished; and

(b) which has been created?

6. For the year 2009-10, 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?

8. For each department or agency reporting to the minister, how many Targeted Voluntary Separation Packages (TVSPs) will be offered for the financial years 2010-11, 2011-12, 2012-13 and 2013-14?

The CHAIR: There being no further questions, I declare the examination of the proposed payment completed.

DEPARTMENT OF PRIMARY INDUSTRIES AND RESOURCES, \$133,259,000
ADMINISTERED ITEMS FOR THE DEPARTMENT OF PRIMARY INDUSTRIES AND
RESOURCES, \$3,349,000

Membership:

Mr Pederick substituted for Mr Pengilly.

Mr Williams substituted for Mr Marshall.

Mr Treloar substituted for Mr Evans.

Witness:

Hon. P. Holloway, Minister for Mineral Resources Development, Minister for Urban Development and Planning, Minister for Industrial Relations, Minister Assisting the Premier in Public Sector Management.

Departmental Advisers:

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

Dr P. Heithersay, Deputy Chief Executive, Resources and Infrastructure, Department of Primary Industries and Resources.

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

Mr T. Brumfield, Director, Finance and Asset Management, Department of Primary Industries and Resources.

Mr B. Goldstein, Director, Petroleum and Geothermal Group, Department of Primary Industries and Resources.

Mr T. Tyne, Director, Mineral Resources Group, Department of Primary Industries and Resources.

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

Ms E. Alexander, Manager, Petroleum, Geology Branch, Department of Primary Industries and Resources.

Ms P. Freeman, Manager, Land Access, Minerals Resources Group, Department of Primary Industries and Resources.

The CHAIR: I declare the proposed payments open for examination, and refer members to the Portfolio Statements, Volume 2, Part 6. Minister, will you be making a statement?

The Hon. P. HOLLOWAY: I will make a very quick opening statement. The portfolio of Mineral Resources Development is a key driver of economic prosperity in South Australia and encompasses the regulation environmental assessment and royalty administration of the minerals, petroleum, gas and geothermal sectors. The portfolio also has the responsibility for attracting exploration investment.

The government, through PIRSA, has the lead role in regulating minerals, petroleum and geothermal exploration and the development of new mines, new petroleum production and new geothermal energy projects. Also, through PIRSA, the government provides a supportive framework for industry across all areas of development, from initial exploration through the life of the mine and eventual rehabilitation.

In consultation with industry and stakeholders, the government has taken forward a major body of amendments to the Mining Act, which is now before the House of Assembly. I acknowledge the opposition's support for this very important piece of legislation, which is necessary to set us up for the future in relation to regulating the mining industry.

These amendments are designed to deliver reductions in red tape, greater transparency in effective regulations and strengthen compliance and enforcement provisions and aim to ensure that landowners and the community are well-informed through more effective and transparent government processes. It is proposed, if we can get it through the house, to bring the act and associated regulations into operation in the first quarter of 2011.

The outlook for the South Australian resources sector remains strong. In recent months the Premier officially opened the new Cairn Hill mine expanding iron ore production beyond the Upper Spencer Gulf. Earlier this year I officially opened the White Dam gold mine 420 kilometres north-east of Adelaide near the New South Wales border. They are just the latest in a pipeline of new mining projects in South Australia.

Since 2002, South Australia's resources sector has grown from four to 12 operating mines. South Australia is known internationally for its world-class discoveries at Olympic Dam, Prominent Hill and Jacinth-Ambrosia, and our state has built up a global reputation as a secure and stable jurisdiction for investment.

Minerals are South Australia's largest single contributor to exports, outperforming all other sectors and worth \$2.8 billion in 2009-10, more than double the \$1.17 billion in 2003-04. We have already exceeded our South Australia's Strategic Plan targets for both exploration and mineral production. This year the state government reformed the mineral royalty regime to secure a more

appropriate dividend for the resource assets owned by the people of our state. The 2010 state budget introduced a three-tiered system for mineral royalty rates. The three tiers recognise the initial high-risk start-up phase of a new mine and the risk taken by shareholders to explore for and develop mines in South Australia.

In 2004, this government launched the plan for accelerating exploration or PACE initiative. This year the budget honours the state government's election commitment to provide an additional \$10.2 million over four years into the new initiative, PACE 2020. Extending and expanding PACE ensures that South Australia will retain its competitive advantages and further create opportunities for new discoveries and developments. The government has continued its commitment to manage the former mine site at Brukunga in the Adelaide Hills and has increased funding for the site by about \$300,000 a year.

Our geothermal sector in South Australia has the three most advanced geothermal projects in the country: Geodynamics' Innamincka project, Petratherm's Paralana project and Panax's Limestone Coast project. There are now 248 geothermal exploration licences covering 147,000 square kilometres of the state, representing 60 per cent of all geothermal licences currently granted and in the process of being granted within Australia. The government's funding of the minerals and energy portfolio has increased primarily as a result of additional expenditure associated with the PACE 2020 new initiative, which is expected to spend \$2.4 million in 2010-11.

Given the ongoing importance of the minerals and energy resources sector in driving the economic prosperity of the state, the government has not applied specific savings measures to the portfolio. That being said, the minerals and energy resources division is expected to perform as efficiently as possible and to implement efficiency measures that have been applied to PIRSA and other government agencies.

In conclusion, a wealth of good news is coming from the minerals, petroleum and geothermal sectors within the state. It will be a long journey to realise the full potential of minerals and energy resources in South Australia, but it is clear that there has been a step change in the number of new minerals and energy developments in South Australia and a pipeline of growth opportunities to follow.

Mr WILLIAMS: I have no opening statement, so we will move straight into questions. Minister, last year in answer to a question you made this comment:

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.

What has changed in the last 12 months in that regard wherein the government has now moved to increase that rate by 25 per cent to 2 per cent and where and the rate for unrefined mineral products will increase some 43 per cent from 3.5 per cent to 5 per cent?

The Hon. P. HOLLOWAY: I would have thought 1.5 to 2 is actually a 33½ per cent increase, actually.

Mr WILLIAMS: I think you are right, minister; I stand corrected on that.

The Hon. P. HOLLOWAY: What is significant is that the state retains a low royalty rate for the first five years and I think we are the only state. Every state has a different royalty regime but I think we are the only state that has this specific low rate. There may be some lower rates negotiated under indentures and so on in other states but I think we were the only state that for new projects does have a lower rate.

The government was faced with a situation where we are in the budgetary position we face. We had to make hard decisions. The government decided that increasing royalties—well, we decided two things: first of all, we had to preserve and honour our election commitments, which was PACE 2020, because it is important that we do continue to explore for a pipeline of projects.

That was important that we do that but we also needed to, more broadly, ensure that we protect the department. As I have indicated, the mineral resources division, given the expected increased workload, the fact that we have got new more mines coming in, and the importance that minerals generally will play to the economy of South Australia, it is really important that we recognise that important role that the department plays in facilitating that and the extra demands on them.

At a time when cuts are being made generally across government, to ensure that, the government took the option of increasing royalties. We spoke to the industry. The industry,

obviously, like any other industry, would rather not pay increased royalties but I think they understand that our royalties still remain competitive relative to those of other states, particularly the concessional rate for the first five years. They recognise that in the context in which we were protecting the excellent service this state provides through the Department of Primary Industry and Resources—Minerals Division, and also the geoscientific information that is provided.

There had been some criticism that was actually made of the royalty rate that we had in this state and it had been used against this state. The grants commission fiscal equalisation measures concluded the average rate was 2.9 per cent. It will now go to 3.5 per cent on average. That is still comparable with the rest of Australia.

The other issue that we faced, as well, why we had to consider our royalties, was because increasingly we are seeing less downstream production. When we had just four mines in the state, one of them was Olympic Dam which does process its minerals on site; so does OneSteel. It was essentially a steel mine. Increasingly, OneSteel is exporting iron ore and, with the Olympic Dam expansion, BHP is proposing to export concentrate rather than the refined mineral which would have a significant value on royalties.

For all those reasons the government needed to review its royalty rate. It was pointed out by the Treasurer before the election that we were looking at that particularly when the commonwealth government was considering a resources super profits tax. That would have obviously had—and whatever is proposed in the future will also have—an impact on our taxes. There was a whole range of reasons why we needed to review our royalty rate.

What we believe that we have come up with, notwithstanding what has been said in the past, one of the comments that was made was that we have come up with a regime that still makes us competitive with the rest of the country and we are still able to preserve the services we supply to the mining industry. In an ideal world, of course, you would rather not increase any royalties or taxes.

Mr WILLIAMS: Minister, you and your government have often made the point that one of the chief indicators in the level of activity in the mining sector in South Australia is the amount of spend on exploration. From the year 2007-08 some 14.4 per cent of the total exploration spend in Australia occurred within South Australia. In the following year (2008-09) that had dropped to 9.9 per cent, and in the most recent year (2009-10) that has dropped to 7.5 per cent. These are ABS figures I am quoting, minister.

If that is a chief indicator, and taking into account your comment to the committee last year that one of the reasons that we have had a low royalty rate was to attract mining investment in South Australia, it seems to me that we are going in the exact opposite direction. Our mining investment is demonstrably dropping off relative to the total spend in Australia, and we are increasing royalties at the same time.

Minister, a couple comments you made there lead me to several other questions. With respect to the differential royalty rate between refined and non-refined metallic products, is it your expectation that that will encourage operators to carry out their refining in South Australia? You mentioned, minister, OneSteel moving to export hematite and that the Olympic Dam expansion will probably see concentrate exported. Is that why you have set the differential, to try to encourage those operators to have their refining occurring within South Australia?

The Hon. P. HOLLOWAY: I am not sure that royalties would be the only factor in that. Clearly, Australia does not have much of a steel industry left. It may well impact on what we do for OneSteel, but that is probably another story. Ideally, we would like to see more processing of minerals within the country, but royalties are probably just one small part of that.

Obviously, there are a number of significant economic drivers with the massive scale of the steel industry and probably copper refineries in, for example, China. It is obviously going to be difficult to compete against that. Certainly, at the very least, we should ensure that we have as much downstream processing as we possibly can within the country, because even though the royalty rate will be lower, it is a royalty rate on a higher value product.

Also, you get the benefits. For example, from production at both Whyalla and Roxby Downs the state gets payroll tax and a whole lot of other significant income through having those activities, plus employment and all the multiplier effects in there. Obviously, we would like as much downstream processing as we can. However, I would not like to suggest that just having a 1.5 per cent differential in royalty will suddenly mean that we are going to get a whole lot of processing here that would otherwise be in China. That is probably hoping too much.

Mr WILLIAMS: There are a number of references in the budget to the matter of royalties, Madam Chair. Minister, taking up your answer, then, about the differential royalty rate, is there any science in how you came at the two different figures? We changed the royalty rate, I think, in December 2006 in response to the clause in the indenture expiring with regard to Roxby Downs and increased the royalty rate from, I think, 2.5 per cent to 3.5 per cent at that time.

That was a flat rate (whether or not processing occurred in this state), and now you are moving to increase substantially the rate for those exports of non-processed materials. I am just trying to get my head around whether there is any science around this or is it a matter of what we think we can get away with?

The Hon. P. HOLLOWAY: We have discussed that part of the motivation is that value-adding is beneficial for the state and we should encourage it, at least in principle. In relation to the rates, Dr Heithersay has a lot of negotiations with industry and I think I will invite him to make some comments in relation to the comparative rates we have with other states. Obviously, it is important that we have a competitive rate.

The reason that we have this concessional rate for the first five years, I think, is a significant advantage for the state. Even at 2 per cent it is still significant, given that many of the mineral deposits we have may have a life of five to 10 years. So, if you are at a lower rate for five years and it is a seven year project, the average rate will still be lower than it will be in other jurisdictions. Perhaps if I invite Dr Heithersay to explain some of the thinking because a lot of work has gone into it and a lot of negotiation with industry, as well.

Dr HEITHERSAY: Thank you, minister. We have done a lot of work on royalty regimes around the world in the last two years. Each jurisdiction is a bit different, so it is very hard to get a benchmark on things, but it is clear that the new mine rate we have in South Australia gives us a competitive advantage because it recognises the risk up-front. There is a whole lot of capital that needs to be spent in the first few years and then, once that is paid back, royalties are less of a burden. That has been acknowledged around the world and gives us a very competitive advantage.

However, the logic of the royalty rates follows closely what happens in Western Australia. In Western Australia, they have a range of royalty rates also dependent on the level of processing. Their highest rate, though, is 7 per cent for lump iron ore, which we elected not to recommend. The next is rate is 5 per cent for concentrate, so that is where the 5 per cent came from. Then they have 2.5 per cent for refined metal, but we already had the 3.5 per cent set for Olympic Dam, so it seemed sensible to keep it that way; and then we have our new mine rate. So as an aggregate, if you take an average mine of, say, 10 years, the net average comes out at 3.5 per cent, which is where we needed to get to be equivalent with other jurisdictions through the Grants Commission's calculations.

Mr WILLIAMS: Minister, what discussions has your government had with the commonwealth regarding their resource rent tax mark 2, and can mining companies operating in South Australia be assured that they will receive a full rebate for the increased royalties announced in this budget?

The Hon. P. HOLLOWAY: We certainly had significant discussions with the commonwealth. I had discussions with minister Ferguson, the Premier had discussions with the former prime minister, and the Treasurer, likewise, with his counterpart at the time of the proposed RSPT. We are just starting to resume those discussions now, of course, with the hiatus over the election and the period in terms of establishing the government, but we will certainly be ramping up our discussions with the commonwealth. We are aware that a committee under Don Argus has been established to look at that and we will certainly be paying close attention to it.

