

HOUSE OF ASSEMBLY
Tuesday 2 July 2013
ESTIMATES COMMITTEE A

Chair:

Hon. M.J. Wright

Members:

Hon. J.D. Hill
Ms F.E. Bedford
Mr J.A.W. Gardner
Mr S.P. Griffiths
Ms M.G. Thompson
Mr T.J. Whetstone

The committee met at 10:30

DEPARTMENT OF THE PREMIER AND CABINET, \$95,827,000

**ADMINISTERED ITEMS FOR THE DEPARTMENT OF THE PREMIER AND CABINET,
\$7,930,000**

**DEPARTMENT FOR MANUFACTURING, INNOVATION, TRADE, RESOURCES AND ENERGY,
\$89,407,000**

**ADMINISTERED ITEMS FOR THE DEPARTMENT FOR MANUFACTURING, INNOVATION,
TRADE, RESOURCES AND ENERGY, \$1,325,000**

Membership:

Mr Venning substituted for Mr Gardner.

Mr Hamilton-Smith substituted for Mr Whetstone.

Mrs Geraghty substituted for Ms Thompson.

Hon. P.F. Conlon substituted for Ms Bedford.

Ms Bettison substituted for Hon. J.D. Hill.

Witness:

Hon. T.R. Kenyon, Minister for Manufacturing, Innovation and Trade, Minister for Small Business.

Departmental Advisers:

Ms A. Allison, Director, Corporate Services, Department for Manufacturing, Innovation, Trade, Resources and Energy.

Dr P. Heithersay, Deputy Chief Executive, Department for Manufacturing, Innovation, Trade, Resources and Energy.

Mr L. Piro, Group Executive Director, Department for Manufacturing, Innovation, Trade, Resources and Energy.

Mr P. Polychronopoulos, Chief Finance Officer, Department for Manufacturing, Innovation, Trade, Resources and Energy.

Mr S. Ward, Executive Director, Investment, Trade and Strategic Projects, Department for Manufacturing, Innovation, Trade, Resources and Energy.

Mr I. Nightingale, Industry Participation Advocate, Department of the Premier and Cabinet.

Ms E. Ranieri, Deputy Chief Executive, Strategy, People and Culture, Department for Manufacturing, Innovation, Trade, Resources and Energy.

Ms M. Gall, Project Manager, Department for Manufacturing, Innovation, Trade, Resources and Energy.

Prof. R. Thomas, Chief Scientific Adviser, Department for Manufacturing, Innovation, Trade, Resources and Energy.

Dr B. Mahoney, Chief of Staff.

The CHAIR: I have some preliminary information for the committee. 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. 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 27 September. I propose to allow both the minister and the lead speaker for the opposition to make opening statements of about 10 minutes each. There will be a flexible approach to giving the call for asking questions, based on about three questions per member, alternating each side.

Supplementary questions will be the exception rather than the rule. A member who is not part of the committee may, at the discretion of the Chair, ask a question. Questions must be based on lines of expenditure in the budget papers and must be identifiable or referenced. Members unable to complete their questions during the proceedings may submit them as questions on notice for inclusion in the House of Assembly *Notice Paper*.

There is no formal facility for the tabling of documents before the committee; however, documents can be supplied to the Chair for distribution to the committee. The incorporation of material in *Hansard* is permitted on the same basis as applies in the house. All questions are to be directed to the minister, not the minister's advisers. The minister may refer questions to advisers for a response. I also advise that, for the purposes of the committees, television coverage will be allowed for filming from both the northern and southern galleries. I declare the proposed payment open for examination, and I call on the minister to make an opening statement if he wishes.

The Hon. T.R. KENYON: I will just make some remarks to open the proceedings. Manufacturing is an integral part of the future of this state's economy. I have no doubt that manufacturing has a future in this state, and since becoming minister I have seen an abundance of evidence to support this view. Manufacturing has been a platform for innovation and ingenuity across our state's economy for generations, and there is no doubt that it has and must have a future in South Australia.

The state government has made a decision to commit to manufacturing. With one manufacturing job creating between two and five jobs across the economy, we cannot afford to lose manufacturing or our international reputation for manufacturing excellence. But this is a difficult time for manufacturers in South Australia, as it is across the country. The high Australian dollar, relatively high production costs and aggressive international competition are taking their toll on the sector and on the ability of local manufacturing businesses to thrive.

When the Premier established this government's seven strategic priorities, he provided a clear direction for activity within my manufacturing, innovation and trade portfolios. Growing advanced manufacturing is one of the core economic priorities. Our plan to achieve the outcomes within this priority is captured in the 10-year manufacturing strategy that we have titled *Manufacturing Works*. This is a landmark document for manufacturers in South Australia. It sets out a plan for the long-term survival of this vital element of our economy.

Our manufacturing strategy outlines a plan to accelerate the transition of manufacturing towards a high value-added future, where firms compete on value for money and not solely on cost, and where they seek and adopt innovative business practices to drive growth. With direct connections to minerals and resource development, food and wine, defence and other key sectors, manufacturing is intrinsically linked to all economic activity across the state.

Demand from China, India and elsewhere in Asia for our resources, premium food and wine, and other products derived from our natural assets and knowledge economy is growing rapidly. A competitive manufacturing sector can and must become the platform from which local industry will win supply-chain business emanating from our Asian neighbours and the billions worth of major projects underway and on the horizon.

I said earlier that we cannot afford to lose our manufacturing sector, and automotive manufacturing, including the automotive supply chain, is an important ingredient in it. This government remains committed to Holden's future in South Australia. I have recently returned from Melbourne, where the Prime Minister and key representatives from government and industry discussed the future of Australian car manufacturing. It became very clear that, at this point in our economic history, South Australia and Australia need automotive manufacturing.

Holden's Elizabeth plant and those factories and businesses that supply it are critical to a thriving manufacturing sector in this state. The auto sector in South Australia directly employs around 8,000 people and, indirectly, many more. It has an extensive supply chain, which applies advanced manufacturing processes, from design, tooling, lean manufacturing, efficient logistics and more.

In 2012, an independent economic analysis of the impact of Holden on the South Australian economy was undertaken by Associate Professor Barry Burgan of the University of South Australia. The study confirmed that Holden and its supply chain provide a significant contribution to the state, and that the impact of Holden's closure would be felt well beyond the automotive supply chain, into the property, recreational and services sectors. The social disruption would be unacceptable.

In March last year, the commonwealth and South Australian governments jointly announced a \$275 million package for Holden to build two new vehicles at Elizabeth. South Australia's share of that was \$50 million. This will ensure Holden remains operational in South Australia until at least 2022. The terms and conditions of this assistance package include GM Holden working with the South Australian and Australian governments to position this state's automotive sector within the GM global supply chain.

Global conditions continue to affect Holden, which in April announced 500 job losses, including 400 in South Australia. Workers affected by the recent cuts will be eligible for immediate access to intensive assistance under the Australian government's Automotive Industry Structural Adjustment Program. This means workers will access the support of a Job Services Australia provider of their choice, meaning that most funding will come from the commonwealth government.

The Australian government is also working us and with the Victorian government through the \$35 million Automotive New Markets Initiative to encourage firms to remain in the local automotive industry by identifying new markets and developing new products. One of the key elements of this initiative is the Automotive New Markets Program. Successful first-round applicants included South Australian companies Precise Global and Quality Plastics and Tooling. Applications for round two closed on 19 April and are now being assessed. Holden's Elizabeth plant and those businesses that supply it are crucial. With those words, I might conclude my opening statement.

The CHAIR: Does the shadow minister wish to make an opening statement?

Mr HAMILTON-SMITH: No, I am happy to go straight to questions.

The CHAIR: You have got the call.

Mr HAMILTON-SMITH: Thank you, minister, and thank you to your staff and office for all the preparation for today. Can I start with Budget Paper 4, Volume 3, page 125—the Tonsley redevelopment. Could you tell the committee how much has been spent on acquiring and consolidating the Tonsley property, including any associated agreement with Mitsubishi to remain at the site?

The Hon. T.R. KENYON: The purchase price for that land was \$32.5 million. That included provision for Mitsubishi to stay on that site for 10 years rent-free for their national distribution centre and head office in Australia. The budget for government expenditure for 20 years post the purchase was \$253 million, for which we will recover revenue in sales and everything else, meaning the net cost over the 20 years is \$77 million.

Mr HAMILTON-SMITH: Did you say those costs were \$253 million?

The Hon. T.R. KENYON: Yes.

Mr HAMILTON-SMITH: Does that include all investments planned for the site: marketing, advertising, promotion of the Tonsley site, etc.?

The Hon. T.R. KENYON: Those things that you mentioned are included, but most of it is for infrastructure and rehabilitation: asbestos removal and things like that.

Mr HAMILTON-SMITH: How many tenants have signed up for the site and who are they, and how many prospective tenants have been identified and who are they?

The Hon. T.R. KENYON: So far we have three signed-up tenants: Flinders University, TAFE SA and Tier 5, which is a data processing hub. TAFE and Flinders are key anchor tenants and are part of the attraction of having an advanced manufacturing hub with access to engineering students and the technical side of things at the TAFE. We are in discussions with about 20 companies and two of those are highly prospective. Santos have indicated that they are looking very closely at setting up an unconventional gas service industry hub at Tonsley, so they are working their way through that. There are also discussions around student accommodation.

Mr HAMILTON-SMITH: When do you expect the university and Tier 5 to occupy the site and how much will each of those two enterprises invest at the site?

The Hon. T.R. KENYON: Flinders is under construction at this moment and they anticipate spending around \$120 million. TAFE is looking to spend \$119 million; that is under construction and they will be open for students for the first semester next year. Tier 5 will begin their first stage next year, in 2014, and anticipate over the life of the project—it will be a staged project—\$113 million or so.

Mr HAMILTON-SMITH: Right. Could you explain to the committee a bit more about Tier 5?

The Hon. T.R. KENYON: Tonsley is very well served with broadband, because Mitsubishi was there and they had a very high quality broadband connection between there and Japan so that they could send design folios backwards and forwards. That has attracted Tier 5, a data hosting centre, essentially. So, companies come in, they set up their data hosting, their servers and the like, and they use the facilities that Tier 5 builds to do that, and then you get that traffic in and out over the internet.

Mr HAMILTON-SMITH: Okay. Of the other 20 companies that have been identified for the site, are you expecting or hoping to reach sign-off with any of those in the coming 12 to 24 months?

The Hon. T.R. KENYON: I am hoping to be in sign-off with a couple of them in the next couple of months, to be honest, but we will progress that out. Colliers International are contracted to do the negotiation and stuff for us, and that will continue.

Mr HAMILTON-SMITH: Right. Would one of those companies be Siemens?

The Hon. T.R. KENYON: Yes, we are negotiating with Siemens.

Mr HAMILTON-SMITH: In regard to the residential and retail land that was proposed for the site, and I remember the submission to the Public Works Committee in that regard, how is that to be progressed—that is to say, the residential subdivision and land there, which I think is private homes? You mentioned some student accommodation a moment ago but I think the largest tracts of land there would be housing, and then there was some retail space. Could you advise the committee when you expect those developments to be rolled out and made available for sale?

The Hon. T.R. KENYON: There will be some interim retail offerings that are basically to cater for TAFE, and they will be ready as TAFE opens or very shortly thereafter, so the first quarter of 2014. Later this year, we expect to release expressions of interest for the final retail offering there, so that will be to come in and develop the retail that will open later this year. You are right: there will be a lot of residential offerings there. We expect it to cover about 25 per cent of the area of Tonsley—mostly apartments, if not all—and we anticipate that there will be an expression of interest for a joint venture with Renewal SA at the end of this year, again, with the first houses completed sometime around 2015-16.

Mr HAMILTON-SMITH: Thank you. It is a bit of a pet favourite of mine, but is there going to be a childcare centre included in the Sustainable Industries Education Centre—very important, having children, and you and I understand that, minister.

The Hon. T.R. KENYON: Are you looking to open one?

Mr HAMILTON-SMITH: No. I have had enough children. I think my wife has gone on strike! Is there going to be a childcare centre there?

The Hon. T.R. KENYON: It is anticipated that there will be one in the retail area, but that will be part of the expression of interest.

Mr HAMILTON-SMITH: I think between you and me, we are making ample contribution to future tax revenues for the state by producing children.

The Hon. T.R. KENYON: I think so, and contributing to the demographic stability of the state.

Mr HAMILTON-SMITH: I move on to Holden, which is Budget Paper 4, Volume 3, page 125. My understanding is that Holden first approached the government with a view to a co-investment package some time ago, over a year ago. Could the minister explain to the committee why it is that we do not already have a co-investment package signed? I understand that now with a federal election imminent, Holden has said that until that is resolved they will put things off, but why couldn't we have had a co-investment package signed off, say, a year ago between the federal government and the Victorian and South Australian governments, given that this process began some time ago?

The Hon. T.R. KENYON: There are a few reasons for it. Essentially, the state government's contribution is back-ended and doesn't kick in originally until 2016-17, so it will be \$25 million in 2016-17 and then \$25 million the year after. There was no rush, as it were. There had been that exchange of letters indicating general agreement on terms and conditions, while acknowledging the need to finalise that through a contractual process.

The commonwealth was able to do theirs very quickly but that was more necessary because they were paying upfront essentially; that meant that they were required to go through their process a lot more quickly than we are. Those negotiations have continued, and I have been to visit Holden a couple of times in Victoria to go through that, but they have been largely put on hold waiting for the result of negotiations with the federal government and the federal opposition.