I think that, as a result of this government's lobbying, we were able to ensure that the proposed MMRT, certainly for the current composition of the South Australian mining industry, would have minimal impact because it was not proposed to be on base metals, but obviously it would be important that that stay. I note in the media that there have been discussions with the commonwealth and small explorers in relation to that, and obviously we will be keen to see whether those discussions lead to changes to the proposed MMRT.

I think that, as a result of the strong lobbying at a number of levels in this state, we were able to get a much better outcome. Obviously, we will need to ramp that up into the future, but ultimately, I guess, the commonwealth will have to move to a position where it introduces some legislation, and obviously it has a number of other parties that will be dealing with the moment. However, I can assure the honourable member that we will have our say in the commonwealth composition of the tax, just as we did with the previous proposal.

Mr WILLIAMS: Minister, I know I am not supposed to ask you to comment on media stories, but certainly the *Financial Review* are suggesting that BHP—

The CHAIR: Member for MacKillop, you sort of pre-empted yourself a bit there; it is like, 'I am going to be naughty.' Perhaps you could re-frame the question.

Mr WILLIAMS: The question is definitely about the royalty rate and the impact thereof, Madam Chair, and it is to do with BHP's proposal. The *Financial Review* have revealed that BHP are considering scaling back considerably their proposed redevelopment at Olympic Dam and maybe staging it over a much longer time frame than originally proposed. Can the community of South Australia have any confidence that your royalty changes have not had a considerable impact on BHP's thinking? I also think it is impossible to separate out the royalty impacts of the South Australian government from those proposed by the commonwealth government.

The Hon. P. HOLLOWAY: In relation to Olympic Dam, obviously the ultimate conditions that apply to that expansion will be part of the indenture negotiations. We have always said that Olympic Dam would be a special case, because it is a special case; it is the world's largest mine, potentially. In relation to the scaling of it, even before the RSPT or any changes at state level were proposed, I think it is inevitable that, when BHP is faced with a situation where it is going to take at least five years to develop a mine in which there will be massive capital expenditure—and you could be talking about a \$20-billion mine. Some of the figures that have been put around are of that order. It is a lot of money to spend not to get any revenue at all for a number of years.

So, I do not think it would surprise anyone that BHP would looking at options in terms of scaling and so on so that they could reduce their capital outlays and perhaps try and get some return quicker. I do not think it should surprise anyone that they would be looking at that; it certainly does not surprise me, but I guess that will all be made clear.

We expect that BHP will be responding to the environmental impact statement for the proposed expansion. They have indicated they wish that to be considered, as it was proposed in the original proposal, and I think they have indicated that it will not be that long before their response to the EIS is out.

However, I think that those massive capital requirements of BHP and the long period before any return are far more likely to be driving factors than state royalty arrangements. The royalty BHP pays on current production is about \$60 million a year. When you are talking about spending \$10,000 million to \$20,000 million, I think that puts it in some perspective. Again, I make the point that we have always understood with Olympic Dam that the royalty rate that applies will obviously be part of any negotiations, along with a whole lot of other issues; they are all part of that equation.

Membership:

Ms Geraghty substituted for Ms Thompson.

Mr WILLIAMS: I think this is my last question on the royalty issue. I have not had a chance to go onto your department's website; I have just been studying the budget papers over the last couple of weeks. Now that we have these various royalty levels, has your department produced a comprehensive list of which operations and products will be subject to what royalty rate, because the budget paper itself is a little bit vague?

The Hon. P. HOLLOWAY: I think it is reasonably straightforward. For base metal operations, the royalty rates, if they are in the concessional rate now (such as Prominent Hill) will remain at the current level. That was agreed to. For new mines starting up, the 2 per cent royalty rate would apply. Existing base metal mines, if they are producing concentrate, would go to from 3.5 per cent to 5 per cent. I will ask Dr Heithersay to indicate whether there is that sort of information on the web. Certainly, we can provide it; after all, with 12 mines—and two of them covered by indentures—it is probably not that hard to get the information.

Dr HEITHERSAY: Through the consultation period I think all the companies that are affected by it are very clear on where they sit. However, once we get to putting this thing through legislation we will put more detail on the web as appropriate.

Mr WILLIAMS: Okay. Minister, there is some confusion: I have a constituent who mines peat and sells it as a garden material. They were paying a royalty rate at the extractives level but then it became evident that it is a mineral and they are now charged at the mineral rate.

The Hon. P. HOLLOWAY: No, they have not changed. There was a lot of confusion about the commonwealth rates, and I must admit I think the initial RSPT proposals were going to bring extractives into it. However, in terms of the royalty rates, I think the only changes would be for the 12 mines. Two of those (Olympic Dam and OneSteel) are probably under indentures anyway, although we have negotiated some arrangements with OneSteel. In a lot of those cases, the status quo will remain. For example, at Prominent Hill it will remain at that concessional rate until the five-year period is up.

Mr WILLIAMS: It is not necessarily clear to me but it might be clear to people in the industry. There are a number of materials that are mined and some people would question whether they are an industrial mineral or whatever. Another example is limestone which is used extensively in the cement industry and, I presume, it is rated as an industrial mineral there but it is also used in the agricultural industry and I do not know whether it would be rated as an industrial mineral there or an extractive.

The Hon. P. HOLLOWAY: No. I think there was a lot of confusion at the time of the RSPT, but it has never been envisaged under the royalties. It is really only our 12 large-scale mines that we expect to be impacted. None of the extractives or smaller mines are impacted.

Mr WILLIAMS: I will now refer to Budget Paper 4, Volume 2, page 6.12, Sub-program 1.1: Minerals. I specifically refer to the PACE program. I see that there is \$10.2 million over the next four years for the PACE program which I think is renamed PACE 2020. Is the \$10.2 million the total that will be expended in those four years or is that on top of an existing amount in those four years?

The Hon. P. HOLLOWAY: No, that is the total extra amount, so it is on top of it. This year it is additional, but I will ask Geoff Knight to give you the figures.

Mr KNIGHT: Yes, I can confirm that it is \$10.2 million over four years and that is additional to current spending. The additional amount in each of the next four years is: in 2010-11, \$2.4 million; in 2011-12, \$3 million; in 2012-13, \$3 million; and in 2013-14, \$1.8 million. They are on top of all existing forward estimates.

Dr McFETRIDGE: So, what would be the total amount in each of those years, then?

Mr KNIGHT: Well, the total of those four years—

Dr McFETRIDGE: No, for each of those years.

Mr KNIGHT: Okay. Well, I can give you the numbers as they are here. In this current year 2010-11, the additional \$2.4 million is on a base of \$3.6 million—so that makes \$6 million. In 2011-12, the additional \$3 million is in addition to an existing \$3.692 million. In 2012-13, the additional \$3 million is on top of an existing \$3.784 million. You can see those base numbers are really indexed into the forward years. In the final year, 2014, the additional \$1.8 million is on top of an existing \$3.879 million. So I suppose, without having a calculator in front of me, that means that over the next four years it is \$10.2 million on top of around about \$14 million. So, it would be about \$25 million in the next four years.

Dr McFETRIDGE: Okay. Thank you, minister. It was not clear in the budget papers whether it was additional to existing funding or that was going to be the totality of the funding over the next four years. With the additional funding over that period, will there be any new work programs implemented under the PACE program over that period, or will this just be additional funding into the existing programs?

The Hon. P. HOLLOWAY: Well, I think we indicated that when we announced that PACE 2020 had some different scopes. Perhaps I could ask Dr Heithersay to outline those.

Dr HEITHERSAY: Certainly, the PACE 2020 will bring a raft of new programs to the table. There are three elements to it. PACE Exploration enhances the sort of ongoing geo-scientific work that we traditionally do. PACE Mining is all about, as we move from exploration to mining, streamlining our regulation, making it more transparent and putting as much of it online as we possibly can so that proponents can see where their projects are at through the regulatory system and also to try and make sure that we achieve our goal of approving mine leases within six months. If we can do that consistently, it would be the envy of every other jurisdiction in Australia.

Thirdly, the PACE Global initiative is all about getting all of our data, and a lot of the other government data that is available, online so that people can review their projects anywhere in the world and get a very rich dataset delivered to them. Finally, we are actively consulting with industry right now to see what other programs industry wants to see with this additional money. For example, we met with Minotaur yesterday to look at a program looking at the Braemar Iron

Formation out near Broken Hill as one initiative. So, we are going to spend the next month or so talking to industry to get a broader view of how we can accelerate exploration in South Australia and attract new players to come to South Australia.

Dr McFETRIDGE: Minister, would it be unreasonable to suggest that what you are doing is shifting some of the functions that are already being carried out within your department into the PACE program so it is just rebadging some of the existing work? Is that what this additional money is doing: simply taking it from work that was being carried out within your department with regard to PACE Mining, so the regulation and permitting that was being done within your department is now happening under the umbrella of the PACE name? So, is this simply a sleight of hand?

The Hon. P. HOLLOWAY: Well, I would have thought Dr Heithersay has answered that. Professing that there is extra money does give you the capacity to do better what you were doing, but I think that, as Dr Heithersay just indicated, there are a range of new activities that we can undertake in relation to that. Through the PACE program the government has supported a number of things. It was not just the drilling. The drilling program, I guess, has been about half of what we have traditionally supported, but we have also supported some areas of academia. I just recently had the pleasure of opening the Institute for Mineral and Energy Resources at the university.

There is a whole range of programs in relation to access, and so on, which have been able to be funded through the PACE program, all of which mean that we can deal strategically with some of the issues that come up in terms of promoting the mining industry more broadly. With the new program we can extend that. As Paul just mentioned, there are a whole lot of other areas that we could do that we could not do if we did not have the extra resources; so, I think the honourable member is being a little bit cynical.

Mr WILLIAMS: Will more dollars be going into, say, your drilling program as a result of this extra \$10.2 million?

The Hon. P. HOLLOWAY: I think it is a question about what is a reasonable rate. As I indicated, PACE 2020 had a different scope. Perhaps I will ask Dr Heithersay to comment on that. Clearly, I think what we have discovered with the drilling program is that we have had a very good range of applications of programs down the years. We have been fortunate in that we have been able to choose so that we can make sure that money is well spent. Perhaps I will ask Paul to make some comments on how they are going.

Dr HEITHERSAY: In answer to the question about the drilling subsidy, at the moment our intention is to keep the drilling subsidy pretty much at the same level as we had in the past, but we are considering extending the idea to geophysical surveys as well. Queensland copied us in the drilling subsidy, and they have come up with an idea of using a collaborative arrangement for broadscale geophysical programs, which is something that South Australia needs, given the paucity of data that we have; so we are considering that.

The other item is around developing new software and hardware systems behind it, which will cost significant additional money. All new software systems seem to take a lot of money, and we are no different. A fair proportion of some of the new money will be going into the new systems to streamline our processes.

Mr WILLIAMS: I refer to the same budget line. Did the South Australian infrastructure demand study encompass the proposal for a deep sea port at Port Bonython as a part of what it was looking at for the infrastructure needs of the industry and, if so, what were the recommendations with regard to Port Bonython?

The Hon. P. HOLLOWAY: In relation to that, it would be better to give an update of where we are at. It is essentially minister Conlon's area. I assume he has had his estimates. Dr Heithersay has been fairly closely involved with it, even though, as I said, it is essentially a DTEI project. He might want to give a report about where we are at in relation to Port Bonython. That might be more helpful as an answer, because it is something that is moving fairly quickly at the moment.

Dr HEITHERSAY: We have done a number of surveys now, and we are embarking on a new one to really define what the infrastructure needs are and what the demands are going to be. Clearly, with probably 10 or more iron ore mines now in prospect in South Australia, there is a definite need for deepwater ports, and maybe more than one. With respect to Port Bonython, the Upper Spencer Gulf Consortium is still doing its work and has proposed a levy system for potential new iron ore producers. That has been well received, and we are hopeful to get closure on that particular item in the next couple of months.

Centrex Resources, down on the Eyre Peninsula, are also very strongly moving forward on their Sheep Hill proposal and they see that as their long-term aim and we are also helping other iron ore producers in case management and project facilitation through Port Pirie and through Port Adelaide. So, the market is reacting appropriately. People are finding solutions to the market, and through RESIC we are providing and continuing to upgrade the datasets to show what the demand is going to be and what the supply is going to be so that the various market mechanisms that are there can react and be fully informed when making their decisions.

At the end of the day, the government is not going to build the port. It will be a combination of private enterprise and maybe, hopefully, funds from the federal government through Infrastructure Australia. So, our role is facilitation, providing the information and making sure that all the data is as good as we can get so that those commercial decisions can be made.

Mr WILLIAMS: Just to clarify one point there, minister, Dr Heithersay mentioned the possibility of getting funds from the commonwealth government through Infrastructure Australia. Has your government prepared a submission along those lines seeking funds from Infrastructure Australia for a deep sea port either at Port Bonython or anywhere else on the South Australian coast?

The Hon. P. HOLLOWAY: I believe that has been done, again, through the Minister for Infrastructure.

Mr WILLIAMS: So it is your belief that a submission has gone in?

The Hon. P. HOLLOWAY: I believe that is the case, yes.

Dr HEITHERSAY: If you look at the Infrastructure Australia website, Port Bonython is mentioned as one of the projects on their list for future consideration.

Mr TRELOAR: Further to that discussion, and certainly Centrex has been mentioned in the previous discussion, if this urgent requirement for a deep sea bulk port is fulfilled in the first instance by Centrex and its proposal to build a facility at Sheep Hill (or what is referred to as Sheep Hill), how then does that relate back to the Port Bonython proposal; could you see the possibility of an interconnecting rail line between the two to overcome that?

The Hon. P. HOLLOWAY: Again, it is probably more in the infrastructure minister's province but, as Dr Heithersay just mentioned, there might well be two bulk commodity ports. At the end of the day, it depends on the available throughput and the cost of a connecting rail line, whether that would be more economically viable than having the significant cost of two ports. Again that might depend on the throughput.