Mr HAMILTON-SMITH: Was it the case that then the federal government negotiations—that is, with the current federal government—dragged on and held up the sign off by the two states? Is that a fair description?

The Hon. T.R. KENYON: No, I don't think that is. Essentially, they have paid already. The federal government have already made their contribution.

Mr HAMILTON-SMITH: Right, okay.

The Hon. T.R. KENYON: They have made their first year's payment, so they have entered into that agreement. They have not held up our negotiations. It is just the urgency was not there because we are waiting so long to deliver that money.

Mrs GERAGHTY: I also refer to Budget Paper 4, Volume 3, page 125 and the Manufacturing Works strategy. Minister, can you advise the committee how state government programs are assisting the transformation of manufacturing in South Australia?

The Hon. T.R. KENYON: Good. Yes, I can and I thank the honourable member for her question. Manufacturing currently employs up to 73,000 people in South Australia and contributes \$7.9 billion of value add or 9 per cent of the state's economy. The government understands that manufacturing remains critical to our economy, supporting exports and generating skilled workers.

Manufacturing in South Australia in recent years has been facing some unique challenges, and I went through them before. It is a relatively narrow industry base. There is a lack of proximity to major markets, a high proportion of small and medium sized firms that often lack the resources to access skilled workers, financing new technologies, and last but certainly not least, the high Australian dollar which happily has started to come back a little bit from its highs of \$1.04 and such. Manufacturing Works aims to accelerate the transition of manufacturing to enable firms to compete on value for money in global markets, more than on price. Importantly, the strategy was developed in partnership with industry.

Since the launch in October 2012, we established a range of initiatives. There is the Innovation Voucher Program in October 2012. It is a \$1 million program that fosters innovation in the manufacturing sector and drives collaboration between industry, public and private research, and development providers. To date, 11 projects have been approved for funding under the program and further applications are being assessed.

The key aim of that program is to connect industry with universities and other research organisations. At the moment, there is a big disconnect between universities and industry; that cannot continue. They need to start talking to each other. In Germany, for instance, industry regularly goes to universities and says, 'We have this particular problem. Can you help us solve it?'

University lecturers and students are regularly working in manufacturing companies and getting a feel for them.

We need that connection, and the innovation voucher program is designed to start that process. It is matched funding: dollar for dollar for larger companies, and we will give \$2 for every dollar smaller companies put up. They then take the voucher to the research organisation with their money and say they want to spend \$30,000 or \$20,000 on a particular program or problem and the university helps them with that. So, that is quite an important project.

The small business innovation research pilot was launched in April 2013, a couple of months ago. The program is modelled on programs operating in the US and the UK and aims to demonstrate how government procurement can drive innovation by creating a demand for new solutions. SA Water was doing this one.

The pilot invited industry to submit applications for grants of up to \$100,000 to find new ways to remove, recover and reuse phosphorus and possibly nitrogen from wastewater being processed at the Bolivar Wastewater Treatment Plant. The pilot will be extended with new funding of \$3 million over three years from the 2013 budget. What that does is assist a government organisation—in this case, SA Water—that has a particular problem. There is phosphorus in their wastewater after they have processed it and they want to pull that out.

They will select five companies and give them a grant of \$100,000 each to come up with a solution. They will then pick two of those and work with them to prototype and commercialise them and then eventually pick one of those to be the successful winner of that. At the end of that process, they will have a product. Because you can rest assured that SA Water is not the only water utility in the world with a problem of high phosphorus in treated water, they will have a product that they can sell around the world to remove that.

This is the pilot. If it works with SA Water, it will work with other government agencies. We will be able to use our government procurement processes to go through this innovation process. In the US, some states or governments require 2 per cent of their procurement budgets to be set aside for this innovation process. Eventually, we will get to that point, I hope.

Another initiative is the building design competence pilot program, which will help businesses develop an approach to transform their product and service offerings by better understanding their customers' needs. An introductory seminar, held here on 15 May 2013, was delivered by Professor Sam Bucolo of the University of Technology in Sydney. The first program is fully subscribed and runs from 26 June to November of this year, looking at incorporating design into new products and services so that, in some ways, they are more attractive and something that is unique and easier to sell.

The government has allocated \$11.1 million towards the implementation of the strategy over four years, including \$2.8 million of reallocated funding within DMITRE and \$8.3 million of funding from the 2012-13 state budget. Manufacturing has been a major industry and driver of the state's economic development for more than 70 years and that needs to continue.

A lot of that is structural change. A lot of people would have seen a lot of news items of engineering and manufacturing companies going under. I imagine they will not be the last stories you will see along those lines. Some companies are going to continue to struggle. What we are trying to do is work with those companies that are prepared to innovate, and with new start-up companies, to regenerate the manufacturing sector.

Ms BETTISON: Minister, my reference is Budget Paper 4, Volume 3, page 128. Following the Hartley Review, what strategic direction is the state pursuing for overseas representation?

The Hon. T.R. KENYON: Have we got you some dates yet for India? I will be going to India with the member for Waite. I am assuming he will come. I certainly hope we have given you the dates already. I will make that wild assumption that you will accompany me on that trip. We will be happy to take any members who may choose to accompany us on that as well.

The Hon. P.F. CONLON: I don't think I had better go.

The Hon. T.R. KENYON: No; you do not want to do that?

The Hon. P.F. CONLON: It wouldn't look good.

The Hon. T.R. KENYON: Following the Hartley Review—

Mr VENNING: I'm keen.

The Hon. T.R. KENYON: We will let you know the dates if you would like to come.

Members interjecting:

The Hon. T.R. KENYON: You have a private jet, don't you, Ivan?

Mr Venning interjecting:

The Hon. T.R. KENYON: It's the Schubert Express. The state government considered the recommendations of the Hartley Review, as well as comments from partners in government and industry locally and internationally, in the development of a new model for its overseas representation. The model supports a deliberate strategy to drive economic growth through investment and trade and is guided by the recently launched India and China strategies. The adopted business model for overseas officers is flexible to change, mobile and tailored to timely opportunities, thereby demonstrating the recommendations of the Hartley Review.

Overseas representation will be resourced through building relationships and understanding of South Australian strategies and priorities with Austrade investment and trade commissioners and in-country representatives, such as consuls. In-country representation will be greater in mature markets that are significant trading partners for the state and key potential sources of foreign direct investment given our complementarities, such as China and India.

As such, and consistent with the China and India strategies, the state government has agreed with Austrade to embed South Australia-focused investment officers in its Mumbai and Shanghai Austrade offices. The Jinan office in China will remain open in support of the state's intention to build its relationship with Shandong for longer-term benefit. The Hong Kong office will remain open also.

Overseas representative officers in these key markets will form part of DMITRE's India and China teams. Their work plans are driven by the strategic priorities agreed by the state's India and China advisory councils. The directors of DMITRE China and India teams within DMITRE will guide the in-country officers, with the support and guidance of Austrade's senior investment commissioners and country managers.

Other initiatives for key representation in the China and India markets are also being explored. For other markets, the state government is developing a working relationship with Austrade investment and trade commissioners and in-country reps such as consuls to promote South Australia's interests. Recently, I participated in a delegation to the Middle East, as did the member for Waite, and DMITRE worked closely with both Austrade and the Department of Foreign Affairs and Trade in country. I might just take this opportunity to thank on the record the consul general and the ambassador to the United Arab Emirates in Qatar for their work on that trip. They were both excellent support.

DMITRE still remains focused on delivering high-quality export advice through the TradeStart program on behalf of Austrade as the South Australian partner, and the department also continues to support SMEs to become globally competitive through the \$1 million Gateway Business program, a grant to undertake international marketing activities and to facilitate export.

Mr HAMILTON-SMITH: I thank the minister and the members for those two questions, because I found them very interesting. In fact, can I just ask questions following on from both of them, starting with the overseas trade officers issue? If I am hearing correctly, we will keep a representative in the Austrade office at Mumbai and Shanghai? Was that right?

The Hon. T.R. KENYON: We will put embedded officers in there. We have not yet, but they will be embedded officers.

Mr HAMILTON-SMITH: Right. We will keep an office in Jinan?

The Hon. T.R. KENYON: Yes.

Mr HAMILTON-SMITH: And Hong Kong?

The Hon. T.R. KENYON: Yes.

Mr HAMILTON-SMITH: A dedicated office?

The Hon. T.R. KENYON: Yes.

Mr HAMILTON-SMITH: So could I just ask then, what will be the costs—

The Hon. T.R. KENYON: Sorry, just excuse me one second. The Hong Kong office is embedded in Austrade, so that will continue.

Mr HAMILTON-SMITH: Could you give us an indicative cost for keeping our person in Hong Kong? I assume it is just one person in Hong Kong?

The Hon. T.R. KENYON: Yes; that is correct.

Mr HAMILTON-SMITH: Could we just go through it? Could you just give us a cost for Hong Kong and then Jinan, Shanghai and Mumbai?

The Hon. T.R. KENYON: Currently, the budget for Hong Kong is \$135,000. Shandong is currently costing us \$120,000 a year, approximately. For Mumbai and Shanghai, both of which have not been completed yet (these are things that we will do but have not done), our indicative budgets for them is \$220,000 and \$250,000 respectively.

Mr HAMILTON-SMITH: Given that we are placed with Austrade, would those costs include a salary component? Do we pay Austrade for an office space? What is our arrangement with Austrade commercially?

The Hon. T.R. KENYON: There is a salary component; you are correct in that. There is a charge for office and office-related on-costs—computing and such—and there is also a charge for some oversight by the senior trade commissioner. We actually get some in-country accountability as well.

Mr HAMILTON-SMITH: Okay; thanks for that. I think the Shandong office, you mentioned, was over \$600,000. We obviously hire an office there and have a team, do we?

The Hon. T.R. KENYON: We rent an office in Jinan. Our budget is \$120,000 a year for that office, not \$600,000.

Mr HAMILTON-SMITH: The Office of the Agent-General in London: can you tell the committee what the full costs of the Agent-General's office is—the number of people, the total budget?

The Hon. T.R. KENYON: Unfortunately, I would be guessing if I did. That item is administered by the Department of the Premier and Cabinet. Its budget has come through there, so I cannot tell you off the top of our head.

Mr HAMILTON-SMITH: So there is no funding from DMITRE?

The Hon. T.R. KENYON: None comes from DMITRE, no.

Mr HAMILTON-SMITH: Could you tell us what other offices around the world, or positions around the world, we maintain other than those that have been mentioned?

The Hon. T.R. KENYON: We have closed all our other offices, so there are none other than the ones mentioned. We maintain relationships with Austrade, and they are especially close in Jakarta and the UAE, where we have a good relationship, especially with the Austrade offices in those countries.

Mr HAMILTON-SMITH: So nothing in South America anymore? I think at one stage we had something.

The Hon. T.R. KENYON: No; we did have an embedded office in South America, but that has been cancelled. It was embedded within Austrade.

Mr HAMILTON-SMITH: Just on that subject of trade and overseas missions, has the government got a budget figure for an overseas trade mission that it might like to get involved in, going back over the last few years or looking forward; for example, if the government plans an overseas trade mission? I note the Premier has just been to China. That might have been paid for out of the DPC and the Premier's budget. If the government is planning to host participation in a trade event or a business event in China or in India what does that normally cost the taxpayer? What do we normally spend on hosting that?

The Hon. T.R. KENYON: There is a general budget of \$200,000 for the support of trade shows and that is it for the general trade missions budget. For the recent trip to Shandong in April with the Premier, companies mainly paid their own costs—they paid airfares, accommodation and things like that. We paid for some dinners and some functions that they attended. The all-up cost of that trip for the department—departmental officers and all SA government people who travelled on

that (ministers, etc) was approximately \$100,000, and that is just being totalled up now. There is no specific allocation for these trade missions; we don't budget it out, it is done on an as needs basis.

Mr HAMILTON-SMITH: Do we have a specific program of trade missions or participation in trade visits going forward in the financial plan, or do we just have a general budget and we will take the opportunities as they present themselves?

The Hon. T.R. KENYON: Generally, we just take the opportunities as they come up, but already for the next financial year we have planned a trip to India and a trip to China and we are working through those processes. The trip to China will be in the second half of August and we are just planning that out now.

Mr HAMILTON-SMITH: Can I just ask on this same subject why the government chose to cease funding to Business SA that was previously extant for its participation in overseas trade missions? Has the government a different plan to involve the business community in these missions?

The Hon. T.R. KENYON: Could you repeat the second part of that again?

Mr HAMILTON-SMITH: I think the government was providing some funding to Business SA—

The Hon. T.R. KENYON: Yes, I got that.

Mr HAMILTON-SMITH: —and my understanding of the budget is that that has been discontinued going forward. I am wondering if that is a final decision, or whether the government has an alternative plan to involve the business community or to fund the involvement of the business community in such trade missions?

The Hon. T.R. KENYON: As to the first part, the money we gave to Business SA was a two-year deal with them, and we gave them \$1 million (\$500,000 a year over two years). That was always designed to be a two-year program that they would generate, from their activities—as a result of that seed funding, they would generate the revenues to continue that, and they gave us an assurance they would not be coming back to ask for more money. So, that is why that funding has ceased—because it was always intended to do that. We have two programs that we run to assist companies to travel overseas to get ready for exporting and to assist with marketing and everything else: Gateway and TradeStart. Companies can apply to us for those programs.

Mr HAMILTON-SMITH: Minister, could you just tell the committee how much money is provisioned in each of those programs—Gateway and TradeStart, was it?

The Hon. T.R. KENYON: Yes, TradeStart.

Mr HAMILTON-SMITH: How much is budgeted in each of those programs?

The Hon. T.R. KENYON: The budgeted amount for the Gateway program is \$700,000 for 2013-14. TradeStart is a joint program between us and the federal government, and my advice on that one is that the budget in 2013-14 is \$489,000—that is our money; that is state the government money, and the federal government contribution is approximately 410, but I might clarify that and bring back an answer on the federal government contribution to make sure we have the right number for you there. I beg your pardon, sorry; there is also a federal government program, Export Market Development Grants. Their budget across the country is \$125 million, and companies from South Australia can access that money and, with our assistance, go through that program.

Mr HAMILTON-SMITH: Okay; thank you. Just getting back to this issue of funds and grants—you have mentioned Gateway and TradeStart, and the federal program. Could you tell us or list to the committee what other funds operate within this portfolio, their purpose, and the amount of money allotted in the coming financial year to each fund?

The Hon. T.R. KENYON: There was Gateway that we just talked about, and then there is the South Australian Small Business Innovation and Research Pilot Program, which I outlined to the member for Torrens, which is \$1.5 million for 2013-14. There is the Strategic Industry Development Fund (SIDF) and the budget is \$2 million for 2013-14, and there is the South East South Australia Innovation Investment Fund, which is \$775,000 in 2013-14.

Then there is Manufacturing Works, which includes the Innovation Voucher Program. That is a combination of \$2.122 million allocated in 2013-14 under Manufacturing Works, and within that there are the Innovation Voucher Program and the Cleantech Partnering Program Eco-Innovation. They are the main ones. What I will do is see if I can't get you a firmer number for the Eco-Innovation and the Innovation Voucher Program so that you have a firmer idea of a number,

because that number I gave you of \$2.122 million is the total for Manufacturing Works and includes other programs, as well.

Mr HAMILTON-SMITH: Thank you for that. Still on that budget page 125: if I add up the funds you have just mentioned, will that come to the \$7.054 million identified on page 125 under 'Grants and subsidies'? Is that the sum total, if you like, of all grants and subsidies operating within this portfolio?

The Hon. T.R. KENYON: It should get to that \$7 million, but not including Gateway and TradeStart, so when you are doing your totals, take them both out.

Ms THOMPSON: My question related to Budget Paper 4, Volume 3, page 128: what is Invest in South Australia doing to attract investments into the state?

The Hon. T.R. KENYON: I thank the member for Reynell for her question. Having accompanied me to the United Arab Emirates and Qatar, she would be familiar with one of the offices of Invest in SA and the work that they do. I think they are a pivotal plank in our efforts to attract investment in the diverse sectors creating jobs and business across our economy and the major developments underway and planned for our state.

In its first year of operation, Invest in South Australia has made significant progress in assessing South Australia's investment opportunities across the state's priority sectors. The group has connected potential projects, sector opportunities and local companies with investors globally, including in China, Hong Kong, India, the US, Canada, UK, Europe, and the Middle East.

Investment inflow can be difficult to definitively measure, given the many factors that influence investment decisions and the long lead time between decision making and the beginning of project operations. However, certain investment projects can be identified already as having been influenced by Invest in South Australia. Invest in South Australia has been involved in more than \$1 billion of new investment projects in the pipeline within the first year of operation, including: State Grid Corporation's \$500 million investment in ElectraNet, Nyrstar's decision to pursue an upgrade of its Port Pirie lead smelter for \$350 million and Datong's \$350 million ongoing investment in Adelaide CBD commercial property developments.

In addition to this important work, Invest in South Australia has completed its strategy, which includes assessment of South Australian investment opportunities, targeted investor engagement and promotion. Invest in South Australia has also established priority sectors: mining, petroleum, renewable energy, agribusiness and aviation. The team has reinforced the focus markets of China and India and, on a more reactive basis, Australia, the United States, Canada, the UK, Europe and Hong Kong. Over the next year, sector priorities will be expanded to include resources infrastructure and a stronger focus on agribusiness.

Invest in SA was established in early 2012 following a recommendation by the Economic Development Board. The team at Invest in SA attracts investment and economic development to South Australia through: increasing global awareness of the state, promoting the state and its opportunities as an investment destination, connecting South Australian businesses to sources of finance, attracting institutional participants in the international and domestic capital markets to the state, introducing non-traditional sources of finance to South Australia and influencing the way government approaches investors.

I will add that my experience of Invest in South Australia is that they are a very professional organisation. They are very motivated individuals who generally come from a very strong commercial background and are very keen to follow up. The member for Waite would be aware of the interest in camels when we were travelling, particularly in Qatar. That is being followed up even as we speak and, with any luck, over the course of the next few months we will be able to put something to those in Qatar that they may be interested in investing in here in South Australia.

Ms BETTISON: The reference is Budget Paper 4, Volume 3, page 128. How is the government supporting the attraction of investment to the state?

The Hon. T.R. KENYON: In many and varied ways. I thank the member for Ramsay for her question. The global demand for South Australia's world-class mineral and energy resources, as well as growth in sectors such as defence and agribusiness, are creating opportunities for investment in our economy across the state. Such investment brings jobs, business and security to the state. As a government, we recognise the need for increased efforts to promote the depth and breadth of these investment opportunities to international investors.

The result was the creation of Invest in South Australia, a team of highly experienced and knowledgeable investment practitioners and case managers, as I have outlined. They act as a single point of contact between major developers, government and crucial business networks. DMITRE has its own specialist investment staff members working closely with Invest in SA to promote South Australia as an investment destination and to encourage investors to use South Australian suppliers, and their world-class skills and expertise, in their projects.

The department facilitates introductions to Invest in South Australia with proponents of major investor-ready projects and opportunities. When appropriate and relevant, Invest in South Australia promotes such an opportunity to its network of intermediaries to raise the profile of the project, promote South Australian skills and expertise, and encourage investors to consider South Australia as an investment destination. The government hosts delegations, conducts inbound and outbound missions and economic development visits, and provides introductions and follow-up assistance to potential investors.

In the minerals and resources space, the South Australian government actively helps exploration and resource companies strategically scout for global capital and joint venture partners. South Australian companies have been successful, with more than 20 joint ventures established across a range of projects. With the support of the South Australian government's PACE 2020 program, local companies are provided the opportunity to meet new potential investors at investment conferences.

Through the networks and contacts of Invest in South Australia, resource companies are introduced to national and international investment brokers, banks and firms. The Significant Investor Visa category allows South Australia to nominate high net worth individuals who are required to invest at least \$5 million in 'complying investments' in Australia for a minimum of four years. Since the program commenced, six applicants have been nominated by South Australia. The state-based criteria have recently been reviewed as part of a Public Sector Renewal Program 90-day change project.

Additional flexibility will be provided to meet with the state nomination requirements including the ability to access safer bonds. In addition, the 2013-14 budget provided \$600,000 over two years for any activity related to increased skilled and business migration. The additional funding will focus on targeted promotion and especially social media tools, to potential and skilled business migrants. Investment exploratory visits and awareness-raising programs will be conducted both on and offshore in key markets such as China. The first of these offshore visits will be within the next month, and inbound exploratory visits are scheduled for late 2013.

DMITRE works closely with the commonwealth government's trade and investment agency, Austrade. Austrade sources Foreign Direct Investment (FDI) opportunities from its network of offices in 50 countries. These opportunities are converted to either leads or potential investments, qualified and then channelled to Austrade's Australian operations. Investment requests are distributed to either all of the Australian states, or in some cases particular states, depending on the prospective investment request.

In 2012, DMITRE received 32 investment requests from about 12 different countries including India, China, the US, Korea, France and Spain, across a range of sectors such as minerals, biotechnology, tourism, energy and clean tech. The requests ranged from seeking information from DMITRE about South Australia's industry sectors to coordinating investor visits. DMITRE provides on-the-ground support to companies that visit the state, in some cases, outside the formal investment request system, and introduces South Australian businesses to foreign companies for possible joint venturing opportunities.

Austrade holds an annual meeting of its National Investment Advisory Board (NIAB) which operates as a steering group for coordination of investment attraction activities across Australia's jurisdictions. DMITRE represents South Australia at the NIAB, which is the National Investment Advisory Board, which remains an important connection to the work of the commonwealth government's Department of Foreign Affairs and Trade. DMITRE has developed and launched both the China and India strategies to maximise economic benefits for South Australia in investment, trade and business migration.

The rapid economic growth of these nations presents a significant opportunity for South Australia to increase the state's prosperity through increased trade and investment. The strategies are built around four key actions which are to: consolidate and sell South Australia's value proposition; coordinate and leverage government activity to build a trade and investment

framework for business; build and support investment-ready South Australian businesses; and re-focus government resources to support these strategies.

Ms THOMPSON: I refer to Budget Paper 4, Volume 3, page 128. Minister, what new programs has TradeStart initiated to open market access for SA exporters?

The Hon. T.R. KENYON: I thank the member for Reynell, who is a keen advocate for companies in her electorate, including RPC Pipelines. You travelled with them to Canada just recently to help them sell to the Canadians, which is good. That was a successful trip, wasn't it? They did well?

Ms THOMPSON: We are waiting for the final thing but there is a MOU.

The Hon. T.R. KENYON: Excellent. There you go. Well done, member for Reynell. The suite of services provided by TradeStart advisers through the joint partnership between Austrade and the Department for Manufacturing, Innovation, Trade, Resources and Energy (DMITRE) is instrumental in supporting South Australian exporters. I am advised that in the past two years alone, the TradeStart advisers have assisted companies to achieve 147 export sales amounting to (and I am going to round up here, call me crazy) \$62.5 million with six companies reaching international agreements.

In addition to the core business of providing expert advice, facilitation and promotion of exports, the South Australian TradeStart team has initiated a new program of wine trails that showcase South Australia's superior wine products to qualified overseas buyers. Acting on feedback from our wine companies, the group is focusing on attracting qualified inbound buyers from key markets. This approach is seen as a cost-effective model by the industry.

The first wine trail in February 2013 earlier this year and was a resounding success, introducing five qualified Chinese wine importers to 31 wineries and immediately prompting orders for more than 6,300 cases of South Australian wine to the value of at least \$480,000. In addition to the immediate financial transactions, the mission provided an opportunity for the Chinese buyers to visit several wine regions to expand their knowledge of the varieties available in South Australia which opened further networks and future distribution opportunities.

The participating wineries ranged from small boutique vineyards such as Laughing Jack Wines, Golding Wines and Cape Barren Wines, to major operations including Brothers in Arms in Langhorne Creek and Haselgrove Wines in McLaren Vale, as well as winemakers in the Adelaide Hills and Barossa Valley. I just pause briefly for the member for Schubert to say 'Hear, hear!'.

Mr VENNING: Hear, hear!

The Hon. T.R. KENYON: There you go; thank you. Riverland and Coonawarra wineries hosted the buyers during a day's tasting at the National Wine Centre. Winemakers reported that the program was more effective and much less expensive than participation in an overseas trade mission, a venture that could cost thousands of dollars yet prompt few or no sales. Winemakers advised that China was their preferred sales target and TradeStart supported them in pursuing opportunities in this burgeoning market through the Wine Trail program. Given the success of the pilot model, the TradeStart team is now assessing the feasibility of conducting a similar exercise for the ASEAN and Scandinavian markets.

Mr HAMILTON-SMITH: I refer to Budget Paper 4, Volume 3, page 125, dealing with this issue of government assistance to companies through the various funds you have mentioned. What is the government's approach, given the GFC and the difficulties being faced by many companies at present, where for one reason or another the companies are unable to comply with the conditions of the grants or subsidies or loans that have been extended to them? Is it the government's policy that if they do not comply the government will foreclose on the company or cause them to go into receivership, or will they seek to renegotiate or manage each case on a case-by-case basis? What is your strategy for dealing with companies in difficulty?

The Hon. T.R. KENYON: This is for the Gateway and TradeStart programs?

Mr HAMILTON-SMITH: Well, this is for any grant or subsidy that has been extended to a company.

The Hon. T.R. KENYON: In terms of the Gateway program, it is done on a redemption basis, so companies spend the money and then claim it back and they have two years to do that. There is no need for us to follow up; it is in their interests to get the money off us. With regard to other grants, where we have made cash payments to companies, there is no set policy. It comes on a case-by-case basis. If we thought the company was, for instance, taking excessive profits out

of a company and repatriating them somewhere or putting them aside somewhere and then claiming that somehow they are too poor to pay it back, there is the option for us to take action. If we thought it was just because of the trading environment and things were difficult and they had cash flow problems, then we have the flexibility to extend terms to take that into account.

Mr HAMILTON-SMITH: Could I list some companies and could the minister tell the committee how much has been lent to these companies and what the status of the investment is? They are: Jumbo Vision, RTM Products, Phantom Screens (or MGF Australia)—

The Hon. T.R. KENYON: Sorry, was that the same thing?

Mr HAMILTON-SMITH: Phantom Screens—I believe they are the same, but the minister could correct me on that.

The Hon. T.R. KENYON: Okay.

Mr HAMILTON-SMITH: Walter Clappis Wine, and JVI.

The Hon. T.R. KENYON: JVI?

Mr HAMILTON-SMITH: JVI, that is the name of the company as far as I am aware.