The advantage of Sheep Hill, of course, is that it is quite close to a current rail line but again for that to be viable it will presumably need enough throughput from mines in the location, not just the original Centrex mine. Of course they announced the other day they have a big exploration program being backed by some of their Chinese investors in terms of increasing the throughput, but really at the end of the day that would involve studies of the relative costs of the alternatives. There are probably people who know more about it than I do. I will invite Dr Heithersay to speculate as well; we might as well all have a go.

Dr HEITHERSAY: Certainly, there are scoping studies being undertaken right now to see if that is a viable option. Another option is slurry pipelines, which is being considered by some companies. I think at the moment if Sheep Hill does get ahead of the pack, people are looking at it very closely to see how they can interact with it. A rail line is one option but not the only option.

Mr TRELOAR: I refer again to Budget Paper 4, Volume 2, page 6.12, Sub-program 1.1: Minerals. I refer back to the SA infrastructure demand study. What was the outcome of that study with regard to energy requirements into the foreseeable future; and what do you see as the risk that the lack of available energy will limit the expansion in the minerals sector?

The Hon. P. HOLLOWAY: Again, that is probably more in the infrastructure portfolio rather than here, but if you are looking at Port Bonython, for example, we do have sort of cross-government arrangements which involve not just PIRSA and DTEI but also my other portfolio, Planning, in some of these areas. Given that we are involved, I will see if Dr Heithersay can make some comments, but essentially it is a matter for DTEI.

Dr HEITHERSAY: We have a comprehensive list of what the demands will be but, of course, it is staggered over time. The only thing we can do really right now is to show to the market what the potential is going to be, and the market is reacting appropriately. In geothermal energy, for example, the geothermal players are positioning themselves to be potential suppliers to mines in

the north. Mines in the south are a bit more problematic; they might have to look at their own power supplies for their projects. The best we can really do right now is to make sure that the demands are known and that, because it is a private market, essentially, the market knows what is going on so the appropriate infrastructure can be built and the sources found.

The Hon. P. HOLLOWAY: I think we could perhaps make a general comment here that, obviously, the more projects one has and the more diverse, the better it is for the newcomers. The more infrastructure you have, the more capacity you have for other projects to sort of piggyback on it and get benefit from it. We are at the stage, unfortunately, where we have projects all over the state, and we are coming from a very low base in relation to infrastructure. The more we get, with each project and each bit of key infrastructure, it will be easier for the next project.

Mr TRELOAR: I understand the minister's comments with regard to that, and there are a lot of balls in the air; I am well aware of that. I would like to ask a very similar question related to projected water demands and how infrastructure proposes to address those demands going into the future. Once again, could it be a limiting factor with regard to minerals, exploration and development?

The Hon. P. HOLLOWAY: Absolutely is the answer the last question. Water is obviously a limiting factor. Just look at Olympic Dam and the fact that it was developed on the back of the Great Artesian Basin. That is no longer an option, so you are looking at desalination plants with all their issues and long pipelines and costs and so on, so water is obviously a key issue. We have been fortunate that the number of our projects like Jacinth-Ambrosia and Prominent Hill are able to discover resources that really had no other use. They were highly saline resources that were available to supply the needs of those particular projects. I will ask Dr Heithersay to comment, because one of the things that our PACE program was looking at was that we had recognised that water could be a limiting factor.

Dr HEITHERSAY: There is a line called PACE Water in the PACE 2020 program, and that is designed to work with the water department to try and identify new sources of water more broadly across South Australia. What has happened in the past is that, in the case of Prominent Hill, it was PACE funding that actually helped them to find a new water source in the Arckaringa Basin, and Iluka found a brand-new water source for industrial grade water, which is not potable water but it is certainly good enough for mineral processing.

We expect that there are a number of other basins and palaeochannels throughout South Australia where we think there is also industrial grade water available. In conjunction with the new Goyder Institute, we are working with the relevant authorities to try and map out what could be out there and what is available so that when new projects come to South Australia, they have got a better framework to operate within. We expect that there are more groundwater sources of the industrial kind out there than previously realised, so we are trying to work with the relevant departments to expand the supply.

Mr WILLIAMS: Just on that, minister, I was recently over in the member for Flinders' electorate, and he showed me that SA Water, from what I can see, has pretty well abandoned the Tod reservoir as a water supply source for drinking water.

The Hon. P. HOLLOWAY: They would have to desalinate it, wouldn't they?

Mr WILLIAMS: It has got a reasonable amount of salt in it, apparently. It was inadvertently run in there recently. There is a fair bit of infrastructure there. Has your department looked at that at all as a source of industrial water for the southern Eyre Peninsula?

The Hon. P. HOLLOWAY: No, I do not think that we would have. But, obviously, it is something that, if it is convenient for any of them, I am sure that any of those companies are inventive enough to make the approach. I am certainly not aware of any. I invite Mr Knight to make some comments.

Mr KNIGHT: Following the release of the major statewide plan, Water for Good, the department, together with SA Water and the Department for Water, is involved in a series of regionally-based water plans, and they, like Water for Good as a whole, are looking at trying to better forecast future demand for various kinds of water products, and not just saying, 'Well, how do we divide the existing pie,' but asking how we create new sources of water—and Dr Heithersay talked about industrial-grade water that is of most interest to mining, or whether it is potable water for other human or industry pursuits.

Certainly, we have been involved in an exercise on Eyre Peninsula with SA Water. Of course, our interest lies in how to unlock growth in economic activity, both of an agricultural and a

resources variety. Water is a constraining factor for nearly everything, whether it is forestry or traditional agriculture, and, obviously, irrigated agriculture and mining. Not much economically is possible without water; so, it is obviously an area of interest to us.

Eyre Peninsula is a challenge, as you are all no doubt aware. Through those regional studies we hope to be able to identify where further opportunities lie. I think that the history with a couple of recent major mines—the Iluka mine and Prominent Hill—show that, where those deposits warrant it, companies will invest significant funds to secure adequate supplies and appropriate supplies of water.

I think that in the case of Prominent Hill (and Dr Heithersay can correct me on the exact figures), north of \$50 million was spent in terms of sourcing that water and putting in a pipeline to connect to Prominent Hill. That is a fair bit of money in anyone's language. But for that mine, when you are spending about \$1 billion on infrastructure before you start mining, I think that all companies understand that that is part of the infrastructure they need to invest in.

This new direction that we have taken with PACE Water as part of the new PACE 2020, I guess, is a recognition on our part that we need to do as much as we can to try to facilitate that. We just do not say to companies, 'Look, you're on your own. Good luck. It is a big place out there.' We actually are trying to coordinate that between the companies and the Department for Water and help generally in that process as part of promoting South Australia as a good place in which to invest.

The Hon. P. HOLLOWAY: That is an interesting suggestion. In terms of the Tod River, maybe if it has not been thought of someone should see whether it does have potential.

The CHAIR: While we are pausing for a moment, member for MacKillop, did you want to read in some omnibus questions or do you think that they have been done?

Mr WILLIAMS: I think that the previous shadow read them in on the previous line. Minister, are you happy to take that as a given for this particular series of budget lines as well?

The Hon. P. HOLLOWAY: I think that they were all about Shared Services, weren't they, so they will probably be answered collectively, I imagine, anyway.

Mr WILLIAMS: Yes.

The Hon. P. HOLLOWAY: We can do that.

Mr WILLIAMS: We will take it that they were read into this committee earlier.

Mr PEDERICK: Minister, I refer to Budget Paper 4, Volume 2, page 6.12, Sub-program 1.1: Minerals. Can the minister give the committee an update of the current status of the Australian Zircon Mindarie mine, and what is the immediate future for that mine?

The Hon. P. HOLLOWAY: Australian Zircon announced to the Australian Stock Exchange on 5 October last year (just over a year ago) that the company decided to put the operation on care and maintenance while the review of operational matters, including cost structure, reserve estimates and financing operations are being completed. They advised that 65 staff had been stood down. They followed that announcement, on Monday 12 October 2009, with a further announcement advising that the board of Australian Zircon had decided to place the company into voluntary administration.

At the creditors' meeting on 11 February, creditors voted to allow Australian Zircon to operate under a 'deed of company arrangement'. The administrator reiterated his intention to complete all rehabilitation on farming land. On 9 August this year, Pitcher Partners made an announcement to the Australian Stock Exchange that the deed of company arrangement was made effective from 31 July 2010. Accordingly, the AZC Group (Australian Zircon Group) is back in control of the directors and unsecured creditors were paid on 13 August 2010.

Perhaps I will ask Dr Heithersay if there is any more recent information that might be available in relation to that.

Dr HEITHERSAY: We are also now aware that all the rehabilitation liabilities have been paid or have been worked through and we now await to see what DCM Metals propose to do with the project thereafter. There is still a resource there; there is still a mill there; so there will be a commercial outcome. One of the important things for us is that the rehabilitation is being done and will be done as per their MARP program.

The CHAIR: There being no further questions, I declare that consideration of the proposed payments be adjourned until tomorrow.

[Sitting suspended from 15:47 to 16:00]

DEPARTMENT OF PLANNING AND LOCAL GOVERNMENT, \$17,703,000
ADMINISTERED ITEMS FOR THE DEPARTMENT OF PLANNING AND LOCAL GOVERNMENT,
\$2,510,000

Membership:

Mr Griffiths substituted for Mr Williams.

Mr van Holst Pellekaan substituted for Mr Pederick.

Ms Sanderson substituted for Mr Treloar.

Witness:

Hon. P. Holloway, Minister for Mineral Resources Development, Minister for Urban Development and Planning, Minister for Industrial Relations, Minister Assisting the Premier in Public Sector Management.

Departmental Advisers:

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

Mr J. Hanlon, Deputy Chief Executive, Department of Planning and Local Government.

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

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

Ms K. Williams, Chief Executive Officer, West Beach Trust.

Mr R. Pitt, Chief Executive Officer, Adelaide Cemeteries Authority.

Mr M. Loader, Acting Director, Strategic Policy, Department of Planning and Local Government.

The CHAIR: I declare the proposed payments reopened for examination and refer members to the Portfolio Statements, Volume 1, Part 4.

The Hon. P. HOLLOWAY: Given that the West Beach Trust and the Adelaide Cemeteries Authority are part of this, if there are any questions relating to these two entities, perhaps we could deal with them first so we can let them go back and run their respective organisations.

The CHAIR: Certainly.

Mr GRIFFITHS: Minister, it is my intention to ask the questions in the order they appear on the program sheet, so questions relating to the West Beach Trust and the Adelaide Cemeteries Authority will be first. There are only a couple of questions in each of those areas, given that they are relatively small in relation to the budget. I will start with the West Beach Trust. Referring to Budget Paper 5, page 56, I note that there are three projects in this year's budget. Can you advise if all of last year's projects—which I believe total some \$4.05 million—were completed on time, by June 2010, and on budget?

The Hon. P. HOLLOWAY: I will ask Kate if she can answer that.

Ms WILLIAMS: The majority of projects were completed on time and within budget, but there certainly were some projects that have been brought forward into the 2009-10 year.

Mr GRIFFITHS: You will understand if I like better words than 'majority' and 'some projects'; I would like specifics, please, if I may, through the minister.

Ms WILLIAMS: We have in the order of 200 capital works projects that range from a small value to a large value. So, in terms of the amount of projects, I would prefer to take that on notice and answer that question for minister Holloway at a later time.

Mr GRIFFITHS: So, 200 projects for \$4 million?

Ms WILLIAMS: They range from \$2,000.

The Hon. P. HOLLOWAY: I assume you are only interested in—

Mr GRIFFITHS: In the major ones, yes; if I may, please.

The Hon. P. HOLLOWAY: Perhaps if we put a threshold figure of, what, \$100,000 or something like that?

Mr GRIFFITHS: I would probably be happy with that figure actually. No, if we can make it \$10,000; any that were still outstanding as at 30 June, minister, please.

The Hon. P. HOLLOWAY: We can do that.

Mr GRIFFITHS: As an extension of this area though, minister, can you provide me with a breakdown of the costs of the annual program of the trust, which I understand is some \$1.97 million.

The Hon. P. HOLLOWAY: Again, I will ask Kate, who has all the figures. It is the total figure—

Mr GRIFFITHS: —of the annual program, which is on Budget Paper 5, page 56.

Ms WILLIAMS: It is \$1.974 million.

Mr GRIFFITHS: Yes, so what is that actually made up of?

Ms WILLIAMS: It is per site. So, we break our business down into different business units.

Mr GRIFFITHS: Does this relate to the 200 projects that we are talking about for the \$4 million also, or is it completely different?

Ms WILLIAMS: Sorry, some were brought forward from 2008-09 to 2009-10.

The Hon. P. HOLLOWAY: I think that is those projects.

Ms WILLIAMS: They are broken down into the skate park, our caravan park, our resort, our boat haven, our corporate services, our Executive 60 course, our function centre, our food and beverage outlet, the Patawalonga course and our reserves.

Mr GRIFFITHS: The dilemma, minister—and the reason for the question, I suppose—is that the budget papers themselves are very brief in relation to the trust and where the expenditure goes. I am quite happy to accept this as information that will be provided at a later date, but I would appreciate if there is an opportunity to get a breakdown of that.

Ms WILLIAMS: Certainly.

The Hon. P. HOLLOWAY: We can do that. Perhaps if you wish to visit and have a look at it, the trust would be happy to accommodate you or any of the members who wish to have a look at what they do down there, and they can explain it all to you.

Mr GRIFFITHS: That is the end of the West Beach Trust questions. Thank you very much. Adelaide Cemeteries Authority, Madam Chair, if I may?

The CHAIR: Indeed.

Mr GRIFFITHS: Minister, I note on Budget Paper 5, page 46, that in last year's budget the Enfield Mausoleum was identified at an estimated total of \$1.2 million, but this year has increased to \$1.8 million. Can you give me some reasons as to why this has occurred?

The Hon. P. HOLLOWAY: Perhaps I can ask Mr Pitt to clarify that.

Mr PITT: I can clarify that. In January this year we expanded the project and went out to a bill of quantities. We have now had an official bill of quantities done and the project has actually been costed at \$2.1 million. That is based upon a DTEI bill of quantities information provided to us. The \$1.2 million was based upon an open-air crypt and a conceptual plan at the time.

Mr GRIFFITHS: As an extension of that, how do you actually fund the project then?

Mr PITT: We self-fund it; no borrowings whatsoever.

Mr GRIFFITHS: Therefore, it is from fees that families pay for the remains of their loved ones to be interred?

Mr PITT: Correct.

Mr GRIFFITHS: Do you have some level of reserve then that provides you with the capacity to fund this without going to borrowings?

Mr PITT: We currently have some investments of about \$2.5 million with Funds SA.

Mr GRIFFITHS: In an average operation—sorry, minister, I should direct the questions through you.

The Hon. P. HOLLOWAY: I was just going to say that the annual report, which should probably make some of those financials clear, is being prepared and should be tabled in parliament within the next few weeks. That has some of that information in it.

Mr GRIFFITHS: Thank you for that, minister. This is the same reference number: I am advised that the annual program for expenditure has decreased by \$34,000. Can you confirm that that is correct? If it is, what cuts have led to this saving?

Mr PITT: I would have to take that on notice. I would have to look into that for you. I am sorry, I do not have the information at hand.

Mr GRIFFITHS: Of the annual program?

Mr PITT: My understanding is that this financial year the annual program is \$3.5 million in total, of which \$2.1 million is the mausoleum.

Mr GRIFFITHS: That is the confusing part, because the budget papers, for public non-financial corporations, Adelaide Cemeteries Authority, on page 46, list the mausoleum as being \$1.5 million expenditure this year in an annual program of \$1.427 million—so \$2.927 million—but you are quoting higher figures than that. Is that because of the increased cost of the mausoleum?

Mr PITT: That is correct. It went back to the board in May, and in May our board approved the additional expenditure, to a maximum of \$2.1 million, on the mausoleum.

Mr GRIFFITHS: I have to ask the obvious question, then. Given that the budget was presented on 16 September and is meant to reflect the most accurate information available to the Treasurer through all the departments, why in fact are the figures provided in the budget papers different from what your board endorsed in May of this year?

Mr PITT: My understanding is that we are required to forward our budget to the Treasurer by February and it is approved. The figures in February are based upon the figure provided by the concept plan costing, not the bill of quantities costing, which came through later in May.

Mr GRIFFITHS: I understand your reasoning and I can accept February for a normal budget presentation date, but when the budget itself is delayed by three months—and I will direct the question to you, minister—isn't there a review of the public non-financial corporations to ensure that their reporting period for budget purposes is actually altered a bit to reflect the most accurate information?

The Hon. P. HOLLOWAY: I am sure like everything else there is a cut-off date and that is really a matter for the Treasury, I guess. Without knowing the details I am not sure what the cut-off dates are but, as I said, the annual report of the cemeteries authority is just being prepared. I think they are due to be submitted by the end of September. It has just come to me and I think I will be tabling it very soon. That will probably cover a whole lot of the issues that you are raising, I would assume, in terms of outlining those financial details. I guess there is a cut-off date for those reportings. I am not sure whether the financial people—

Mr PITT: The cut-off date for preparing our budget is the first Friday in February. We have to have it forwarded.

Mr GRIFFITHS: I must admit, minister, I am rather flabbergasted by this fact that the budget papers do not reflect what was known to the board before the end of June. Anyway, I do understand the point that it is not an impact upon the taxpayers of the state. It is based upon a user-pay basis, so therefore the expenditure is related to the revenue of the receiver, but the principles to me seem very wrong when budget papers do not actually reflect indeed what the

expenditure expectation is at the time of the budget being presented. That just flouts the rules attached to budgets, to me; but I shall accept the answers provided.

I suppose if there is a recommendation I can make to you from an opposition's perspective, it would be that when the budget is presented after the expected time frame that the period upon which information can be fed through is adjusted also. With those few brief comments, I just indicate that is the end of my questioning for the Adelaide Cemeteries Authority.

The CHAIR: Thank you. In which direction are we going now?

Mr GRIFFITHS: Urban Development and Planning, which is a very interesting area, Madam Chair.

The CHAIR: All areas are interesting in estimates, member for Goyder. Some are more interesting than others.

Mr GRIFFITHS: True.

The CHAIR: Minister, would you care to introduce your new adviser?

The Hon. P. HOLLOWAY: I think I introduced John earlier. If I could now just make a few brief comments in relation to the urban development and planning portfolio. Since the report of the steering committee into planning and development was finalised in 2008, this government has been striving to implement its key recommendations. The key elements of the planning and development reform strategy adopted by this government comprise:

- a 30-year plan to properly manage Adelaide's growth and development;
- a huge investment in building efficient transport corridors that encourage the creation of new commuter-friendly neighbourhoods within existing suburbs;
- a 25-year rolling supply of broadacre land to meet the residential, commercial and industrial needs of a growing population and expanding economy;
- simplified and faster assessment of new housing and home renovations; and
- five regional plans to help guide the development of the state outside Adelaide.

Research commissioned by the Planning and Development Review Steering Committee estimated these reforms will provide a boost of almost \$5 billion to the South Australian economy as they are rolled out across the industry and will go a long way in helping to ensure that home ownership in this state is more affordable and urban development is placed on a more environmentally sustainable footing.

This government embraces the housing and development industry in this state as a key driver of economic prosperity. This portfolio has the ability to unlock the vast economic potential of our city by fostering investment in jobs and housing within the metropolitan area. This will ease the pressure to develop on our urban fringes. By concentrating our efforts on major transport corridors, up to 80 per cent of our existing suburbs, and the characteristics that make Adelaide unique, will remain unchanged.

The Department of Planning and Local Government has the lead role in introducing the new governance measures that will allow us to implement the vision contained within the 30-year plan. Through the development plan amendment process and specific structure planning for state significant areas, the department will guide the implementation of the new planning policies required to deliver on the aims and principles of the 30-year plan.

I will briefly mention some of the key developments in the sector. In February this year the government finalised the 30-Year Plan for Greater Adelaide after months of extensive consultation with the community, local government and industry groups. We have also established the Government Planning Coordination Committee, which brings together agency chiefs and local government to drive a whole-of-government approach to the implementation of planning policies and targets.

Since 2009, the government has begun to roll out the residential development code, a 'tick the box' system for assessing residential housing and home extensions to make the process of building a home faster, simpler and cheaper. We have invested more than \$75 million in the past 8½ years to support local councils to improve public space in South Australia through the Open Space and Places 4 People grants schemes. Projects supported by the Planning and Development Fund include the River Torrens Linear Park and Coast Park.

We have begun the process of creating a 15-year supply of ready zoned land to support housing and employment growth throughout greater Adelaide. Although this process has initially targeted land on the urban fringe, the next stage of the rezoning will focus on structure planning along key transport corridors within suburban Adelaide.

We have finalised work on the Housing and Employment Land Supply Program, which has been just released today and is a significant volume. It is a comprehensive study of the land identified by the government for development that will provide a road map for ensuring we deliver on the 15-year target for ready zoned land.

The Department of Planning and Local Government has begun work on the five region plans that will help to support growth in regional South Australia. These region plans help to determine where and, just as importantly, where not to allow development of housing and job-generating employment land throughout the state.

In conclusion, we have made significant progress in implementing the reforms identified by the Planning and Development Steering Committee. We could have sat back and allowed Adelaide to grow in an ad hoc and unsustainable manner but, instead, we have taken a long-term view to set a course for how our city can grow during the next 30 years in a way that supports a vibrant and liveable community while protecting both our productive primary production land and environmental assets.

There is still much work to do, but this is a 30-year program that is necessary for ensuring that our state can cope with the expected increase in our population and the demand for jobs that will coincide with that growth. The budget allocations for this portfolio will support that necessary work.

Mr GRIFFITHS: Minister, given that you have referred to it in your opening comments, I will ask a question that refers to the Housing and Employment Land Planning Supply Program report released today, as you mentioned. There is no direct budget line for this, Madam Chair, but the minister has referred to it as part of the 30-year plan, which is certainly a feature of this budget.

The CHAIR: Obviously, the minister has raised it in his statement. Are you happy to go down this path, minister?

The Hon. P. HOLLOWAY: Absolutely.

Mr GRIFFITHS: The release, only several hours ago, provides little opportunity for the opposition to review all of the document, but there are a couple of areas I would like to ask some questions on. The first is quite general as to how many sites are identified in the plan released today for potential development that were not actually included in the 30-year plan.

The Hon. P. HOLLOWAY: I think the 30-year plan outlined the broad direction of where Adelaide would grow, and in particular identified the broad principles, as well as those greenfield areas. The Housing and Employment Land Supply Program report puts a whole lot more data that subsequently has been collected and a whole lot more detail into that, whereas the 30-Year Plan for Greater Adelaide is a fairly broad match. Here we have a greater level of detail.

Whereas our original 30-year plan presented the spatial and land use frameworks that set out 14,200 hectares for new growth areas based on mixed use development, we protected 115,000 hectares of environmentally significant land and up to 375,000 hectares of primary production land and talked about 14 new transit-oriented developments and more than 20 sites incorporating the principles that govern transit-oriented development, with the housing and land supply program we have gone to a new level of detail, and that is something we intend to present annually. I will ask Mr Nightingale to comment.

Mr NIGHTINGALE: The Housing and Employment Land Supply Program is the detail that underpins the work, as the minister mentioned, in the plan for Greater Adelaide, so it looks at existing land and land use and at where and how particularly employment land can be ready to be zoned and it fills the substance behind why you would be looking at rezoning the land and, importantly, it is a scorecard. As the minister mentioned, it will be a mechanism that we will review annually and look at how well the department and the government is rezoning land to meet the objectives, whether employment land, urban infill or the rezoning of land. It is a more detailed report than you see in the plan for Greater Adelaide.

Mr GRIFFITHS: As a supplementary, my presumption is that the ownership of the land incorporated in the latest report therefore is somewhat varied—some crown land, some LMC, some privately held, some by community groups and a mixture of that. How will negotiations occur or will

it just be a matter of identifying a potential opportunity with a parcel of land, no matter what it is currently used for, and then the scope exists for the controlling authority over that land to pursue a development opportunity at a future date? How do you actually intend to roll it out so it has some structure to it?

The Hon. P. HOLLOWAY: That is a detailed question and we could talk about it for a long time. Clearly some of the work the government has been doing to date has been about rezoning some of those greenfield areas. You could talk about Buckland Park, Gawler East, Mount Barker and other areas. We now need to look at what is happening within existing parts of the city, and that is where, after all, under the 30-year plan about 70 per cent of our development at the end of that 30-year period would expect to take place. We are doing some structure planning and now we have begun—

The CHAIR: Excuse me, minister, I apologise: could the person with the mobile phone turned on perhaps turn it off or on to silent, please.

The Hon. P. HOLLOWAY: We are currently looking at the detail of particularly the inner city areas because we have two areas for Adelaide's growth: greenfield growth, and the 30-year plan target will, towards the end of that period, provide about 30 per cent of the growth—it is obviously providing more at present—and the 70 per cent is within the current urban growth boundary.

Mr GRIFFITHS: My question was quite broad in its nature and I will get on to specifics about some of the areas, such as Buckland Park and Gawler East, that you spoke about previously. Page 61 of the report released today refers to Globe Derby Park being in private ownership and intended to be rezoned from 2013. I am intrigued as to how that process works, given that that has a usage already which relates to an industry that exists in this state. Indeed, what is the intention for that? How do you manage that?

The Hon. P. HOLLOWAY: Obviously, we rely on the input from local government, agencies and a whole range of people. Perhaps I could ask either Ian or John to talk about how that is all done.

Mr NIGHTINGALE: I think the guide that this creates is a mechanism to look at strategic rezoning of land, but it does not change existing land use. So, you could have existing land use, including the example you are giving, and you rezone around it; then over time the uplift would be around that. It would be up to the owner of the land to determine the best use of the land.

The Hon. P. HOLLOWAY: Yes, when we had the original 30-year plan, we did talk extensively to local government. So, to give you a specific example, Salisbury council were very keen that we examine the options around Bolivar. So, we have agreed to look at the potential of some of that land being used for sites. We have had proposals from the owners and developers who are interested, for example, in looking at whether there is any potential for the salt fields just north of Adelaide to be used. So, a lot of that work was done.

With the 30-year plan, there was a very extensive program looking at land that was potentially available. Now, some of it of course is owned by the LMC, specifically owned by government for the purpose of housing or industrial use. Other land is in private ownership, so we have tried to collate all that information. There is no point in just putting land there that has not been proposed for development because that would be a futile exercise.

The other important thing, too, is that there is a gross figure for land that we use but, in fact, it will be a smaller proportion—about a 40 to 60 per cent reduction. So, if one has 1,000 hectares, about 40 or 60 per cent of that will effectively not be used for residential.

An honourable member interjecting:

The Hon. P. HOLLOWAY: I will let Mr Hanlon explain it because he has actually been involved in this for a number of years. As I said, it actually began in the lead-up negotiations to the 30-year plan, but it is also now ongoing in much more detail as we work through the individual plan. So, we are actually just getting into more and more detail, but I will ask Mr Hanlon to explain.