The Hon. T.R. KENYON: If it is alright with you, I might take them on notice and get back to you with details.

Mr HAMILTON-SMITH: Yes, thank you. On page 126 of the budget, the government advises that, of the \$2 million I think you mentioned in the Strategic Industry Development Fund, \$0.5 million was to be provided to the Olympic Dam Task Force for work on the Nyrstar Port Pirie transformation. Did that money then come from grants that would have otherwise been made to companies? In other words, who would have missed out so that that \$500,000 could be reallocated to the Olympic Dam Task Force? Was that within the definition and the ambit of that fund's purpose?

The Hon. T.R. KENYON: Yes, some funds were used out of SIDF to assist with the work of the Olympic Dam task force. It was to purchase expertise that we needed to assist with the Nyrstar negotiations that we were undergoing. So, that was consultants doing some due diligence works and expertise, particularly on the environmental management side of things—lead abatement and that sort of stuff—but also financial matters.

That money is within the purview of SIDF because one of the requirements of SIDF is that it undertakes structural change to sustainable, high-value, economic activities, so it certainly qualifies under that. It is of a strategic nature. This is an important project for the state. It is strategic for the state and certainly for the Upper Spencer Gulf, so it complies in that regard.

We did not take money off companies that were not otherwise allocated, but there is a set budget of \$2 million a year. There are only so many things we can fund. This was seen as an important project and, certainly, as strategic in nature for the state and worthy of funding out of SIDF.

Mr HAMILTON-SMITH: Thank you. Just on this issue of grants and subsidies mentioned a moment ago, I realise this is a decision government has taken across the whole of government, but I want to ask about the reasoning and the legal foundation behind not referring these grants and subsidies to the Industry Development Committee of parliament—a subcommittee of Economic and Finance.

Could the minister just advise the committee whether these projects are not being referred to the IDC on the basis of legal advice? I know other ministers have made comments about this, but has this department ascertained and established beyond doubt the legal advice that they are not required to put these projects to the IDC? The opposition has a different reading of the law.

The Hon. T.R. KENYON: The functions of the act—that is, the Industries Development Act 1941—are:

- (a) to investigate and report upon such matters relating to assistance to industry as are referred to the Committee by the Treasurer;

I should point out that the Treasurer has delegated his referral powers to me as the Minister for Manufacturing, Innovation and Trade. So, the functions are:

- (a) to investigate and report upon such matters relating to assistance to industry as are referred to the Committee by the Treasurer; and

(b) to perform such other functions and duties as are imposed upon the Committee under this Act.

My advice is that claims that referral to the IDC is mandatory for financial assistance being provided are not correct and that I am under no statutory obligation to refer offers of financial assistance to the IDC. So, those offers of assistance that are not being provided under the act are not required to be referred to the IDC.

It is only mandatory to refer a matter under the act to the IDC where a guarantee is to be provided either in relation to the repayment of a loan or in respect of any liability given under the act. Only then is it mandatory to be referred to the IDC in accordance with section 14 of the act—that is my advice on that.

A search of records for the period since November 2005 has not revealed any instances of guarantees provided by either the Treasurer or the Minister for Manufacturing, Innovation and Trade under the Industries Development Act and consistent with the requirements of the act all loans and other liabilities involving guarantees provided under the act will continue to be referred to the IDC.

Mr HAMILTON-SMITH: Is that a crown law opinion, or is that based upon a crown law opinion?

The Hon. T.R. KENYON: Yes, that is a crown law opinion.

Mr HAMILTON-SMITH: Does the Nyrstar offering of what I understand is to be an indemnity or a guarantee qualify then as a matter that should go to the Industry Development Committee?

The Hon. T.R. KENYON: Perhaps we will take that on notice, member for Waite, and get back to you on that.

Mr HAMILTON-SMITH: Can I just foreshadow that should the opposition be in government, just for the benefit of the officers, this is something we will be looking into in considerable detail to ensure that everybody has exercised their responsibilities in accordance with the act? Thank you for your advice.

The Hon. T.R. KENYON: Let's hope that remains hypothetical for a few more years.

Mr HAMILTON-SMITH: Of course it does. Page 126 of the Budget Paper mentions the medical devices commercialisation program and indicates that that funding has ceased. Can you indicate how much was saved in doing so and explain the thinking behind this decision? We would have thought that medical devices commercialisation fitted right in there with Göran Roos's concept of value adding and moving up the value chain. We thought it was a curious decision. How much have we saved and why did we make that decision?

The Hon. T.R. KENYON: The program was initially launched in March 2011. It had an ongoing budget allocation of \$500,000 per year. That ceased on 30 June 2012, following the 2011-12 Mid-Year Budget Review. The program was run in partnership with Flinders University and its commercialisation arm, Flinders Partners. We have since reinstated that program, I am told, under the manufacturing works program and look forward to continuing it.

Ms BETTISON: I refer to Budget Paper 4, Volume 3, page 128. How is the Department for Manufacturing, Innovation, Trade, Resources and Energy supporting increased business and skilled migration into the state?

The Hon. T.R. KENYON: That is a very good question and I am very happy to answer it. Thank you, member for Ramsay.

Mr HAMILTON-SMITH: You were very surprised.

The Hon. T.R. KENYON: I thought I was going to be more surprised than I have been in the end. I am pleased to advise that the state government is an active participant in the State-Specific and Regional Migration scheme provided by the federal Department of Immigration and Citizenship (DIAC). The object for participating in the SSRMS offered by the federal government is to deliver a benefit to the state by attracting permanent skilled and business migrants to meet employer skills needs and supporting population targets and building business investment, resulting in job creation, enhanced industry capability and export dollars.

The three programs are titled: General Skilled Migration, Business Innovation and Investment Program, and the Regional Sponsored Migration program. The manner in which the state participates enables successful settlement outcomes for business and skilled migrants and

maintains participation and integrity at all times to ensure participation benefits local labour market conditions and community and business support for Australia's skilled migration program.

I am advised that there are a number of external factors that affect demand, namely, global and national competition of skilled migrants, restrictions and changes to visa eligibility by DIAC and state nomination criteria required by the South Australian government, interest in immigration by potential migrants which is influenced by global economic conditions and awareness of migration options, job opportunities in the South Australian economy, and comparative economic conditions with source markets.

Over the last two years DIAC has made significant changes to the national migration program that has directly or indirectly impacted on the uptake of the SSRMS. The decline in eligible applications is not unique to South Australia. Other states and territories participating in the initiatives have also experienced a decline. These changes include the introduction of state migration plans that define the set number of nominations a jurisdiction could make in a program year. Prior to the SMP, jurisdictions had no limit to the number of nominations. Providing the overall national quota was not exceeded, the timing of the outcome of the sponsorship was then dependent on how long it took DIAC to process the applications in their pipeline.

There were changes to the points test for the General Skilled Migration program and the introduction of a points test and higher metric values required for the Business Innovation and Investment Program. There was a decoupling of the link between study and permanent residency. Reforms to the permanent employer-sponsored program, including changes to the role of the regional certifying body for the RCB for the Regional Sponsored Migration Scheme (RSMS), the introduction of a skill select for the General Skilled Migration (GSM) and BIIP (the Business Innovation and Investment Program), and removing the ability of migrants to lodge visa applications directly with DIAC. The changes have meant that competition has increased for our state.

However, in response to all these changes South Australia has continued to participate with minimal disruption in the acceptance of applications and processing. It has implemented an online application processing system to make it easier and quicker for applicants to apply to Immigration SA, solidified the migrationsa.gov.au website as the primary information and communication tool, and commenced the use of social media.

Two additional initiatives established recently have been the 90-day change project involving improving skilled and business migration outcomes for South Australia, which is being undertaken within existing resources, and the additional funding of \$600,000 over two years, announced in this year's budget, which will target skilled and high net worth migrants for state nomination under the GSM and Business Innovation and Investment Program. The 90-day change project, being undertaken jointly by Immigration SA and DPC, aims to improve migration outcomes for South Australia. The project focuses on significantly improving the outcomes from the state's participation in the national migration program. The aim is to increase the number of nominations for business and skilled migrants from state government and local employers.

The additional funding provided in this year's budget will focus on targeted promotions to potential and skilled business migrants. Digital and social media will be used as well as direct relationship building with migration agents and potential investors. Investment exploratory visits and awareness raising programs will be conducted both on and offshore in key markets, such as China. The first of these offshore visits will be in late July, with inbound exploratory visits scheduled for the fourth quarter of 2013.

In summary, the state government is committed to ensuring that we are perceived as the best state to migrate to, with enormous opportunities for investment and employment. The long-term vision is to maximise participation in the SSRMS, which meets the current and emerging needs of employers responsive to the economic needs of the state, and make South Australia a competitive immigration destination.

Mr HAMILTON-SMITH: Supplementary on that question of population and the minister's answer. Could he confirm to the committee how many people and how much money within his department is allotted to this task that he has just outlined of population and migration? How many people and what budget is allocated to DPC? Is there overlap here? Should we have this all in one department, for example? Should the population migration activities of the DPC be reallocated down to DMITRE so everyone is in one location? How much are you spending and how many people do you have on the task you have just outlined to parliament and how does that interface with DPC and, for that matter, Multicultural SA?

The Hon. T.R. KENYON: I will need to bring back the detail on numbers for you, especially on employees because obviously we do not have the DPC numbers to hand and we will get them for you. There is no overlap; DPC does the policy side of things and liaises directly with the federal government—DIAC. People in DMITRE do the implementation and the processing of visa applications, and the like.

We work with both DPC and Multicultural SA. Primarily it is around assisting people when they have arrived: integrating and making contact with local communities, and things like that. We also use them for advice when considering different policies and the way we may change policies.

Mr HAMILTON-SMITH: Can you tell us what people and resources you have in your department or do you need to come back to us on that?

The Hon. T.R. KENYON: We do not have them easily to hand, so it would save a bit of time if we could get them to you.

Ms THOMPSON: My question relates to Budget Paper 4, Volume 3, page 125. How is the Mining Industry Participation Office (MIPO) supporting mining and manufacturing development?

The Hon. T.R. KENYON: In 2012 the South Australian government announced the establishment of the Mining Industry Participation Office (MIPO) within DMITRE, as part of the state's Manufacturing Works strategy. MIPO is supporting the development of mining and manufacturing in South Australia by identifying the needs of the resources sector and outlining those needs to the manufacturing and supply sectors.

It works closely with the Industry Capability Network in South Australia (ICNSA) and PACE Manufacturing to identify and build opportunities for local participation in existing and future mining and energy projects in the state. MIPO is forecasting demand for goods and services required by the resource sector; PACE Manufacturing is developing capability and capacity in local supply chains; and ICNSA is matching the most suitable local companies with project packages.

Once demand has been established and the state's supply chain shortfalls are identified, MIPO will help build capability and capacity by providing a greater level of engagement between the state government, resources companies and the broader supply and services industry. MIPO's initial priority is to understand and quantify the needs of the resources sector.

A MIPO Advisory Council, consisting of senior leaders from the minerals and energy resources sector, industry associations and government, has been established to set the strategic direction and oversee the development of MIPO. The council, which has met three times, will focus on building local capacity and capability to ensure South Australian businesses are able to capture the opportunities our major minerals and energy resources projects present.

Some of the largest minerals and energy companies operating in South Australia are represented on the council, including BHP Billiton, Santos, OZ Minerals and Beach Energy. To date, MIPO has performed a supply chain analysis for unconventional gas and identified two immediate opportunities for South Australia. These are: the supply of chemicals for the fracking process (or hydraulic fracturing); and the provision of training facilities for unconventional gas drilling disciplines, which is being developed as part of the recently announced Mining and Petroleum Services Centre of Excellence.

In addition, as a direct result of MIPO Advisory Council feedback, the Industry Capability Network of South Australia is developing prequalification capability which will allow companies to be screened into categories required by project proponents and engineering procurement contract managers. An information and communication technology road map is also being developed in collaboration with the Australian Information Industry Association, Deloitte, DMITRE and CSIRO. The road map will position South Australia strategically within the rapidly growing mining-related ICT space, and is at the first stage in a plan to establish in Adelaide a national hub (or cluster) of mining and energy ICT expertise based on leading-edge innovation.

Ms BETTISON: I refer to Budget Paper 4, Volume 3, page 128: minister, what progress has there been in building relationships with India and China?

The Hon. T.R. KENYON: Since the launch of the South Australian India and China engagement strategies at the end of last year, the government has made considerable progress in building relationships with both India and China. Two strategic advisers on China and India were appointed at the beginning of this year, and two advisory councils have also been convened to oversee the implantation of the initiatives under the strategies. The advisory councils are chaired

by the strategic advisers on China and India; Mr Brian Hayes QC in the case of India, and Mr Sean Keenihan in the case of China.

The South Australia-China Engagement Strategy recognises the long and fruitful sister-state relationship between Shandong Province and South Australia. This is a relationship that has just completed its 27th year, and has witnessed cooperation in trade, science and technology, culture, education, and clean technology. Shandong Province has the third-largest economy in China, a population of more than 96 million people and a gross state product of over \$600 billion.

The Premier returned to Shandong in April 2013 with a 60-person delegation comprising of business owners, industry and institutional representatives, and government heads of department. The inaugural Shandong South Australian Cooperation and Development Forum was held in Jinan, and was supported by the Party Secretary of Shandong Province and the Governor of Shandong. The forum brought together South Australian strengths in sectors such as agribusiness and mining with Shandong's demand for high-quality produce and expertise.