Mr HANLON: The entire land supply program is a gross figure of land that we consider for rezoning. As you have pointed out, that land needs to be discounted for a number of reasons. Some are about infrastructure requirements for that land, some are about open space, and some are about the fact that that land will never actually be rezoned as residential or taken up as residential. As you have pointed out, it has other purposes and other uses within that region. So,

the figures you see are gross figures that are then discounted off to a net figure, and that then gives you a certain yield to give you the number of dwellings in a particular region.

Mr GRIFFITHS: Mr Hanlon, through the minister, I certainly was not going to divide the total amount of hectares by 350 square metres for an allotment to be created and then work that out. I understood that.

The Hon. P. HOLLOWAY: Some people in one part of Adelaide tend to do that.

Mr GRIFFITHS: Yes, well, it depends on how much you understand it, I suppose. Minister, if I can just ask one final question on the plan released today then. It refers to page 61 again, in the Northgate area with the Hampstead Rehabilitation Centre. I am aware of a statement from what might have been a Mid-Year Budget Review announcement or, indeed, a budget announcement concerning the creation of some allotments there.

I have a property that I live in while I am in Adelaide and I drive past that area a lot, so I know that a part of the area has been cleared. Can you just confirm how many allotments are created as part of that development; and, indeed, does this document refer to creating additional open space there for development to occur for residential purposes?

The Hon. P. HOLLOWAY: In relation to the latter question, there are obviously formulas under the development plan. When you rezone land, a minimum of 12.5 per cent has to be made available for open space, or else there are payments made into the Planning and Development Fund. Depending on who is doing a lot of those larger subdivisions, they will master plan the whole area. I think that by and large now, particularly as we are moving towards more dense development, we tend to, necessarily, have more open space available.

One problem that Adelaide faces is that in a lot of suburbs you are getting what I call the two-for-one developments, where you will have a block of land that was of a certain size back in the 1950s or 1960s, it will be divided into two, and you will have a duplex built on it. When you have that sort of development taking place you tend not to look at the overall impact on the character of suburbs.

What we would like to do with a lot of redevelopment—whereas that will always have a place, that higher density on a one-by-one basis happening throughout Adelaide, it has, after all, been happening for decades now—what we would like to see through the redevelopment of degraded industrial land, for example, and other areas along corridors is a more orderly, more comprehensive development take place, where you actually look at it in its totality so that you get better open space outcomes and so on.

If you look at developments in Europe and the United States, for example, where you have higher density, often they will have very good open space areas that are attractive and that people like so that you can have more people living in an area—much more than parts of Australia—but still with an open space that is widely appreciated by people. So, it is a matter of planning at a scale; it is the scale of development that gives the opportunity. In relation to your specific development—I am not sure, was it Northgate or—

Mr GRIFFITHS: It is identified at the bottom of page 61 as being Northgate, yes.

The Hon. P. HOLLOWAY: I think that is a joint venture with the LMC and CIC.

Mr GRIFFITHS: Lightsvue is a development with the Canberra Investment Company, I understand that, but the Hampstead site, in particular—and I probably did not clarify it very well in my previous question—does this document identify an additional development taking place beyond that which has already been announced?

The Hon. P. HOLLOWAY: It may not. We would have to check that. All the information here is supplied to us and we have to rely on the accuracy of the information that is—

Mr GRIFFITHS: There is a very knowledgeable chap behind you shaking his head, minister, when I posed that question.

The Hon. P. HOLLOWAY: My advice is that it does not identify an additional one, but I guess it is there now, it is being developed. If you look at the maps in there you will see that there is colour coding of areas that are likely to be developed in the next two years. What we have tried to do is to get the detail. The 30-Year Plan for Greater Adelaide marked out the growth and various principles, but this gets down to a much finer level of detail. What we have to do now is to go into even more detail than that through structure plans and precinct plans into specific areas. As I said, this is a level of detail that we have not had before, and given that it is going to be an annual

document it will be of great benefit to local government and various sectors of industry in understanding what is happening and what is available.

Mr GRIFFITHS: Thank you, minister, for the answers on that area. I will become a bit more specific in my questions now, so not quite as broad as I have been. On this occasion I refer to Budget Paper 4, Volume 1, page 4.9. I note the objective of the urban development and planning program 'leading and presenting South Australia's land use and development planning'. The development plan amendments are, indeed, integral to land use and development planning. I note in particular the Mount Barker urban growth DPA. I wonder if you can inform the committee of what the estimated time frame is for you to approve or refuse that DPA.

The Hon. P. HOLLOWAY: In relation to Mount Barker we are still going through the process. I think there is one final public meeting tomorrow evening in relation to that, so that process has not been completed. The Development Policy Advisory Committee will then prepare its report in relation to that. It will review all of the submissions as well as the presentations that were made at those public meetings. When I have the advice of the advisory committee on the submissions I can consider what decision I will make on that development plan amendment.

I obviously do not want to say too much about the process, because it is still underway, but we did make it clear right from day one that we are also considering infrastructure issues. I am sure the honourable member would be well aware, as a former CE of a local government, that ordinarily development plan amendments do not have infrastructure details in them. However, when we have been looking at these new areas—and Gawler East would be an example, I am sure the member for Light would be aware—we have been looking at infrastructure issues concurrently with these larger developments.

Mr Hanlon has been involved in some of those issues—and they have been ongoing and parallel with this process—to consider some of those major issues in relation to road, water, sewer and similar infrastructure provisions. While those discussions are not part of the DPA process, and never have been, they are still very important to inform it. We have had a number of meetings with the council in relation to those. We are obviously hoping to finalise this process by December, but obviously it will depend, to some extent, on DPAC.

Membership:

Ms Thompson substituted for Mr Geraghty.

Mr GRIFFITHS: Thank you, minister, for the answer. You referred, in the first part of your answer, to the fact that the last public meeting is being held this evening. Have you or one of your delegates attended any of those public meetings and, if so, in the view of the person who attended what was the resounding public opinion expressed throughout them?

The Hon. P. HOLLOWAY: It is interesting that you should ask that, because I was asked a question in parliament by Mr Parnell, who said that anger, emotion and frustration were palpable at the meeting. However, there has been a whole lot of letters written since to the local paper in the hills and also *The Advertiser* yesterday saying that that was totally untrue, that everyone was very objective and logical. So, I have obviously been misinformed by Mr Parnell in relation to that.

Andrew Grear, the Director of Planning Policy, has had the pleasant duty of being at the meetings and will be there tomorrow night. He has certainly been present at those meetings. As I said, Mr Hanlon has also been involved in numerous discussions with the council in relation to infrastructure issues. So, contrary to what is often reported, we have been closely involved in it.

I might say that it is not normally the position that the minister would go to public meetings on DPAC, because, after all, the role of DPAC is to advise the minister. I believe that if I were invited to attend those meetings, as I said in an answer in parliament, inevitably people would be saying, 'Well, look, the minister's here; he should answer this or that question,' but then I would be involved in the statutory process. I believe that the appropriate course of action is to enable DPAC to get on with its job as an independent body without the minister looking over their shoulder and giving advice at those meetings.

Let me also say on the record that I have had a number of meetings in the last few years with not just with the mayor, chief executive and other people from Mount Barker council, but I have also attended a number of other public meetings, including when we had the 30-year plan consultation.

Mr GRIFFITHS: Just for clarification of the answer, if a departmental officer has attended, my presumption is that they have therefore spoken and it has been announced that they are there and what they are doing there. Mr Hanlon is nodding his head in agreement. Has some level of report been provided to you after each of these public meetings to reflect what was discussed and what the general consensus was of those who attended?

The Hon. P. HOLLOWAY: What I really need from DPAC is their advice. They will obviously go away and give me their advice. However, I think it is important to place on record that DPAC's charter is to consider the representations on the development plan itself. I have said publicly and in parliament that it is not the job of DPAC to review the 30-year plan proposals. The 30-year plan—which was widely consulted on; it was out for a significant length of time—was endorsed in February as the planning strategy for the region, so the 30-Year Plan for Greater Adelaide is now part of the planning strategy.

Under the act, the role of DPAC is really to advise the minister in relation to proposals and to see whether those proposals—in this case the ministerial development plan amendment—comply with the overall planning strategy. I expect that the committee will, as it normally does, make a number of constructive comments in relation to some of the details that are in the development plan amendment. What I do not expect the development policy advisory committee to do is rerun the debate on the 30-year plan itself; that is not its job.

Mr GRIFFITHS: I can appreciate that. I suppose this is again an attempt to put on the record information relating to this plan. Can you please number the public submissions that have been received—

The Hon. P. HOLLOWAY: There have been 541 written submissions received and 130 interested parties who have wished to make verbal submissions.

Mr GRIFFITHS: Do you also have breakdown figures on whether they support or oppose it?

The Hon. P. HOLLOWAY: No, we do not do that. Again, the role of this whole process is really to consider the development plan amendments. It is quite clear from the correspondence that many people want to rerun the actual 30-year plan debate about a whole lot of issues regarding where growth would be. Remember, the role of DPAC at those meetings is to consider the actual development plan amendment.

Mr GRIFFITHS: I appreciate that a lot of discussions have taken place—informal and formal, at varying levels—but can you provide confirmation to the committee regarding any formal discussions you have had with the Mount Barker consortia in the lead-up to the initiation of the DPA?

The Hon. P. HOLLOWAY: I have responded to most of these things in parliament a long time ago now. I think the original proposal to consider growth at Mount Barker came prior to the 30-year plan even being announced. I remember having debates with the previous mayor—I think it was Tony Wales—before the 2006 election about what was happening then in relation to growth and various issues involving a consortium. I have been having discussions about Mount Barker growth for more than four years, probably for five or six years at least. How far back do you go, really?

Mr GRIFFITHS: I know that when I met with mayor Ferguson, probably three months ago, she confirmed that over the five years of the last census period Mount Barker's population had grown by 16 per cent, so the pressure is enormous to ensure that appropriate development takes place. I recognise that infrastructure roll-out will be a key issue associated with any expansion that occurs in Mount Barker, and it is likely that the funds to pay for that infrastructure will come from a variety of sources. As part of the work that the government has done, in whatever plan or review it has undertaken, is there any estimate of the total roll-out cost of the infrastructure necessary to support the anticipated growth within the DPA area?

The Hon. P. HOLLOWAY: There is, and quite detailed work has been done, but I am not sure whether it would be appropriate to announce it at this stage. As I said, Mr Hanlon has been involved in those negotiations. They are looking at getting ballpark figures, but I am not sure that it would be appropriate to discuss them at this stage. Perhaps Mr Hanlon can at least indicate how long the discussions have been going on and what sort of areas are being looked at; but I do not think it would be appropriate to give actual dollar figures at this stage, other than to say that we have had lengthy discussions.

Mr HANLON: Perhaps I could just say that for a number of months now we have been in negotiations with both the council and landowners, because it is not just the consortium here. There are a number of landowners who are involved in this, and there is a lot of emphasis on one particular consortium, but there is a significant larger group involved in that who are involved in this process. A number of utilities are obviously involved in the process.

The reason why it is difficult to give any form of figure at this point in time is that, in relation to a number of those utilities, we facilitate those early discussions, but the detailed business case for sewer, water and electricity are actually conducted with those utilities directly.

Then there is a certain road infrastructure network that obviously is required also to facilitate any future rezoning of that land if that is what the minister decides. Those negotiations are going on right at the moment. The figure is substantial, but if I gave any figure today it would not necessarily be an accurate figure because I do not actually know the final position of what will occur in those negotiations.

Mr GRIFFITHS: Minister, my understanding is that you previously said that upon reaching trigger points there will be various rollouts of infrastructure. Are you able to provide the committee with any details of what the trigger points would be? It is a number of blocks created, is it the number of people who live there or the age profile of those people?

The Hon. P. HOLLOWAY: I will ask Mr Hanlon to provide detail about that.

Mr HANLON: It does vary for each aspect of the negotiations that are being undertaken. For instance in relation to sewer, we work off a median density figure, that dwelling yield that we would expect for that particular region, so that they can determine their business case in relation to that. That is an agreed figure that we use between the council, the landowners and the utilities, so that determines sewer connections and water connections and all those particular utilities. We work off the same figure for ETSA. For road network, we use a much more detailed analysis. We have actually used a PB report—

Mr GRIFFITHS: Sorry—Parsons Brinckerhoff?

Mr HANLON: Yes—that the council had undertaken, and we use traffic movements obviously for that, again off a median dwelling figure and then a certain number of people per dwelling, which is a 2.6 figure that we use, and then we use the number of traffic movements that we could expect at each intersection and each part of the development, whether that be arterial roads, local roads or freeway movement, to determine the sort of road infrastructure required. As you can imagine, they are fairly detailed discussions and detailed negotiations over those movements.

Mr GRIFFITHS: I am interested that the 2.6 figure is used, and I can understand that because it would be seen as a growth area with younger families, whereas the average occupancy rate is about 1.85 or thereabouts.

Mr HANLON: No, I think I am right in this—the average we work on is 2.6, and we are using for this particular area 2.63. We use 2.6 but, because of the growth and family growth that we expect in this area, we use a figure of 2.63, so it is not that much different but there is some difference. We use a similar approach right across Greater Adelaide.

The Hon. P. HOLLOWAY: It is not just Mount Barker; it is other places like Gawler East and so on.

Mr GRIFFITHS: Minister, this question might be a little bit early, given that there are a lot of things to confirm first but, given that the recent federal election created an opportunity for funds to suddenly flow through to regional Australia, have there been any discussions with some of your federal colleagues about infrastructure funding support?

The Hon. P. HOLLOWAY: We are obviously very interested in regional areas, and I mentioned earlier that we are actually in the process of doing five plans at the moment. They are at various stages of completion. There has not yet been a ministerial meeting with the new government. I think it took 17 days after the election for the government to settle in, but I hope we will have ministerial meetings very shortly, before the end of the year. I have just been informed that minister Conlon has had a meeting in relation to the freeway. I assume we are talking about Mount Barker, but I guess you are asking more generally, are you?

Mr GRIFFITHS: It was specific to Mount Barker but also generally, yes, no doubt about that.

The Hon. P. HOLLOWAY: In relation to that, we have had that, and I think Ian has had some meetings.

Mr NIGHTINGALE: I met with Infrastructure Australia when the board meeting was here last week, and the point they raised through Michael Deegan was that South Australia was continuing to punch above its weight because of the link between land use planning and the infrastructure plan. So there was a clear link between the use—and that was the point I made, too, about the work we are doing with regional South Australia and, in addition, the discussions we are having about structure planning with regional cities. I met with Port Lincoln city council and the Lower Eyre Peninsula council just recently to have the same discussion about structure planning in regional South Australia.

The Hon. P. HOLLOWAY: Mr Hanlon also has some more.

Mr HANLON: We have had a number of discussions, as the CEO has pointed out, with Infrastructure Australia. They are here again this week with COAG representatives to have further discussions with us about our growth program within the state. We are certainly identifying everything that has been released in the HELS Program and all of our land releases and all of our urban growth area (both infill and broadacre development) to identify especially public transport, rail and other road infrastructure requirements to manage that growth.

The Hon. P. HOLLOWAY: As you say, with the regional areas obviously it is important that we consider those as well. As I said, we are at various stages of advancement. A lot of publicity has been given to the 30-Year Plan for Greater Adelaide. We have plans at various stages of completion for the rest of the state as well.

Mr PICCOLO: I refer to Budget Paper 4, Volume 1, Program 1, pages 4.9 to 4.10. I think it is an opportune time to speak. So far we have had questions regarding Mount Barker, etc. I am more concerned about what the government is doing to keep development within the existing urban footprint. Can the minister describe the measures being undertaken by the government to stimulate growth within the existing urban footprint of metropolitan Adelaide?

The Hon. P. HOLLOWAY: That is an important question because we talked earlier about the Housing and Employment Land Supply program and all of the issues that we have been looking at. A lot of the focus, in the media anyway, has been on the greenfield areas, but you are quite right, we do need to look at the infill as well, and in some ways that is almost more challenging.

A key objective of the 30-Year Plan for Greater Adelaide is the achievement of a more efficient, sustainable and compact urban form through an increased level of density infill development. That new, more compact urban form will help us accommodate the projected population and economic growth in a sustainable and efficient manner. As I just mentioned, the plan sets a target for 70 per cent of new development to be within the existing urban footprint within 30 years, moving from the current ratio of infill to fringe development of around 50:50.

The government is fully aware that this will require a significant shift in the way Adelaide has grown historically and the magnitude of the shift is evident; for example, from the first report of the Housing and Employment Land Supply Program that we launched today.

Incidentally, in there in the maps, it is quite interesting that every new dwelling that has been built between 2005 and 2009 is in there for greater Adelaide. That is the sort of level of detail. Everyone we know about has hopefully got appropriate approval, but it is an incredible level of detail in that plan.

That plan highlights the significant land supply gap which can only be reached through substantial infill growth. The government fully acknowledges the need for significant changes to the planning system if the full benefits of that 30-year plan are to be realised. Already we have taken steps to implement the plan including the commencement of structure planning for infill along key transport corridors and the establishment of the Government Planning and Coordination Committee which comprises the chief executives of 17 government agencies to resolve the whole of government issues and coordinate implementation of the plan and particularly within these infill areas.

In addition, the Department of Planning and Local Government has commenced working with local councils in the inner suburban areas surrounding the Parklands—so we are talking of perhaps a radius of 2.5 kilometres from the centre of the city—to identify candidate areas for rezoning to stimulate infill growth. I expect to see this work progress over the course of the next year.

The 30-year plan talks about focusing growth around existing transport corridors and nodes. This will require new and innovative approaches to planning policy and my department has already commenced this work with a new approach to zoning to be road-tested in selected inner suburban councils.

I will shortly be issuing a gazette notice requiring all councils to review their development programs to bring them into line with the 30-year plan. This will include providing substantial opportunities in zoning policies for increased density in infill areas along these key transport corridors. These new zoning policies, designed to support high-density infill growth, will assist local councils in undertaking this work.

The Department of Planning and Local Government is also developing a suite of additional measures building on the policies of the plan and the recommendations of the 2008 planning and development review to support implementation of the plan including possible changes to legislation.

Options under consideration include: further streamlining the rezoning process and development assessment procedures, reducing and standardising zones across the metropolitan area while still maintaining the essential character of existing neighbourhoods, and basing zoning on design performance rather than relying on separating different types of land uses.

The government will also be looking into legislative changes to support the development of transit-oriented developments at the sites identified in the 30-year plan. I expect that, in accordance with the recommendations of the planning and development review, the Land Management Corporation and the recently appointed Commissioner for Integrated Design will have a key role to play in relation to these key growth precincts.

The obvious implication here is that if one is going to get greater density, it needs to be well designed. Back in the sixties, we had an attempt to increase density around urban Adelaide. It was not successful because the design was, frankly, pretty horrible and we cannot afford to have that happen again. If we are to get this greater density, good design is an important, in fact, absolutely essential, element to that.

We are talking about a 30-year plan and we cannot expect to see transformation of Adelaide's urban form in a short time span. However, developments at the former Clipsal site at Bowden, Lightsview at Northgate, which you are talking about, and at Cheltenham are all examples of projects on the ground that provide evidence of the government's intention to support infill development.

Of course, these developments and others like them are occurring on available broadacre sites within the existing urban footprint. It is going to be harder to achieve redevelopment of existing developed sites without creative zoning policies and a development facilitation mechanism.

This is exactly what the department is working on at this moment, and I expect we will have these policies in place within the next few years, giving us the best opportunity to realise the 30-year plan's vision. Whereas those big sites are, sort of, the easy ones, the hard part is going to be the regeneration of some of the more degraded sites and the issue of accumulating smaller sites. Of course, we have seen in the past, with Housing Trust land, where large areas have been redeveloped, and that has provided an example. I guess we just have to do more of that and do it better.

Mr PICCOLO: I refer the minister to the same budget line. In your opening comments, minister, you said that one of the major objectives of the 30-year plan is to protect character areas and important areas for the state. Obviously, one of those areas is the Willunga Basin. Can you provide details about what actions the government has taken to protect the character of the Willunga Basin, as outlined in the 30-year plan?

The Hon. P. HOLLOWAY: That is an important question because it is something that is dear to the heart of the government and most certainly dear to the heart of the member for Mawson, who is always ringing up and wanting action. So, I am sure he will be pleased to hear the answer to this question.

Protection of the character and production capacity of the Willunga Basin is a key policy concern of the government. That is why, during consultation on the 30-Year Plan for Greater Adelaide, the government ensured that the basin's importance as a tourism drawcard and a major wine-producing area was acknowledged as requiring protection. Specifically, the 30-year plan calls for the Willunga Basin to be reserved for agriculture, viticulture, tourism, tourist accommodation and biodiversity-related purposes, all with high levels of visual amenity.

Regrettably, much of the recent discussion about the Willunga Basin centres around the proposed Seaford Heights development, and this is despite the fact that the Seaford Heights area has been zoned for residential development for two decades. Because of this, the zoning policies are out of date and no longer reflect best practice, which is why the state government and Onkaparinga council agreed that an amendment to the development plan should be progressed. It is unfortunate that, so close to the council elections, the council has decided to renege on this agreement.

I have instructed the Department of Planning and Local Government to prepare the documentation required for the amendment to the development plan to be taken over by me as minister. Preparation of the development plan amendment will now be carried out within the state government, removing this issue from the cauldron of local politics.

I have also asked the department to progress discussions with the local council on addressing management of primary production land in the Willunga Basin. In the short term, I expect the department to convene a working group of relevant stakeholders to undertake detailed conversation about the issues confronting the basin, with recommendations to be made to me in due course. I understand that the department has already initiated a review of interface issues between primary production land and the other key land uses that will feed into this process.

I expect that the working group will address a range of matters, including reviewing the adequacy of existing planning policy to ensure consistency with the 30-year plan (remember, as I have just said, that provided significant protection for the basin) and assessing existing land division policies in rural-zoned land to ensure that land parcels are of sufficient size and dimension to limit the possibility of further division leading to urban encroachment and fragmentation of rural lands. I think that is a very important measure if we are to protect the Willunga Basin.

Also, we expect the working group to review the existing planning policy in relation to Bowering Hill, which is within the urban growth boundary—it is west of Main South Road. The government, following consultation in relation to the 30-year plan, understands the unique nature of that land at Bowering Hill and its potential to be used for tourism-related purposes. So, that will be part of the task of the working group. Also, they will need to ensure that planning controls allow for primary production and tourism to be integrated within the Willunga Basin.

I have asked the member for Mawson, Mr Leon Bignell, to participate in these discussions, along with an elected representative from the City of Onkaparinga, and this will ensure that the department has local input from elected representatives at both levels of government. This work will guide appropriate ongoing management of primary production land, ensuring preservation of the Willunga Basin's character and production capacity.

I expect that the lessons we learn from this exercise will apply to other parts of the state, including the Barossa Valley—although, of course, some of the protections we talked about here in relation to the minimum size of land parcels and so on have been addressed in the past, so the need at Willunga is probably more urgent. We are keen to get that under way and that will be the first step, but there are obviously issues for the Barossa Valley which, as part of the 30-year plan, the government has also committed to preserving given its unique tourism and heritage appeal and, also, its broad economic importance as a wine producing area.

So, key to this work is addressing interface issues between land uses, particularly between rural land use and urban land use and the potential for Adelaide's southern suburbs to encroach on the Willunga Basin. I also mention that, indeed, these are issues which also could be looked at in relation to Mount Barker outside the area.

There has been a big debate going on in relation to the need to preserve rural land, and so on. Can I say, from my observations in the years as a planning minister, that the biggest consumer of agricultural land is often subdivision for rural living. It is not just land being divided for housing, because that tends to be reasonably dense; but, when you have these allotments that could be anything from 1,000 or 2,000 square metres up into the hectares, an enormous amount of productive land can effectively be taken out of circulation for very little housing output.

I think if one looks around the fringes of many towns in the Adelaide Hills, for example, a lot of good rural producing land is consumed for very little housing efficiency. I think that is one of the areas that we need to address. Whether it is the Willunga Basin, the Barossa (where there are some controls) or the areas outside the urban growth area of Mount Barker, in all those areas one of the issues that we have to look at, and cannot avoid looking at, is better planning to protect rural land against subdivision for the smaller allotments.

At the weekend I was driving through the Adelaide Hills and it is amazing how many rural holdings are for sale but they are all divided into a number of holdings. Often, as they are sold, they can be broken into smaller and smaller parcels, none of which can be viable for an agricultural purpose. So it is a challenge that the government is aware of in relation to Willunga. We are addressing that, with that structure that I mentioned, with the member for Mawson. But they are issues that really do need planning elsewhere.

While I am commenting on that, I notice that the Adelaide Hills Council is doing its own development plan in relation to protecting agricultural land and, of course, they have specific issues up there, so I compliment them for doing that.

Mr GRIFFITHS: I refer to Budget Paper 4, Volume 1, page 4.7, relating to the 30-year plan. Can the minister confirm how much was spent on the draft and the final publication of the 30-year plan? What was the cost?

The Hon. P. HOLLOWAY: Obviously, there were a number of inputs into the 30-year plan and a number of quite extensive consultancies provided the data for that particular plan. I assume the member is just asking for the actual production costs?

Mr GRIFFITHS: No, in its formulation and preparation of a draft, and then the final publication.

The Hon. P. HOLLOWAY: Obviously, there was a major contract. One of them would have been with KPMG and Professor Jennifer Westacott, who provided very significant input into the process. There was also input through the geographic study that was provided. Most of that would have been in the previous budget. There was a study—the geographic indicators—was another work that was done to provide much of the input. We do have it here. KPMG was the major consultancy, at \$850,000. That was the actual expenditure in 2008-09 and 2009-10. In 2009-10 the final payment of that was \$400,000. Connor Holmes did the geographic modelling, at \$250,000 in 2008-09 and \$70,000 in 2009-10.

Ilmarinen—I am not sure what that was related to. That may have been for another purpose. It is probably not associated with the plan; it was the other contractor. There is some work coming out of it. In the recent year we have had some work done by Hassell. Fairly soon we hope to release the first of our structure plans for the north-west corridor. It is one of the documents that we have been working on. We hope to be releasing that very soon. Hassell has been involved in that work. It has also done some work with the Clipsal site. There has been a significant input into that. The Hassell contract was \$95,000, but that was not specifically for the 30-year plan; it has come out of it.

The actual expenditure on advertising and printing in the 2009-10 year was advertising, \$80,000 and printing, \$60,000 in total. Of course, we have to do a significant amount of advertising for public statutory required notification as well. That budget, I assume, takes that into account. That is all the advertising in relation to the plan; that is specifically for that. Mr Nightingale points out that there is a statutory requirement for part of that because in February the 30-year plan became part of the planning strategy for the state. They are the total figures.

Mr GRIFFITHS: Thank you, minister; I appreciate that. I am sort of a bit shamelessly plagiarising a question the Hon. Mr Ridgway posed on 14 September when he asked you about the maps that are within the 30-year plan showing the specific corridors and major corridors which could be the focus for high density development within those respective 400 and 800 metre figures you were talking about earlier.

Minister, I am advised that you were quoted as saying that what might happen within that 800 metres will depend upon a lot of extra work to be done. Given that it is now some four weeks since then, are you able to present the document which outlines the exact areas to be subject to this development, and when will that document be made available for public consultation?