The Premier's delegation met with senior government officials to discuss how South Australia can meet Shandong's demands in areas such as clean energy, natural resources and bulk commodities. Existing partnerships were reinforced and new partnerships were forged. Members of the business delegation benefited from the strategic partnerships that South Australia has developed with Shandong. Government involvement encouraged high-calibre Shandong businesses to attend the forum, and business-to-business connections were quickly developed.

China is a country with a high level of state involvement in business, predominantly through state-owned enterprises. A number of wine and mining-related companies that accompanied the Premier have reported business outcomes. The Shandong-South Australia relationship has progressed with the signing of a memorandum of understanding to enhance cooperation and development in minerals and resources, agriculture and green food, culture, education, and advanced manufacturing. The MOU also requires the establishment of a working group to encourage collaboration, and to steer the direction of the forum.

The Adelaide Festival Centre also signed an MOU to deepen its relationship with the Shandong government's Department of Culture, establishing a collaborative program for the 2014 OzAsia Festival. Building cultural links between South Australia and Shandong is developing greater people-to-people connections, as well as promoting a better understanding of Chinese culture. South Australia's academic institutions are also establishing strong links with the Shandong Province.

These strategic partnerships include the China Australia Centre for Health Services, a joint research and education centre between the University of South Australia and Shandong University. Finders University also unveiled a joint laboratory with a high-technology seaweed processing business headquartered in Qingdao. This cooperative research venture may also provide the basis for commercial developments in South Australia. Shandong is an important source of international students for South Australia, and all South Australia's higher education institutions have Shandong-based offices.

Following the Premier's successful visit to Shandong, the South Australian government is working with industry groups to define opportunities for trade and investment outcomes and South Australia's value proposition. The government will also develop a China business education program to prepare businesses to engage successfully with China. Beyond the Shandong relationship, the South Australian government is working to develop key partnerships with the Fujian Province.

Minister Gago signed an MOU with the Fujian government in August 2012 to enhance investment in agricultural technology, promote the export of premium produce, and collaborate in food safety. Minister Gago led a delegation of food industry companies to Hong Kong, Shanghai and Fuzhou in May 2013 and presented a model platform to the Fujian government relating to the export of South Australian produce to China.

The strategic partnerships Primary Industries and Regions South Australia (PIRSA) is building in Fujian Province will link South Australian businesses to food processing, wholesale and retail distribution networks, and facilitate market entry. In addition to the relationships being progressed at a provincial level, the South Australian government is deepening its strategic partnership with the Chinese Embassy in Canberra.

The Chinese Embassy strongly supported the launch of the South Australia-China Engagement Strategy in December 2012. Later this year, the Premier will attend a second

consultative meeting under the MOU signed in June 2012 to promote bilateral relations and cooperation and trade between China and South Australia.

This government-to-government relationship is a platform through which we may brief each other on current economic conditions and discuss matters of bilateral trade and cooperation, share information about trade and investment opportunities, and consider issues that have emerged in bilateral cooperation.

In May 2013, the South Australian government worked with the Northern Territory government to host the Australia China Minerals Investment Summit. This event was attended by minister Koutsantonis and brought together South Australian explorers and mining companies and Chinese companies to explore investment opportunities in South Australia's mining sector. The partnerships that the resources and energy division of DMITRE is building are crucial in attracting overseas investment to the sector.

The government has also been building strong links with the Chinese community in Adelaide. The Premier participated in this year's annual Chinese New Year celebrations in Adelaide's Chinatown, which featured live music, dancing and food. Building strategic partnerships with the Chinese business migrant community has a number of advantages: not only the knowledge and business networks that these new South Australians bring, but also the jobs and wealth that new investment creates in our state.

Local governments are forming strategic partnerships with China. The Lord Mayor of Adelaide, Mr Stephen Yarwood, is proposing to travel to the City of Adelaide's sister city, Qingdao, a key city in Shandong Province. Our former Lord Mayor, Dr Alfred Huang, recently hosted the Vice Mayor of Linyi, another city in Shandong Province, and we are building important people-to-people links.

The Minister for Mineral Resources and Energy, the Minister for Tourism and the Minister for Agriculture have met with central-level People's Republic of China government officials, and in coming months, the Minister for Environment and I will visit China and reinforce South Australia's credentials with Shandong Province in particular. The Minister for Mineral Resources and Energy will attend the annual China Mining Conference in Tianjin, along with a strong delegation of South Australia's exploration and mining companies.

Unlike South Australia's long relationship with China, our economic relationship with India has been a focus only recently, generated through high-level political engagement, particularly through former premier Rann visiting India six times over the previous seven years. In the next 20 years, India will become the world's third largest economy, with annual growth rates, until recently, averaging 8 per cent. The 2012 release of the commonwealth government's Australia in the Asian Century White Paper reinforces the importance of India to Australia for exports of commodities, as a supplier of large numbers of full-fee paying international students, and for two-way investment.

The ALP's 2011 decision to change its policy on exporting uranium to India paves the way for a stronger and more broad-based relationship between South Australia and India, and a bilateral safeguards agreement. The 10-year South Australia-India Engagement Strategy (the India strategy) aims to align South Australia's capabilities and needs with India's future development and increase the state's prosperity through trade and investment flows between South Australia and India. It also provides a way for the state to develop an understanding about India and opens communication with Indian government, targeted business sectors, educational institutions, and cultural and sporting organisations. The India strategy positions the state as a leader and places it ahead of other Australian states and many nations when engaging with India.

The Premier and the Strategic Adviser to India visited India in November 2012 to attend Austrade's AusFest events and promoted the India strategy through a series of meetings with Indian government and business officials. The visit produced a number of leads which have been followed up by Invest in South Australia and resulted in the Strategic Adviser to India and a representative of Invest in South Australia visiting India earlier this year to further potential investment and trade discussions and to continue promoting the strategy.

In March 2013, India's High Commissioner, His Excellency Biren Nanda, visited Adelaide. His Excellency met with a number of government officials and was presented with the India strategy. He appeared to be impressed with the strategy and with our government's understanding and commitment towards working with India, and indicated that South Australia was more organised in its approach to India than other Australian states. The South Australian government has been committed to developing and implementing the India strategy with the state's business

sectors. As background research to the strategy, the state government worked with KPMG to undertake analysis of key sectors in India, concentrating initially on:

- aerospace and defence;
- energy and natural resources;
- clean technologies, including water and wastewater; and
- education.

From this work, a series of priorities emerged that shape the strategy's execution, including establishment of the South Australia India Advisory Council. After the launch of the India strategy, industry workshops were scheduled in April to brief industry on the KPMG work in an interactive way. The workshops were hosted by DMITRE and outlined to industry the detailed India strategy work done by KPMG in developing the strategy.

In examining the outcomes of the workshop, it was agreed by the India Advisory Council that the education and resources sectors were likely to provide immediate opportunities. As a consequence of these findings, the South Australia India Advisory Council has formed a higher education subgroup represented by the University of Adelaide, Flinders University and the University of South Australia and chaired by Ms Denise von Wald, Chief Executive of Education Adelaide.

Part of the subgroup's charter is to investigate existing barriers to attracting more international higher education students from India and ways the government can help the sector market South Australia more effectively. The government is also building links with the Indian community in Adelaide and the India Council has established a diaspora subgroup, chaired by Ms Rajini Vasan, to examine ways of better understanding and engaging with the local Indian community.

The India strategy is being resourced by DMITRE through the creation of new positions in Adelaide and in country. The local India team will comprise a director India and a project officer within DMITRE. These positions are expected to be filled in the coming months. In India, there will be a South Australian specialist investment manager embedded within Austrade's office in the business capital of Mumbai, and an in-country representative who will liaise between high levels of Indian and South Australian government and business representatives.

All specific India resources will be working closely with Invest in South Australia to promote investment and education-related opportunities to relevant parties. The India teams will help identify and realise opportunities for investment and trade and will work closely with the Office of International Coordination within the Department of the Premier and Cabinet on targeted government missions to India. I expect to visit India for the first time before the end of 2013 to meet Indian officials and education providers and reinforce the state's strategic approach to engagement with India.

Mr HAMILTON-SMITH: Going back to Budget Paper 4, Volume 3, page 126, can the government explain its reasoning for transferring money from the Tourism Commission Aviation Attraction Fund to the Tonsley redevelopment? How much was transferred and why was this decision made?

The Hon. T.R. KENYON: My advice is that the Aviation Attraction Fund was established jointly in 2008 by Adelaide Airport Limited, the South Australian Tourism Commission and the then Department of Trade and Economic Development (DTED), which was the department before DMITRE. The fund was administered by the South Australian Tourism Commission. The Aviation Attraction Fund was terminated in 2011 as a result of a decision by the Adelaide Airport Limited to withdraw its contribution to the fund. DMITRE's share of unspent funding, totalling \$396,000, was returned in 2013 and redirected to the Tonsley redevelopment.

A whole-of-government approach to aviation strategy for South Australia is currently being managed by the Tourism Commission. Additionally, Invest in South Australia, a business unit within DMITRE, is working with the Tourism Commission to closely target air service development as an important area of focus for state economic development. So, essentially, Adelaide Airport pulled their money; therefore, we pulled ours and put it to another use.

Mr HAMILTON-SMITH: Going back to Holden on page 125, can the minister share with the committee what he anticipates Holden's new ask will be? No doubt there have been some discussions between the government and Holden and they have clearly indicated that they are

going to come back with a further request. Are you able to share with us what you think the state government contribution might be? You mentioned earlier it would be \$50 million based on previous negotiations. Could it double or triple?

The Hon. T.R. KENYON: We have indicated to Holden that we do not really have any capacity to make a larger contribution than what we have already outlined. Holden, in seeking an increased contribution, are seeking that from the federal government; they are not coming to us asking for more money. I am unsure how much they are asking the federal government for. The first stage of that, of course, is that they are negotiating, as has already been discussed—or has been discussed in the media anyway—with their workforce on the terms of employment and wages and conditions, and they are going through that process even as we speak.

Mr HAMILTON-SMITH: Same budget paper: Departmental Structure. The budget paper gives us an indication of the number of people in the department. Can the minister share with us his feelings about the current structure of his department and whether there are any plans going forward for restructuring or redesign of that department, or any changes that the government is foreshadowing?

The Hon. T.R. KENYON: Over the last couple of years there has been a steady review of all areas of the department since it was formed by the Premier—so they have gone through that. The last one is currently being undertaken, which is the people and culture section. That is underway—in fact, it is well advanced—and the analysis has been completed and the implementation is about to take place. Within DMITRE, the whole department, there are 489 people, with a FTE count of 466.74, a very precise number. Of these 489 employees, nine of them are in my office; there are 170 people within the manufacturing (the MIT part of DMITRE); and the remainder are within the resources and energy section. That final review of strategy, people and culture will be implemented shortly, and I look forward to them settling down and really cracking on with the work at hand.

The CHAIR: The member for Schubert.

Mr VENNING: Thank you, sir. This will definitely be my last question after 24 years of coming to estimates.

The CHAIR: Well, you had better pull the microphone close to you so we can hear it.

The Hon. T.R. KENYON: Would you like some sort of ceremony before we start?

Mr VENNING: We will do that anyway.

The Hon. T.R. KENYON: Shall we stand for the national anthem?

Mr VENNING: Not just yet. I refer to Budget Paper 4, Volume 3, page 115, Sub-program 2.1.

The Hon. T.R. KENYON: You are showing your experience there, just in the way you delivered that!

Mr VENNING: Can the minister advise what assistance could be provided to assist the Penrice mine in Angaston, to ensure their future and prevent job losses? Penrice Soda Holdings closed its soda ash manufacturing operations earlier this year resulting in 60 job losses. The previously high Australian dollar, rising costs and uncertainty from the carbon tax had forced the closure of the plant. Does the minister have any further information that we are able to tell people in the Barossa Valley?

The Hon. T.R. KENYON: It is mainly a resources and energy question but, seeing as it is your last one in estimates, we will see if we can provide an answer for you. The department is working with the company, I am told, to go through the adjustments that they might need to make with their mining plans and rehabilitation plan and making sure that there is no regulatory burden or impediment to what they would need to do to adjust their business but, in the end, they need to have a customer to sell to, and the market does not like it, and there is not a lot the government can do to influence demand for limestone.

Mr VENNING: So, it is not good news?

The Hon. T.R. KENYON: There is only a limited amount to do and we are doing what we can.

Mr HAMILTON-SMITH: Budget Paper 4, Volume 3, page 125 talks about PACE Manufacturing. Could you tell us how much you are spending on that particular program, how many people are involved, and how you are measuring outcome?

The Hon. T.R. KENYON: PACE manufacturing is designed to link manufacturing companies with the mining industry. At the moment, through MIPO, we have the Industry Capability Network (ICN) working with a couple of employees from MIPO on that program. They have just employed a PACE manufacturing manager and they are working with the federal government through its Enterprise Connect on the implementation of this program, and so far they have assessed about 50 companies for participation through the program. As for the actual amounts, you will be using largely existing resources, so it would be salary costs which would be hard to separate out to give you a definite number. If you really would like that number, we could try to find that.

Mr HAMILTON-SMITH: Right. Moving on to page 127 and the SA Industry Participation Policy (IPP) and the Industry Participation Advocate (IPA). How much are we spending on the policy and the advocate? Are we getting value for money from both the policy and having the advocate's position, and how are we measuring that?