The Hon. P. HOLLOWAY: As I said, we keep drilling down. You have the 30-Year Plan for Greater Adelaide, which has significant detail and policies that guide the growth of Adelaide for 30 years. You then have this new Housing and Employment Land Supply Program report, which gets into a great deal of detail for all the various parts of Adelaide—where every house has been built in the last five years and upwards and where we know land will be made available, and so on.

But then the other level of planning that we get down to is the structure and precinct planning. As I said, we hope to release fairly soon the first of those, which is for the north-west corridor. That is just being finalised. Obviously, if I remember, the Hon. Mr Ridgway's question talked generally about all other corridors. Obviously, we will have to do that; that is, we will have to

continue to roll out this for other corridors, as well. The work we are doing now, following on from the release today of the Housing and Employment Land Supply Program, first of all, is this inner ring of 2½ kilometres.

Obviously the parkland frontages are absolutely crucial areas and what happens there, and they are all referred to. What we would like to see happen and so on is all outlined in the 30-year plan, but we need to get down to the detail of that in terms of getting our zoning policies in place.

Mr GRIFFITHS: Minister, that is the essence of my question. You refer to a soon to be released northwest study.

The Hon. P. HOLLOWAY: Yes.

Mr GRIFFITHS: How many studies are there and have you set a time frame for when all those studies will be released?

The Hon. P. HOLLOWAY: The 30-year plan identifies eight priority areas as having potential to accommodate the majority of the future growth of Adelaide. Obviously, you work where you get the best return. Five of these priority areas have been designated as state significant areas. The eight priority areas include the five strategic fixed-line transit corridors: the Noarlunga rail line, the Outer Harbor rail line, the Gawler rail line, the Glenelg tram line and the O-Bahn busway. They are the five strategic fixed-line transit corridors.

There is then the northern economic corridor stretching from Greater Edinburgh Parks to Gillman along the route of the Port River Expressway, Port Wakefield Road and the Northern Expressway, which has just been completed recently. There is also the new township at Roseworthy Gawler and, in the future, the Concordia area. There is also the new township at Buckland Park. They are really the eight priority areas and we expect to do them over a two-year time frame.

Ms SANDERSON: Given in the Adelaide electorate Churchill Road, Prospect Road and Main North Road have already been identified as major transit corridors and 400 metres and 800 metres from each of these covers most of Prospect, can the minister give any assurance that the high-rise accommodation will be restricted to the actual corridors only, being one block either side, and will not affect or change the character and heritage nature of this suburb?

The Hon. P. HOLLOWAY: Basically, yes. What we have done with Unley is that we started working there a couple of years ago with the Unley council. The council, with the support of the government, has identified their character areas. I think 45 per cent (or thereabouts) of that Unley area has been identified and much of that goes very close to the major corridors. What then follows the structure planning when you look at these major corridors is the precinct planning which identifies the strategic locations.

Of all the places around the world that the group visited with the Minister for Transport and me last year, one of the most impressive places that I saw where you see high density on main roads and then stepping back into the suburbs was at Arlington in Washington in the United States. You could be back as close as probably 50 metres, maybe 100 metres, from the main road and you are into a leafy suburb, yet that can just transition into some high level development along the major areas. It has done very well and, as I said, you scarcely notice the transition. That is obviously what we would expect will happen in corridors.

Clearly, some of these corridors will have quite large areas that might be former industrial areas. For example, if one looks along Port Road, clearly there are a whole lot of disused factories and sites that might become available. The Clipsal site itself is on a transport corridor. There you have 16 hectares. It is a very large area, so that might move well away from the transit corridor. Certainly, along Prospect Road, one would expect that high density would be pretty much constrained to the main corridor.

What we are hoping to do in those areas is to get mixed use, like in Paris and other places in Europe, where they have commerce/commercial on the ground floor and people living above it. I think that is going to be a very acceptable form of living for the future along our major corridors. One of the first areas we are doing, as the honourable member said, is Churchill Road, and we are now looking at Islington.

There are parts of Islington—parts of Churchill Road, particularly on the western side—where there are large blocks. We have already had applications for redevelopment for some of them, and I am not sure whether or not they have been approved. Other areas may be useful but,

in any case, not far from the west of Churchill Road, you have the rail line, which is a corridor, so it is a somewhat special case.

What we are going to do is use the precinct planning to identify those strategic locations. Certainly, the overall thrust of the 30-year plan is to try to leave 80 per cent of the existing area of Greater Adelaide untouched and get the future growth in a higher density development along corridors. Some areas are quite degraded and may be more suited for redevelopment than others, and that is really the work that needs to take place in the precinct plan. Perhaps I could ask Mr Hanlon, who has been more intimately involved in this work than me, if he can add to the answer.

Mr HANLON: Certainly. We are currently working with all the councils within inner metro, including the Prospect council for Churchill Road, Prospect Road and Main North Road. They are very much involved with us in a process of looking at all the opportunities along those particular main roads into the city for redevelopment and rezoning. At the same time, they are working with us in regard to policy development (which will allow for density and height increase) and identifying sites with minimal impact on current residential areas, because we want to select sites which are not just marketable but also appropriate development.

It does not mean that we want necessarily to do high-rise development along the entire stretch of those roads. We want to identify the sites where it would be suitable and then how far we can go in—whether it is one block or two blocks—depends on their interface with current residential areas. So, we are currently working through that entire process. As the minister has said, that will be part of a structure plan process, a precinct planning process and policy that supports that, all of which has to go through a consultative process in any case.

The Hon. P. HOLLOWAY: Perhaps just to point out an example at Prospect, obviously, Churchill Road has more potential for upgrade than parts of Prospect Road. There are some grand houses along Prospect Road that are probably heritage listed, and so on, so there may not necessarily be that much change along large parts of that road. It would depend on the sort of precinct plan and the plans that the council may have for it, whereas with Churchill Road there might be more significant upgrading because of the opportunities and also the nature of the sites there, where there are, it would be fair to say, some fairly degraded parts.

Mr VAN HOLST PELLEKAAN: Minister, my question relates to Budget Paper 4, Volume 1, page 4.10, and specifically wind farm planning. You would be aware that, throughout the Mid North and southern Flinders regions—most of which falls into the electorate of Stuart—there is enormous and growing dissatisfaction in regard to wind farm development. My question really relates to your intentions with regard to future planning.

Just like industrial and residential developments, decades ago they were approved, or otherwise, as they were proposed and then we moved on to actually planning corridors for development. Do you have any similar intention in regard to wind farm developments? Right now, a lot of work and effort goes into dealing with them as they are put up by the various proponents, but the community is looking for much longer-term planning about where they may or may not go into the future. Can you tell me whether you have any intention of working along those lines?

The Hon. P. HOLLOWAY: The history of wind farm planning is interesting. I think the very first wind farm, which might have been the one down at Sellicks Hill, was declared a major project in November 2003, so that gives the time frame for this. That still has not been built; in fact, the approval expires very soon, I understand. At some point after that first project in 2003, rather than doing them as major projects (which was obviously appropriate for the first one), the ministerial development plan amendment in 2003 amended all development plans across the state and inserted objectives and principles supporting wind farms and set out a number of general principles that can be used to assess the suitability of the location and the design of a wind farm.

That development plan amendment back in 2003 was supported by the publication of a planning bulletin and guide to applicants, I think, in 2002. This material published on the departmental website assists applicants, councils and communities in understanding the issues that are raised by a wind farm proposal. The development regulations exempt from planning consent any wind tower below 10 metres in height, free standing, or four metres if erected on a building. Commercial wind farms generally cannot use the exemption as tower heights are commonly around 100 metres.

I think the honourable member is right in that, following that, it appeared as though that ministerial development plan amendment was working well. I understand, more recently, there have been issues raised in relation to these. In particular, we have had representation from Eyre

Peninsula, as well as probably the honourable member's constituents in the Mid North, so we are currently reviewing that policy with RenewablesSA. We are talking about a policy that is only seven years old and that was probably our first wind farm. It appeared to work for a while, but there have been a large number of these wind farms.

I am told the Sellicks Hill wind farm was the third in the state. The first was at Cape Jervis and the second was near Elliston, which was not built. So, the Cape Jervis one has been built and the other was not. I was not the minister at the time, but I know they certainly had to be looked at as individual projects. Then we tried to do this through a development plan and leave it to local government to do. However, in view of those representations, we are now looking at the policy in conjunction with RenewablesSA.

Mr VAN HOLST PELLEKAAN: In conjunction with who?

The Hon. P. HOLLOWAY: RenewablesSA, which is the government body that is responsible for renewable energy.

Mr VAN HOLST PELLEKAAN: So, as I understand it then, there are guidelines for development which really are geared towards developers, but there is no statewide zoning or anything like that in place for where developments may or may not be proposed?

The Hon. P. HOLLOWAY: I think this development plan amendment actually just put planning policies in; it did not look at locations. Obviously the locations sort of pick themselves. It is fair to say that the policy was devised to encourage wind power, there is no doubt about that, but I guess the volume now has reached the point where there is some reaction to that, and I guess that is why we do need to look at the policy. The member is right: it obviously was to encourage them, and I think that was a good thing. We do have a significant portion of wind power and there are still some areas where they are warmly supported, but I think in the Mid North there has been a reaction to that, so obviously it is appropriate we look at the policy that was encouraging them. We will do that.

Mr VAN HOLST PELLEKAAN: That would be terrific, thank you.

Mr GRIFFITHS: I refer to Budget Paper 6, page 46, Budget Measures, which identify at the top of that page that it is intended to create a saving of \$3 million over the next three years by making the Development Assessment Commission responsible for identified developments in state significant areas, key transport corridors and priority growth areas. This is to ensure that the future planning is consistently structured with the 30-year plan.

Minister, I can only assume that this actually means that a transfer of planning responsibility will occur from local government to the Development Assessment Commission. Can you explain to me how these savings of \$3 million are going to be achieved?

The Hon. P. HOLLOWAY: We are really talking about an additional \$3 million in revenue over three years by making DAC the responsible authority for identified developments in state significant areas because it will have to do the work. I think we have already in the earlier questions today effectively put the case about why we need to have DAC involved—and the government generally involved—because there are questions of assembling this land and making sure that we plan for whole areas, not just isolated developments. There is a case for DAC doing it, but as a consequence of that we expect there will be this additional revenue, which of course translates as a saving measure, if you like, because it is revenue that we do not now receive.

To give you some more information, DAC will be the responsible authority for identified developments in state significant areas. I think in the earlier answer I gave we mentioned a couple of those: the Gawler line, for example; I think Buckland Park was one; and some of those larger developments. In the case of Buckland Park, because it is a major project I guess DAC would effectively be the authority anyway.

Mr GRIFFITHS: Not to consider any new applications within Buckland Park, though. Surely once—

The Hon. P. HOLLOWAY: Sorry, I will take that back. We did have earlier a list of the state significant areas anyway. I will ask Mr Hanlon to answer the question, because he has been involved, but essentially we are talking about additional revenue for DAC taking that role in those state significant areas and the key transport corridors.

Mr GRIFFITHS: I am prepared to accept that answer. Mr Hanlon does not need to give me any more detail than that. My subsequent question obviously has to be, though, given that this is

taking something away from local government, has indeed local government made any representations to you, and to what level was it consulted prior to the implementation of this policy?

The Hon. P. HOLLOWAY: We have been working with local government throughout the whole 30-year plan, and I think it is fair to say there is an acceptance that certain functions will need to be done at a state level. Perhaps I could ask Mr Hanlon, who has actually been conducting most of these negotiations with local government. He can probably give a clearer opinion than I can about local government's reaction, as he has actually been dealing with it in most cases.

Mr HANLON: This was identified in the 30-year plan as part of the government's arrangements, that in state significant areas the government would identify this process, and the whole theory behind this and the process behind this would be: we would involve councils in structure planning processes and we would involve councils in precinct planning processes. The intention is that, at that point in time, the significant growth areas that are required to meet the targets within the plan need to be identified. Those precincts need to be identified so along, say, a north-west corridor (where we have done the structure planning but we have not released it at this point in time), we would be working with councils to identify the 16 priority areas that we have identified in that area.

It could be areas like West Lakes, Woodville or the Clipsal site—those sort of areas. We would work with the councils and identify all the policy areas required for that. Once we have completed the precinct plan we would then identify the planning authority for that area as the Development Assessment Commission. Therefore, you are right; the revenue from those applications within there would then come into the state. As you know, there is a substantial cost in structure planning and precinct planning policy development for those areas.

It is reasonable that those dollars are covering the costs which are not being passed on to councils to undertake those sort of activities. They are being done in conjunction with the state but we are actually paying for those particular processes and managing that whole land assembly process on behalf of councils. So, as much as you say it is revenue coming away from councils, it is also work that they are not undertaking.

Mr GRIFFITHS: No, and consequently I can also appreciate there are additional work components being put upon DAC, too, so that DAC will incur additional costs.

Mr HANLON: That's correct.

Mr GRIFFITHS: I refer to Budget Paper 6, page 46, government planning strategy reforms. The government proposes to save \$4.7 million over four years by making changes to the following areas: DPAs, policy development, development assessment and performance monitoring of the planning system. I know that we have talked in many different terms, but are there specific improvements you have in mind that are to be made?

The Hon. P. HOLLOWAY: That saving of \$4.7 million over four years by instituting reforms to implement the government's planning strategy more efficiently and effectively include but are not limited to a range of system and process improvements in the following areas: development plan amendments, focused policy development, development assessment, performance monitoring of the planning system and geographic information system mapping.

The government is in a position to take advantage of efficiencies and the planning strategy as a result of the extensive independent review of the South Australian planning system. Those reforms support the implementation of the government's 30-Year Plan for Greater Adelaide. The department has already initiated independent business reviews covering development plan amendments, a development assessment and policy development to identify process improvements, and the key focus will be working with local government to ensure that development plan amendments are progressed on a priority basis depending on their focus on achieving the outcomes of the planning strategy.