The Hon. T.R. KENYON: The budget for the Industry Participation Advocate is held within DPC. The Industry Participation Advocate reports to me and takes direction from me; administratively, it goes through DPC and the budget sits within DPC. We will take that on notice and provide you with the budget. For the IPP, the policy was an internal working document that cost us salary costs and time. There are various thresholds at which various requirements kick in and, as the value of the contract increases, the requirements increase upon them.

So far 20 tenders have met the thresholds of the IPP; 12 of them have required the preparation of statements of intent; six required basic IPPs; and two required a detailed IPP from tenderers. So the thresholds are between \$3 million and \$10 million and you need a statement of intent. Between \$10 million and \$50 million, you need a basic plan. For a tender contract total over \$50 million, you need a detailed plan. As for the dollar amount of the Industry Participation Advocate, I will get that number to you.

Ms BETTISON: I refer to Budget Paper 4, Volume 3, page 138. How has the Office of the Small Business Commissioner supported small business in regional South Australia?

The Hon. T.R. KENYON: That is a very good question. Both the Small Business Commissioner and the deputy commissioner have made a priority to engage with and support small businesses in regional South Australia. Small Business Commissioner Mike Sinkunas has spent 13 years living in regional South Australia and, more recently, was the state director for small business and regional development. His deputy, Frank Zumbo, has had a long involvement in regional communities throughout Australia.

Since the inception of the office in March 2012, the commissioner and/or the deputy commissioner have visited regional centres across South Australia in Whyalla, Port Augusta, Port Pirie, Port Lincoln, Mount Gambier, Berri, Renmark, Loxton, Kangaroo Island, Ceduna, Roxby Downs, Coober Pedy, Bordertown, Naracoorte, Millicent, Robe, Elliston, Streaky Bay, Murray Bridge, Strathalbyn, Victor Harbor, a number of Barossa Valley towns—

Mr VENNING: Hear, hear!

The Hon. T.R. KENYON: —thank you—Jamestown and Kadina. During these visits, local businesses and community leaders, as well as individual businesses, have had discussions and meetings with the commissioners and the office has had numerous inquiries and disputes lodged from regional areas.

Ms BETTISON: With reference to Budget Paper 4, Volume 3, page 125, minister, what is the government doing to fulfil its commitment to building innovation capabilities in South Australian industry?

The Hon. T.R. KENYON: As I was telling the member for Torrens earlier, this is going to be the key to the survival and progress of manufacturing in South Australia, but innovation is going to have a number of forms. It is not going to just be new products: it is going to also involve innovation in business models, it is going to involve a different approach to research and development and a different approach to identifying new and emerging sectors and markets. In today's high-cost environment, innovation creates value for both the customer and the business.

The government is committed to building innovation in South Australian industry, and that is why fostering innovation is a key element of the Manufacturing Works strategy. Many firms are experienced in creating value through efficiency or technology, but there is a relative weakness in the understanding of how to appropriate the value they have created back to their businesses. That is why the Manufacturing Works strategy sets out a series of programs and initiatives to respond to the economic conditions that are impacting on our manufacturing industry and to assist firms to embed innovation into their business systems.

I have talked about the innovation voucher program already. So far, we have provided eight grants for that. We are also running a range of new applied learning programs that are currently being rolled out for manufacturers to learn about business model innovation, building services into a company's revenue stream and creating value through innovative design.

We talked very briefly about design before. There is the business model innovation, but a big part of the work of Göran Roos is looking at how companies can develop new products and then change their business model to improve services to their products. They do not make money from a product just by selling it: they make money from a product by selling it and then continue to make money from the product by offering other services to their customers that will allow them to continue to receive an income after they have sold the product.

Programs will explore elements of innovation which are not solely research or creativity but which can create and capture value. I have talked about the small business innovation pilot, working with SA Water. There was an announcement in the budget just recently that an additional \$3 million will be allocated to continue the SBIR program over the next three years.

One of the most exciting developments as we encourage innovation is the emergence of Tonsley—a 61-hectare site. Last month, Tonsley was officially declared open for business with an initial lease of 35,000 square metres. The former Mitsubishi site will be a catalyst for new thinking, new systems and new businesses in Adelaide's south.

The businesses will join a cluster of like-minded firms and high-value manufacturers working in sectors such as clean tech, mining and energy, green construction and medical technologies. They will work alongside anchor investors and the world-class research and training facilities of Flinders University and TAFE SA.

The development of modern industry clusters like Tonsley is a key focus for the government. They help accelerate the application of new knowledge and innovation. Industry clusters are groupings of businesses in related industries situated in close geographical proximity to one another. Getting them working well is going to be a really important part, over the next few years, of manufacturing works.

The South Australian government has also provided in-kind support of \$600,000 over two years to Innovyz START, a mentorship-based accelerated program. They are a great bunch of people there, who run intensive 10-week programs and then present the companies they have worked with to investment forums, which are really interesting things to go to. I would recommend members take the opportunity to attend the next one. It starts very shortly and will go through for 10 weeks and at the end of that there will be a group presentation day. They are excellent to attend.

The Innovyz mentorship-based accelerated initiative will leverage private sector investment to help create an innovation cluster and ecosystem in South Australia that will foster innovation, accelerate the growth of start-up companies and provide entrepreneurs with access to people and resources that would otherwise not be available.

The CHAIR: There being no further questions, I declare consideration of the proposed payments for the Department of the Premier and Cabinet adjourned and referred to Committee B. The other budget line that I opened at 9.30am remains open and we now go to Small Business. I invite the minister, when he is ready, to introduce his new advisers and also to make an opening statement if he so wishes.

The Hon. T.R. KENYON: With the indulgence of the committee, I will just be a couple of minutes getting organised.

Membership:

Mr Williams substituted for Mr Venning.

Hon. I.F. Evans substituted for Mr Hamilton-Smith.

Departmental Advisers:

Mr M. Sinkunas, Small Business Commissioner, Office of the Small Business Commissioner.

Mr I. Nightingale, Industry Participation Advocate, Department of the Premier and Cabinet.

Ms A. Allison, Director, Corporate Services, Department for Manufacturing, Innovation, Trade, Resources and Energy.

Mr P. Polychronopoulos, Chief Finance Officer, Department for Manufacturing, Innovation, Trade, Resources and Energy.

Mr L. Piro, Group Executive Director, Department for Manufacturing, Innovation, Trade, Resources and Energy.

Dr P. Heithersay, Deputy Chief Executive, Department for Manufacturing, Innovation, Trade, Resources and Energy.

Ms E. Ranieri, Deputy Chief Executive, Strategy, People and Culture, Department for Manufacturing, Innovation, Trade, Resources and Energy.

Dr B. Mahoney, Chief of Staff.

The Hon. T.R. KENYON: I am going to make some very brief opening remarks. Small business provides a backbone for our connected communities, delivering jobs, services and security, and stimulating our social cohesiveness and wellbeing. As Minister for Small Business, I have made it clear that this government will continue to work to deliver a supportive platform that enables our 142,000 small businesses to flourish and thrive.

The state budget reinforces our commitment. We have provided \$5.4 million over four years and aim to stimulate small business establishment, innovation, productivity and efficiency. Small business represents 96 per cent of the private sector enterprises in South Australia, ranging from home-based and family-run establishments to small enterprises and professional services firms. They operate across a number of sectors right across the economy, and I have personally been very privileged to visit many of them. I am very grateful for their propensity to take a risk, to work hard and to benefit not only themselves but their local communities and their employees.

I have been grateful for the assistance of Mike Sinkunas over the five months that I have been in the department. I am a very big supporter of his unit, the Small Business Commissioner; there are some good people down there. I am also very pleased to have established, when I became minister, the Industry Participation Advocate. I am very pleased to see Mr Nightingale appointed to that position, and I have been pleased to work with him over the last five months to establish that office. With that, I will go to questions.

The Hon. I.F. EVANS: I have no opening statement. Minister, I refer to Volume 3, page 132 and 133. Can I just clarify: are you taking questions on the Industry Participation Advocate during this hour? We contacted your office overnight and we were told that it was not part of this estimates session. Is your understanding that it is in this estimates session?

The Hon. T.R. KENYON: The Industry Participation Advocate is in this session. It reports to me, but the budget line goes through DPC. So, administratively it is through DPC, but it reports to me.

The Hon. I.F. EVANS: But we are taking questions on it now?

The Hon. T.R. KENYON: Yes. I do not think it was my office that you contacted. Was that the department or my office that you contacted?

The Hon. I.F. EVANS: Your office. It is my understanding that we contacted your office.

The CHAIR: Can I just interrupt? If you are going to ask questions I have to open that line again.

The Hon. I.F. EVANS: The IPP? He just told us it is in this hour.

The Hon. T.R. KENYON: Because there has been some confusion about the reporting arrangements and everything else, I am happy to have questions in this hour about it, yes.

The Hon. I.F. EVANS: Was it intended to be in this hour?

The Hon. T.R. KENYON: Yes.

The CHAIR: The current line remains open for Department of the Premier and Cabinet and administered items.

The Hon. I.F. EVANS: Last year, the budget for the Small Business Commissioner was around \$950,000. What is the budget this year?

The Hon. T.R. KENYON: The operating budget for the Office of Small Business Commissioner for 2013-14 is \$1.77 million.

The Hon. I.F. EVANS: Okay; can you just walk me through how this works? On page 132, program 5, the budget line for employees expenses is \$847,000, and then supplies and services are \$783,000; so total expenses are \$1.749 million. Are you saying that all of that is for the Small Business Commissioner?

The Hon. T.R. KENYON: The \$1.77 million is made up of \$1.325 million, which is a payment through administered items to the Office of the Small Business Commissioner, and the remaining amount of just over \$400,000 comes from revenue for mediation they charge, so it is for fee-for-service arrangements.

The Hon. I.F. EVANS: When this budget line shows total income of \$24,000, where is the \$400,000 for the Small Business Commissioner's income shown?

The Hon. T.R. KENYON: It is not shown in the agency statements, I am told. Treasury do not slot it in there.

The Hon. I.F. EVANS: Can the minister provide for us a breakdown of the income and expenses for the Small Business Commissioner's Office? My understanding is that last year it was around \$950,00 for the Small Business Commissioner's Office and there was about another \$340,000 to do with the retail leases that transferred over from Attorney-General's, and the office costs are not set out anywhere in the budget.

The Hon. T.R. KENYON: Yes, okay, we will take that on notice.

The Hon. I.F. EVANS: And if you could advise the committee if the Small Business Commissioner's Office was abolished and we kept the retail tenancies' function within government, what is the saving to budget? If you can take that on notice, thanks.

The Hon. T.R. KENYON: Okay.

The Hon. I.F. EVANS: Can the minister update us on the commissioner's report into the pricing practices of shopping centres regarding electricity?

The Hon. T.R. KENYON: I might ask the commissioner to update us on that.

Mr SINKUNAS: Once the Premier and the then minister for Small Business announced the enquiry in December last year, we started a process of engagement with a variety of stakeholders. We called for submissions and we received four formal submissions by groups. Due to the complexity of inset networks, we requested an extension which was granted by the minister for that inquiry and it will now finish in late July, early August. At the current moment, we are looking at the final stages of preparing the report for the minister's consideration.

The Hon. I.F. EVANS: So, through the minister, when did the minister ask the commissioner to undertake the inquiry into the electricity practices of shopping centres?

Mr SINKUNAS: Originally, at estimates last year, the then minister, minister Koutsantonis announced it. We then subsequently developed terms of reference which were then signed off by the minister and it was announced officially in December.

The Hon. I.F. EVANS: Was there any work done between June and December?

Mr SINKUNAS: There certainly was. The sort of work that we did was, given this is an area we haven't got expertise on, we went and consulted key groups, particularly groups such as ESCOSA and other key players in electricity. We did some background research in order to format or to create the terms of reference which were appropriate.

The Hon. I.F. EVANS: Minister, on the same budget line you said in your opening that there were \$5.4 million worth of programs over four years. Can you please outline for us each of the programs and the budgets across the forward estimates for each of the programs?

The Hon. T.R. KENYON: There is \$600,000 over two years to support small business start-ups and small business development; \$3 million (that is rounded up, so it is slightly under that) over three years to continue the Small Business Innovation Research Pilot program which is an innovation part of the manufacturing works, but it is an innovation program; \$440,000 over two years for the Industry Participation Advocate to help local businesses win more government contracts; \$1.1 million (again rounded) over four years to increase the dispute resolution services of the Office of the Small Business Commissioner, which will make it easier for more businesses to use the mediation services available from the commissioner; and \$300,000 over two years for a red-tape reduction task force to identify opportunities to further reduce government red tape for business. That does not include the payroll tax concessions.

The Hon. I.F. EVANS: So they are not just the new programs: they are all of the programs that you are responsible for in this section. Is that right?

The Hon. T.R. KENYON: They are all new.

The Hon. I.F. EVANS: What are the existing programs? Under Opportunities for Small Business, which total \$850,000 in employees' benefits, what are all the programs that are covered by that budget line?

The Hon. T.R. KENYON: There is a number of them: they have released a small business strategy; developed an online platform for small business information; and business tools and services, including a mobile version of the Small Business Commissioner's website. In addition, the Small Business Strategy has delivered programs and services to the small business sector including a range of digital media presentations and workbooks to assist start-up businesses to plan their businesses and support their ongoing sustainability.

There has also been the implementation of the Major Projects Ready Program to assist small businesses to understand more about preparing to engage in supply chains, major project tenders and joint ventures; and the Small Business Contact Service, to provide first point of contact for referrals to business information tools and services for business, people who intend to start a business and owners of businesses. Direct program funding within small business for 2013 is as follows:

- Business SA coaching and mentoring programs, \$150,000
- Business Development Council, \$30,000
- Business Licensing Information System (BLIS), \$153,000—that was a transition from BLIS to ABLIS
- Industry liaison engagement, \$134,000
- Business online service—maintenance of the Business Licence Information Service, \$174,000
- Cluster development in the Riverland and in aerospace, \$30,000
- Regional Business Sustainability Program, \$30,000
- Family Business Australia workshops and introductory guide, \$32,000
- The Motor Trade Association small business development workshops, \$12,000; and
- Small business online tools and resources, \$208,000.

That comes to a total of \$953,000.

The Hon. I.F. EVANS: Minister, same budget line—the government released a small business statement in 2008-09 under then minister Holloway. Is that statement still valid?

The Hon. T.R. KENYON: My advice is that it has been superseded by the Small Business Strategy, which was released in June 2012, and that was a result of some budget changes.

The Hon. I.F. EVANS: The Small Business Strategy was essentially a list of online services which you have repeated in your answer, which was announced by minister Koutsantonis at the time. In the small business statement, there was a commitment by the government to do business impact statements on all decisions; I am just wondering whether that is still the government's policy.

The Hon. T.R. KENYON: As part of the cabinet decision-making process, those business impact statements are still conducted.

The Hon. I.F. EVANS: And who prepares them?

The Hon. T.R. KENYON: The department preparing the submission is required to undertake those.

The Hon. I.F. EVANS: So if the Department of Health were preparing a cabinet submission, they work out the business impact, and if the Department of Education are preparing the submission, they work out the business impact?

The Hon. T.R. KENYON: Yes; they would do the impact statements.

The Hon. I.F. EVANS: That's fascinating. What would those agencies know about the impact on small business around a whole range of decisions?

The Hon. T.R. KENYON: On the whole, most of the decisions, for instance, on those agencies, would relate to—a large part of it would relate to suppliers to those various agencies. Even better than that, they are prepared by the agencies who would know their local suppliers and the impacts for the people they deal with, and then they are submitted back to DMITRE, and the policy and economics group within DMITRE then review them.

The Hon. I.F. EVANS: So policy and economics in DMITRE look at every cabinet submission and decide its small business impact, or the business impact.

The Hon. T.R. KENYON: Yes, the business impact statement that comes.

The Hon. I.F. EVANS: So they would have had a look at, for instance, the gambling bill that impacted on Clubs SA and made a comment on the business impact in relation to that?

The Hon. T.R. KENYON: I will just check and make sure that they did. That is the process. Sometimes—

The Hon. I.F. EVANS: So are they expected to go out and talk to the industry that it is going to impact on, or do they just do an internal desktop assessment? For instance, there was a lot of controversy about the government's whole of stationery contract done through the Procurement Board. No doubt that would have been assessed by this internal policy unit in DMITRE. Did they actually go out and speak to the newsagents to work out what the impact was on their business, or do they simply sit at their desk and crunch the numbers based on the cabinet submission? Do they actually go out and speak to the industry at all?

The Hon. T.R. KENYON: It is the agency preparing the submission. It is their job to do the consultation and to work through that process of preparing the statement. DMITRE then reviews their assessments, reviews their assumptions, if necessary sends it back and says, 'You need to go and consult more widely' or 'You need to go and do these things,' and then makes a decision one way or the other and makes a recommendation back to the agency as to whether proceed or not with the cabinet submission.

The Hon. I.F. EVANS: So what role then does the Business Development Council, that is the advisory body to the Minister for Small Business, have? Do they give advice on any of the cabinet submissions or any of the policy decisions?

The Hon. T.R. KENYON: No.

The Hon. I.F. EVANS: So their role is to give advice to government, but not on the decisions the government is about to take.

The Hon. T.R. KENYON: That is correct. They are a policy advisory group and their terms of reference are broad impact of economic pressures on business, and particularly small business; opportunities to promote business; sustainability and growth in existing and emerging sectors; red tape reduction across the small business sector; key issues contained in South Australia's strategic plan that relate to the small business sector; key issues affecting family businesses, including opportunities to promote growth and sustainability; and challenges and opportunities in the provision of government services and programs for small business. So those are the terms of reference for the Small Business Development Committee.

The Hon. I.F. EVANS: But they do not actually give—

The Hon. T.R. KENYON: They are not part of the review process in terms of the business impact statements.

The Hon. I.F. EVANS: So they would not have been consulted on the change of purchasing in relation to the whole of government stationery contract?

The Hon. T.R. KENYON: No.

The Hon. I.F. EVANS: They would not have been consulted about the change to the gambling laws in relation to Clubs SA?

The Hon. T.R. KENYON: No.

The Hon. I.F. EVANS: They would not have been consulted about—

The Hon. T.R. KENYON: They are not consulted on individual decisions or individual cabinet decisions. They do not have access to that.

The Hon. I.F. EVANS: There was a review involving the industry partnerships a few years ago in 2009 which dealt with the industry capability networks about whole of government purchasing. I am just wondering what recommendations have been implemented following that review?

The Hon. T.R. KENYON: That review fed into the formulation of the industry participation policy, and the two specific areas were the thresholds, which we went through just before. As the value of the contract up for tender increases, the requirements under the industry participation policy increase. The thresholds were one and the other was the weighting. So, there is a weighting now in the tender process for local companies. The weighting is 2 per cent in the evaluation process.

Ms THOMPSON: My question refers to start-up businesses. I refer to Budget Paper 4, volume 3, page 132. Can the minister advise what the government is doing to support start-up businesses and entrepreneurs?

The Hon. T.R. KENYON: As I have already said, small businesses make up 96 per cent of our economy and it is important that we support those innovative business people looking to establish new businesses, to help them take root, flourish and succeed. As a government, we want to build an environment in this state that fosters and captures the economic potential of South Australians who are prepared to make the effort to start a new business and to attract similarly entrepreneurial would-be business operators from outside South Australia.

We have introduced several programs to foster the entrepreneurial thinking that drives start-up businesses and to support these innovative entrepreneurs with the advice and access to capital that will increase their chances of success. One is the Entrepreneurial Business Initiative. The government recently commenced discussions with South Australia's three main universities regarding the establishment of the Manufacturing Works strategy's student entrepreneurship initiative, which will support the establishment of new entrepreneurial firms through the input of innovative, intelligent and driven higher education students.

Innovyz START has established a mentorship-based accelerator program in Adelaide to help innovation companies raise capital, transition into public companies and meet the challenges of national and international growth as part of the Global Accelerator Network. The government is providing Innovyz with a grant of \$300,000 a year in 2012-13 and 2013-14.

Innovyz was the first Australian company to be admitted to the Global Accelerator Network and is one of 35 accelerators in the network. The Innovyz mentorship-based accelerator initiative will use private sector investment to contribute to an innovation cluster and ecosystem in South Australia that will foster innovation, accelerate the growth of start-up companies and provide entrepreneurs with access to valuable people and resources.

In August 2012, the 10 graduating companies from the first Innovyz accelerator program pitched to an audience of about 400 at the Adelaide Town Hall. The inaugural class has received more than \$700,000 in equity investments to grow their businesses and a number are still in negotiations with investors for further equity. In April 2013, the 10 graduating companies from the second accelerator program pitched to an audience of about 450 at the Adelaide Town Hall. Several investors have expressed interest and negotiations with investors are in progress. Applications for the third program closed on 21 June and the new program commences on 12 August 2013.

The Medical Technologies Program, a Manufacturing Works strategy initiative, was established in June 2013 to support the early-stage development of new medical technologies. Many of the program applicants are expected to be start-up companies. It has a budget of

\$250,000 over the three-year period to 30 June 2015 and will be delivered in conjunction with Flinders University's coordinated Medical Device Partnering Program, which fosters collaboration between researchers, end users and industry.

The government has committed to providing the Small Business Commissioner with \$608,000 over the next two-year period to 30 June 2015, to partner with key industry and professional associations to help new and existing small businesses develop and expand. Support for small business start-ups, which are typically a sole proprietor or a partnership, will focus on developing key knowledge and skills to successfully create and implement robust business models. Support for small businesses that have consolidated their initial business model and are expanding will focus on helping them to manage the challenges of hiring employees, commercial property leasing and developing export opportunities.

The Small Business Contact Service, which the government established in 2012, will be continued in 2012-13, with Business SA providing a point of contact for people intending to start a small business, and owners and operators. Start-ups, small business owners and people considering starting small businesses will be able to ring the Small Business Contact Service to find out how and where they can access relevant business information and advice.

In 2013-14, the Small Business Contact Service will also provide access to a small business health check tool. The tool, in the form of a questionnaire, will be made available through the small business information portal on DMITRE's website. Users will be able to send their completed questionnaires to a commonwealth-funded business adviser, who will follow up with advice and/or a face-to-face meeting.

The small business information portal on DMITRE's website provides extensive information and free resources such as workbooks, self-tests, videos and interactive files to help South Australian businesses plan and grow their business ideas. The online tools and resources include information and self-help tools relating to: starting a business; business licensing; business planning; growing a business; major project and supply chain engagement; and business continuity planning. In summary, the government is committed to establishing an environment in South Australia that supports small business start-ups and entrepreneurs to develop the knowledge and skills to succeed.

Ms BETTISON: I refer to Budget Paper 4, Volume 3, page 138. Have South Australian businesses welcomed the establishment of the Office of the Small Business Commissioner?

The Hon. T.R. KENYON: Demand for the services of the Office of the Small Business Commissioner have exceeded all expectations, I am told. The establishment of the office has been welcomed by a wide variety of businesses, business groups and associations. This support has continued throughout the development of legislation through to the establishment and ongoing development of the office to date. Key groups such as Business SA, the Motor Trade Association SA, Council of Small Business of Australia, Independent Contractors Australia, Australian Newsagents' Federation, various farming primary production groups and others, are strong supporters of the initiative.

The new statutory office has concentrated on four key priorities: the development of a genuine alternative to litigation through dispute resolution services; the development of industry code reforms being led by the deputy commissioner; the information services including a website and brochures; and the commissioner's advocacy for small business. Since its inception, the office has had more than 5,700 inquiries—over 4,700 in the 2012-13 financial year just gone—and assisted hundreds of businesses to resolve their disputes, normally at no cost. The assistance has freed these businesses from potentially damaging legal action and its financial, emotional and psychological effects. The development of industry codes in a new nation-first approach has been particularly encouraging. The first of these codes will be the farming code, and it will be out soon.

The Hon. I.F. EVANS: Just on the farming code, in last year's estimates, the minister said it would be out in the next few months. Can the minister give us a month in which the farming code will be out? It is now 12 months late. I am wondering by which month the farming code will be ready?

The Hon. T.R. KENYON: Cabinet approved the drafting of that code. It is being undertaken and we will have it soon, when we get it back from parliamentary counsel—which we will follow up. We will have it out as quickly as we can.

Mr WILLIAMS: Did you say cabinet approved the drafting, that is, approved for the code to be drafted, or they have approved of the draft?

The Hon. T.R. KENYON: No, they have approved for the drafting to be undertaken.

Mr PEGLER: Is that code also going to have a compulsory debt mediation part to it?

The Hon. T.R. KENYON: A compulsory debt mediation, did you say?

Mr PEGLER: Yes.

Mr SINKUNAS: The code will be a mandatory dispute resolution process and we have consulted significantly on this over the period of time with numerous groups, and I think we are up to about iteration four or five with parliamentary counsel at the moment. This is the first time this approach has been done so we are taking specific care to make sure that it is done in a robust manner. Farm debt will be part of it because it will include—if there is a farming debt situation, then they can bring that, because that will be a dispute under the code.

Mr GRIFFITHS: Just to your previous answer to the question from the member for MacKillop, I am aware that the farming code was always intended to be the very first one to be reached, and it stems back to the legislative debate that occurred in the upper house when the legislation first went through, I think, in September 2011 or thereabouts. When was a commitment given by cabinet for this draft to be prepared?

The Hon. T.R. KENYON: I would have to check a date. It was relatively recently. Put it this way, I took it to cabinet. I have been in the job for five months.

Mr GRIFFITHS: I find that interesting because it is my understanding that a minister gave a commitment about a time frame, or indeed for this to be the first one, at the time of the legislation being debated 10 months before you even started the role.

The Hon. T.R. KENYON: Well, seeing as you all voted against it, it is sort of interesting, the outrage. I can only answer for my time as minister—

Mr GRIFFITHS: Okay.

The Hon. T.R. KENYON: —and since I have been minister, I have taken it to cabinet.

The Hon. I.F. EVANS: Minister, on the same budget line, the commissioner for small business did a report for cabinet, or for the Minister for Finance, on the whole-of-government stationery contract, particularly in regard to newsagents. The government has then come out and announced an exemption for the metropolitan schools in relation to purchases other than cartridges for one year. Why has the government only extended it for one year and why have they not given a permanent exemption? Did the commissioner recommend a one-year exemption or did the commissioner recommend something different?

The Hon. T.R. KENYON: They are questions best directed to minister O'Brien.

The Hon. I.F. EVANS: Well, this budget line did the report.

The Hon. T.R. KENYON: The report—well, the report—

The Hon. I.F. EVANS: The Small Business Commissioner did the report.

The Hon. T.R. KENYON: The Small Business Commissioner undertook the review for minister O'Brien.