We do have a lot of development plan amendment statements of intent that come in—often, presumably, being a favourite hobbyhorse of someone on the council but not necessarily of great strategic importance—so we want to focus activity on a priority basis. We want to negotiate land use policy outcomes with other government agencies and councils up-front to free up resources from having to negotiate these issues on a case-by-case basis every time a development plan amendment or development assessment is considered by the department.

We want to explore system improvement opportunities to facilitate more streamlined approaches to the development plan amendment process; work with local government to improve their processes for capturing geographic information system (GIS) mapping data for development

plan amendments rather than doing all the GIS mapping on the council's behalf; speeding up the delivery on key planning reforms such as processing structure planning of the key transport corridors; completing the review and implementation of the regional planning strategies; developing an effective model to provide performance information on the planning system in South Australia; and identifying and exiting from non-core functions that are not key drivers of the planning reforms in areas such as climate change, sustainability and water-sensitive urban design that would be more efficiently delivered by the appropriate lead agencies. So, that is a pretty comprehensive summary of all those areas.

Mr GRIFFITHS: Having worked in local government, I understand to some level that planning pressures are in place. I am somewhat concerned that as part of your answer you talked about considering development plan amendments and statements of intent on a priority basis. Doesn't every matter that comes to you, where there is an expectation of it being treated within a reasonable time frame (much less than the period of up to three or four years I am commonly told about), all represent an effort that has gone into an economic development opportunity within that area by lodging that information with you?

The Hon. P. HOLLOWAY: I take your point, and part of the priority is making sure that these plans are attuned with the planning strategy, as that is exactly what we want to promote. One of the reasons we are starting to do this priority, and why I am very keen on doing it, is particularly that a lot of the commonwealth stimulus money is winding down and we need to encourage private sector investment. It is up-front centre that we do that, and it is part of the reason why we are looking at some of these measures.

We are mindful of the fact—and I will ask the department to comment in a second—that many of the development plans we have need a lot of work; they are very labour intensive for the department for arguably little benefit. Perhaps Mr Nightingale can comment. I know that we have had these discussions in the department as a lot of work is done on development plans that arguably have very little strategic importance, so we want to make absolutely sure that we do not lose economic opportunities.

Mr NIGHTINGALE: For example, I have contacted all CEs of the councils recently to look at the DPAs that have been in the system for three years or longer. Many of those councils are coming back now saying that they just do not want to do them, and so you can get them out of the system and deal with something else. We are also advising the minister on standardising the policy library better so that we do not have many DPAs coming through, as there is a lot of work reviewing every one by way of policies to update them.

On your point earlier about the statement of intent, in a sense it is a contract between the minister and the council, but making it more strategic and more like a contract means that we can deliver, as the department would be responsible to deliver, on those key milestones. At the moment those milestones and dates in the statement of intent just default and do not mean as much as they should. If we can improve the quality of the DPAs coming through the department and standardise the policy library so that we are not looking at reviewing every single policy for every DPA, I emphasise the importance of aligning the councils' DPAs with the planning strategies.

Ms THOMPSON: My question is about improvements to the coast. Can the minister provide advice on how the planning and development fund is helping improve the beaches along the coast of metropolitan Adelaide, especially in the important electorate of Bright and the adjoining electorate of Reynell?

The Hon. P. HOLLOWAY: I thank the honourable member for her extremely important question and her interest in the Coast Park project. The government has made significant improvements to the Adelaide metropolitan coastline through the implementation of Coast Park. The Coast Park concept plan establishes a vision and direction for the enhancement of public use of Adelaide's metropolitan coastline. The Coast Park plan also establishes directions to be undertaken for the environmental enhancement of this area. The concept plan sets overall priorities and provides a comprehensive staging strategy for land acquisition and redevelopment.

South Australians of all ages have a great affection for our beaches along the metropolitan coastline. Many generations have regularly visited Adelaide's beaches, undertaking a range of activities such as swimming, sailing, surfing, fishing, beach cricket or just walking along the beach.

The Coast Park is, stage by stage, creating a continuous linear park along the metropolitan foreshore, from Sellicks Beach to North Haven. Coast Park is part of the Metropolitan Open Space System (MOSS), and is flagged as one of the key open space policies in the 30-Year Plan for

Greater Adelaide. The ongoing and major project is on track for completion by 2020, with more than half the park completed to date.

I was asked about the electorate of Bright, and I am pleased to inform the Chair that the Somerton Park section of Coast Park is now complete and was officially opened in February 2010, completing the link between Glenelg and the Minda campus at Brighton North. It is great to actually see these projects and people actually using them.

An honourable member interjecting:

The Hon. P. HOLLOWAY: Yes, it really has totally transformed the activities along that part of the coast, even though it is a coast that is just an essentially very limited area. I think they have done a great job.

The next sections of Coast Park, extending south from North Brighton to Kingston Park are currently in the design phase. The City of Holdfast Bay anticipates that the construction of this major project will need to be completed over several stages and will take about six years. To assist the City of Holdfast Bay to begin work on this part of the Coast Park project, I recently approved \$1 million of funding for stage 1 of construction from North Brighton to Seacliff.

Funding from the Open Space Funding Program will extend the existing section of the shared pedestrian and cycle pathway. The funding will also be used to provide landscaping, shelters, seating and decking structures. The goals of the project are to:

- maintain and enhance open space linkages;
- ensure free, safe and convenient access along the foreshore for all ages and abilities;
- provide appropriately for traffic and parking;
- maintain access for all people wishing to use the coast;
- recognise, value, protect and, where possible, enhance culturally significant areas, sandy beaches, coastal landscapes, dune systems, coastal reserves and buffers; and
- provide a coastal experience for pedestrians and cyclists to educate the community on the special value of the coast.

In addition to this recent grant of \$1 million, funding from the Open Space program has previously been provided for eight Coast Park projects within the City of Holdfast Bay, totalling \$2,250,000 since July 2002. Since July 2002, the state government has provided \$15.5 million towards the development of Coast Park through the Planning and Development Fund.

As you would expect with a project of this importance, its development and progress has required the input of several state government agencies. The implementation of Coast Park is undertaken in partnership between the Department of Planning and Local Government, the Department for Transport, Energy and Infrastructure, the Department for Environment and Natural Resources and the relevant councils.

This project typifies the government's commitment to protecting and improving Adelaide's metropolitan coastline to ensure its environmental sustainability and continued use as a focal point for community activity. So, we very much look forward to that project rolling out in the near future and the future extensions of the Coast Park.

The CHAIR: Thank you for it, because it is actually a very enjoyable place to walk—it is gorgeous. I encourage you all to come to the electorate of Bright—unless you want my seat, in which case you can stay away.

The Hon. P. HOLLOWAY: Well, the member for Morphett lives there. He appreciates it, doesn't he?

Mr GRIFFITHS: Minister, I just refer to an answer provided by Mr Nightingale as part of my previous question to you. I am rather intrigued by his comment that he contacted local government CEOs and was told by them that they did not wish to proceed with a lot of the DPAs currently before your department. I suppose my observation would be that it seems to be a trend that has been in place for several years now that those DPAs are actually developer funded and are not necessarily part of the planning review undertaken by the councils themselves. So, can you just clarify how that relates to this situation?

Mr NIGHTINGALE: I sent a letter to all councils indicating the department's review of all DPAs in the system, and that looked at a number of time frames. So, we were looking at how long

they had been in the system. The request of those CEs, or their departments, their councils, was to look at the development plans that had been in the system for a considerable period of time, and one category was three years or longer. A number of those councils have now come back to us and indicated that those development plan amendments are no longer necessary.

We have had, I think, between six and eight of the 30-odd that were outstanding that the councils have indicated that they do not wish to proceed with. They were initiated by councils. Their view was that strategically they were not important to the council any longer, and we encouraged them, if did not want to proceed, to tell us that they would pull them.

Mr GRIFFITHS: In good management processes, they should have done that as a matter of course, anyway.

Mr NIGHTINGALE: Yes, correct.

Mr GRIFFITHS: I refer to Budget Paper 4, Volume 1, page 4.9, Summary income statement, specifically regarding Employee Benefits and Costs. Given that everything we have talked about today relates to some enormous challenges before the state to make sure that we get it right and pursue opportunities, I am somewhat surprised—and this might sound a bit strange from a person who is a former shadow treasurer and had to look at savings opportunities on occasion—to note that the 2009-10 budget figure for employee benefits and costs was far less than the estimated result; a lot more money was spent.

I can understand that that would have been because of the challenges and the ramp-up and additional efforts that had to go into it but, given that there is still an enormous amount of work to be done, I note that the budget has actually come down by 10 per cent this year. Are you able to provide details on the number of staff within the Department of Planning and Local Government who face being the target of voluntary separation packages or efficiency requirements within the Treasurer's instructions?

The Hon. P. HOLLOWAY: I will make the general comment first that in the overall scheme of things in government the importance of planning has been recognised. Yes, there are some cuts to the department, although you have heard that one of those savings measures was extra revenue from work that DAC was doing. Whereas DPLG has not escaped, its cuts have been a lot less than some of the other agencies, so I think that recognises the government's priority for the importance of planning and that we continue the momentum from the 30-year plan reforms. In relation to the FTEs, I will ask Mr Nightingale to provide that information.

Mr NIGHTINGALE: To pick up the first part of your question, we do have to find an FTE reduction of 18 FTEs over four years.

Mr GRIFFITHS: What is your current level of staffing, Mr Nightingale?

Mr NIGHTINGALE: The budget for this year is 191.5 FTEs. As to your question about TVSPs, we have not considered that as yet. I have initiated a full skills profiling of the department so that we can look at what our skill requirement is against what our skill base is at the moment, and that is about to be conducted. We would probably be looking at the end of November before that work was finished, and we have not made any decisions about TVSPs at this point.

Mr GRIFFITHS: As a supplementary to that, I understand the skills audit that is being undertaken, but the reduction of staff by nearly 10 per cent from your current full-time equivalent really is going to place a lot of pressure upon you to still deliver, and that is what the development industry, communities, local government, everybody, wants to see: delivery take place. It is quite early in the process, I can appreciate that, but have you done any scoping work on what lesser physical bodies within the Department of Planning and Local Government are going to make to the capacity to carry out the work that is demanded of you?

The Hon. P. HOLLOWAY: To some extent we have answered that in earlier questions, or partly answered it, even the last question about development plan amendments and so on. What we need to do is to use our time more effectively. There has been a lot of time put into the planning area, with some development plan amendment proposals, statement of intent, which are of lower quality than perhaps they ought to be. So, obviously, we have to use our time better and more strategically as well, and that is just one way.

To some extent we have anticipated that cuts were coming. The major planning review and the 30-year plan and all of that sort of work has been done. We are now moving to a different phase in the department where we need to consolidate all that work. As Mr Nightingale says, we have done three reviews of the divisions to look at the core business to make sure that we focus on

that. Compared to a number of agencies, while the Department of Planning and Local Government certainly has not been spared, the measures that have been taken will have a relatively small impact on the department. Again, that reflects the government's recognition that its role is important. We are hoping to improve the efficiency—and that is what we expect these reviews to do, to enable us to better match—and that we will have a reform agenda, if you like, to ensure that we can continue to deliver.

Mr GRIFFITHS: I certainly do not envy you in trying to marry up the expectation that exists out there against the resources that are available to you in the job ahead. No doubt many people who are smiling at me now will have a bit of a furrowed brow in future years trying to make everything happen. Can I just seek clarification on one point: how many of the staff within the DPLG will be dedicated to the implementation of the 30-year plan, or in estimates does everybody have some sort of involvement in it?

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

Mr NIGHTINGALE: Nearly all parts of the department will be working either with local government or directly ourselves on many parts of the planning strategy. For example, we have people from the office of local government who are conducting the regional implementation forums with Regional Development Australia and the NRM boards; we have all of our planning policy people who are focusing on a significant amount of work that is associated with structure planning and the like; and we have another whole group working on reviewing our planning policies. So, it is a significant part of the department's role and, importantly, the relationship and the building capacity with local government in the way of delivering that. As I said, we have already met with a number of councils—Mount Barker today, Port Lincoln the week before last—in assisting them to learn the lessons we have been learning from the structure planning work.

The Hon. P. HOLLOWAY: The other comment we should make in all this is that with a better policy planning library and so on, so many of the reforms of the government over the past five years or so are about making the process more consistent, more uniform, across the state, and ensuring that we do get some efficiencies out of it. That, I think, is part of the answer, that if we are to get more for less, so to speak, we really need to be more efficient in what we do, and that is why we need to review our processes and make sure that we are not spending time on things that are less important. That is really a key part of this.

Mr GRIFFITHS: I refer to page 4.25, which relates to the Planning and Development Fund, which you have referred to in previous answers to questions from the member for Reynell. What is the current balance of the fund?

The Hon. P. HOLLOWAY: I imagine that we would have to give it at the end of the financial year.

Mr GRIFFITHS: I am quite happy to accept that figure.

The Hon. P. HOLLOWAY: Obviously, money is coming in and going out continually. The approved budget for the Planning and Development Fund for 2010-11 is \$12,014,000. There are some current commitments that will need to be met from that. However, as we saw in previous years, in the end the revenue exceeded the approved budget, and we have had Treasury approval to expend that significant extra amount. The predictions for the fund are generally conservative, as I understand it. The money still seems to be coming into the fund quite strongly. It was over \$15 million. I think the honourable member asked the balance, and there is a balance in the fund. We will take that part on notice.

The CHAIR: There being no further questions, I declare that consideration of the proposed payments be adjourned until tomorrow.

At 18:00 the committee adjourned until Wednesday 13 October 2010 at 10:00.