The Hon. I.F. EVANS: Out of this budget line?

The Hon. T.R. KENYON: Yes, but he is responsible for that contract and the administration of that contract and he is in a far better position to give you answers to those questions than I am. Now, this is not the only—

The Hon. I.F. EVANS: Minister, do you know the Small Business Commissioner's recommendation in regard to that report?

The Hon. T.R. KENYON: Yes, the Small Business Commissioner's recommendations were part of the report to cabinet and cabinet made its decision. I am not going to reveal the deliberations of cabinet. The questions are best directed to minister O'Brien.

The Hon. I.F. EVANS: So the Small Business Commissioner is here with us, the budget line we are examining paid for this report, so—

The Hon. T.R. KENYON: This is not the only forum you have to ask these questions, and the reports have been out for a long time, and you have had the opportunity to ask questions—

The Hon. I.F. EVANS: The report has not been out actually.

The Hon. T.R. KENYON: Well—

The Hon. I.F. EVANS: It has not been released, minister.

The Hon. T.R. KENYON: Sorry, I beg your pardon.

The Hon. I.F. EVANS: If you want to release—

The Hon. T.R. KENYON: I beg your pardon.

The CHAIR: Order! One at a time.

The Hon. T.R. KENYON: No, I am prepared to acknowledge the member for Davenport is correct on that point. The decision has been made by cabinet, it has been announced by minister O'Brien and you have had more than enough opportunity to ask him, and you have opportunity subsequently. I mean, tomorrow in question time. You can ask him then. I am just not able to give you a full answer because it is not my area.

The Hon. I.F. EVANS: So when the Small Business Commissioner who reports to you does work for another minister, does the work come through your office before it is sent to another minister?

The Hon. T.R. KENYON: In this case we got a copy of it, but the Small Business Commissioner was reporting pretty much directly in this case on this matter to minister O'Brien.

The Hon. I.F. EVANS: So the process is that the Small Business Commissioner can do a report for any minister and we would never know about it. If we had come to the last day of estimates and asked a question on whether the commissioner has done a report for another minister, the answer would be, 'Yes. You should have asked that a week ago.'

The Hon. T.R. KENYON: Well, it would depend on the individual circumstances. In this case, the only case that has been true has been for minister O'Brien.

The Hon. I.F. EVANS: Minister, on the same—

The Hon. T.R. KENYON: There is nothing stopping you asking this is question time. You can ask tomorrow. I am sure—

The Hon. I.F. EVANS: You could say that about the whole estimates committee, minister.

The Hon. T.R. KENYON: But I can't—

The Hon. I.F. EVANS: I mean, your Dorothy Dixers you could ask tomorrow in question time, too.

The Hon. T.R. KENYON: I can't help you in areas that are not strictly related to me. You will just get a better answer out of minister O'Brien.

The Hon. I.F. EVANS: On the same budget line, in the Small Business Commissioner's annual report, he has recommended about 40 mediations. Can the minister advise us how many of those 40 mediations were in actual fact mediated? There are, I think, a panel of four mediators nominated by the commissioner or accepted by the commissioner. What is the process for mediation? Does the commissioner pay for the mediation or do the two parties to the mediation pay for the mediation?

The Hon. T.R. KENYON: In the end, there were seven formal mediations, where it proceeded to formal mediation and was not resolved earlier as a result of informal discussions. The informal discussions or informal mediations are free to all parties. Generally, the formal mediation costs \$900. Each party pays \$195 and the remaining \$510 is subsidised by the state government through the office.

The Hon. I.F. EVANS: So, a mediation costs how much? Roughly \$900?

The Hon. T.R. KENYON: Yes.

The Hon. I.F. EVANS: Okay.

The Hon. T.R. KENYON: And that avoids, of course, all the potential legal costs.

The Hon. I.F. EVANS: So, in the first annual report, which only dealt with the operation of the commissioner for three or four months, there were 47 recommended mediations and only seven of those proceeded?

The Hon. T.R. KENYON: Seven proceeded to a formal mediation process.

The Hon. I.F. EVANS: Earlier in your answers, you have said that there was \$300,000 a year for two years for increased mediation costs. So, why the sudden huge spike in mediations? If seven occur in three months, that is roughly 30 for a year at \$900, which comes to \$27,000.

The Hon. T.R. KENYON: The formal mediations are not the only activities, for a start. They are only—

The Hon. I.F. EVANS: But, earlier in your answer, you said there was \$300,000 per year for two years for extra mediation.

The Hon. T.R. KENYON: Mediation services. It does not necessarily mean formal mediation. Dispute resolution is a more accurate term.

The Hon. I.F. EVANS: Okay. So, what is the \$300,000 going to be spent on then?

The Hon. T.R. KENYON: When the office was set up, it anticipated a certain amount of activity. The amount of activity that has come into the office has exceeded that expectation. In order that we do not develop a large backlog of cases, we are increasing the resources available to the Office of the Small Business Commissioner.

The number of formal mediations is comparatively low, but, often, disputes or potential disputes are avoided because information is provided, or any dispute in its early stages is resolved very quickly as a result of information provided or suggestions made by the office. Mediation may then be recommended, but it goes through an informal process before it gets to that point and is resolved or it goes to formal mediation and is then resolved or not and may, at that point, proceed to the legal options.

The Hon. I.F. EVANS: According to the annual report, they are averaging around 160 contacts per month, or 40 a week, or eight a day. Has the government actually analysed the workload of the commissioner's office in regard to the extra \$300,000? What is the average number of contacts they are expecting over the next year? On the first performance of the first four months of the commissioner's office, it is around 40 contacts a week. I am just surprised that the office is so snowed under with that level of contact.

The Hon. T.R. KENYON: My advice is that the number of contacts per week has gone up to 100 now. So, in the initial period, it may in fact have been 40 on your analysis, but that is increasing as it becomes more widely known.

The Hon. I.F. EVANS: So 100 a week?

The Hon. T.R. KENYON: Yes.

The Hon. I.F. EVANS: So about—

The Hon. T.R. KENYON: Twenty a day.

The Hon. I.F. EVANS: Twenty a day? What is that—three an hour?

The Hon. T.R. KENYON: But that just assumes that it comes in, you answer the phone and do nothing more. The Office of the Small Business Commissioner takes details. It may require some follow-up. It may be, 'Okay, no worries. I'll find out and get back to you.' It may be, 'No worries, I can answer this for you immediately, right now.' It may be, 'I'll take down your details and I'll contact the person that you are in dispute with and get the other side of the story.' The commissioner can correct me if I am wrong, but I suspect that a large number of these would not be solved inside five minutes on the phone.

The Hon. I.F. EVANS: On the same budget line, Expenses, there were programs commented on in the 2011 estimates about: medical device commercialisation program, \$500,000 per year; clean tech partnering program, \$2.15 million over three years; the ecoinnovation fund, \$3 million over three years; small to medium enterprises instrument development program \$1 million ongoing; and the Getaway program, \$1 million per annum. Can you update the house on—

The Hon. T.R. KENYON: Did you mean the Gateway program or the Getaway?

The Hon. I.F. EVANS: The Gateway program for new exporters, \$1 million. Can you update the committee on each of those programs and the values in those programs across the forward estimates?

The Hon. T.R. KENYON: Yes, I can. We went through them with the member for Waite, but we have them to hand, so I will go through them again. With your forbearance, member for Davenport, we might just work our way through them one at a time, because some of those programs have finished.

The Hon. I.F. EVANS: I am happy for you take them on notice, if you want.

The Hon. T.R. KENYON: Alright. We will do that if you like.

The Hon. I.F. EVANS: On the same budget line, could you advise the committee the number of employing small businesses and non-employing small businesses currently?

The Hon. T.R. KENYON: Sorry, could you go through that again?

The Hon. I.F. EVANS: The number of small businesses that are employing and the number of small businesses that are not employing. The small business statement that the government released had a breakdown of the small businesses that were employing and the number that were not employing. Can you update the committee on the latest numbers on those?

The Hon. T.R. KENYON: We will take that on notice.

The Hon. I.F. EVANS: Alright. On the same budget line, could you also update the committee on the number of exporting businesses and the number of those exporting businesses that are exporting small businesses? In the small business statement there was a breakdown of those, so clearly someone in government collects the statistics.

The Hon. T.R. KENYON: Again, we will find that out for you and get back you.

The Hon. I.F. EVANS: On the industry codes, the farmers' one is a year late, so what is happening in regard to the other two codes that have been floated? From memory, the motor vehicles crash repair industry was one. Can the minister update us on the two other industry codes?

The Hon. T.R. KENYON: The motor industry one is also being drafted; that is, I have cabinet approval to draft that. The third one, the franchising, is a federal review of its franchising arrangements and we are waiting to see where that goes. We slowed that one down to see where the federal government goes with its franchising arrangements and laws.

Ms BETTISON: I refer to Budget Paper 4, Volume 3, page 132. What is being done to help small businesses access major project supply chain opportunities?

The Hon. T.R. KENYON: Growing advanced manufacturing and realising the benefits of the mining boom for all are two of the state government's seven strategic priorities. The Department for Manufacturing, Innovation, Trade, Resources and Energy's (DMITRE) Major Projects Ready Program has been developed to maximise opportunities for the state's economic prosperity, with a particular focus on the small business sector. The MPRP helps businesses prepare to engage in supply chains, major projects, tenders and joint ventures to support the development of the resources and other value chains in South Australia.

An opportunity exists to increase the participation of South Australian businesses in major projects by working cooperatively across industry, government and universities. This is being achieved by increasing the number of South Australian businesses with capability and capacity to enter major projects and supply chains. The MPRP provides a pathway for small businesses to better engage with supply chains and major projects by providing information and targeted skills development programs in collaboration with the Department of Further Education, Employment, Science and Technology (DFEEST).

The recently launched Industry Participation Policy (IPP) also provides local businesses with the opportunity to compete on an even footing alongside established national and international supply chains. This policy ensures local businesses receive full, fair and reasonable opportunities to tender for major project work. The program also links closely with the Mining Industry Participation Office and DMITRE's manufacturing strategy through its Plan for Accelerating Exploration (PACE).

The MPRP encourages small businesses to access accredited training through DFEEST's Skills for All funding and to develop specific major projects and supply chain management skills. The MPRP is the engagement pillar of DMITRE's small business strategy. This initiative identifies strategic delivery partners from various industry associations, tier 1 and 2 contractors, networks and regional development authorities. These partners demonstrate that they are willing and able to

deliver and/or facilitate sustainable, measurable and demand-driven business development programs to their stakeholders. The MPRP has the following components:

- a major projects' readiness indicator, a self administered readiness review tool to assist businesses identify how well they are positioned to undertake major projects;
- a guide to supply chain engagement, which explains the prequalification process and the business capabilities and accreditation requirements needed to participate in major projects and supply chains;
- a guide to business collaborative contracting that outlines the processes involved in undertaking business collaboration and collaborative contracting, including legal and cost options;
- developing a powerful capability statement, a workbook and template to guide businesses in developing capability statements; and
- an accredited training program that allows small businesses to access Skills for All funding to undertake diploma level training.

The Hon. I.F. EVANS: Supplementary question: the minister mentions the Industry Participation Program. The minister has previously advised the house that 60 per cent of state government contracts now go interstate. Can he advise the dollar value of state government contracts that go interstate?

The Hon. T.R. KENYON: No; we will have to come back with that. We would not want to give you a guess; we would need to give you the best possible number.

Mr WILLIAMS: Has the minister had the omnibus questions put to him?

The Hon. T.R. KENYON: I do not think we have.

Mr WILLIAMS: In that case, I will read them out. They are:

1. Will the minister provide a detailed breakdown of expenditure on consultants and contractors above \$10,000 in 2012-13 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?

2. For each department or agency reporting to the minister in 2012-13, please provide the number of public servants that are (1) tenured and (2) on contract, and for each category provide a breakdown of the number of (1) executives and (2) non-executives?

3. In financial year 2012-13 for all departments and agencies reporting to the minister, what underspending on projects and programs was not approved by cabinet for carryover expenditure in 2013-14?

4. Between 30 June 2012 and 30 June 2013, will the minister list the job title and total employment cost of each position (with a total estimated cost of \$100,000 or more)—(a) which has been abolished; and (b) which has been created?

5. For each year of the forward estimates, provide the name and the budget of all grant programs administered by all departments and agencies reporting to the minister, and for 2012-13 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?

6. For each department or agency reporting to the minister, what is the budget for targeted voluntary separation packages for financial years 2013-14, 2014-15, 2015-16 and 2016-17?

7. What is the title and total employment cost of each individual staff member in the minister's office as at 31 May 2013 including all departmental employees seconded to ministerial offices and ministerial liaison officers?

The CHAIR: Any more questions? Yes, the member for Davenport—never to lose an opportunity!

The Hon. I.F. EVANS: No, well we have another five minutes yet.

The CHAIR: That's right.

The Hon. I.F. EVANS: After the three codes that are currently being worked on by the Small Business Commissioner, what is the next range of codes that the government is looking at?

The Hon. T.R. KENYON: Potentially, we have a newsagents' code and then we will work from there. The franchising one will probably be quite a big one, so we have to work through that.

The Hon. I.F. EVANS: What is the role of the Deputy Small Business Commissioner, and what are the costs of having a deputy commissioner?

The Hon. T.R. KENYON: Primarily, Mr Zumbo is working on industry codes and industry code development in his role. He is a part-time employee, 0.2 of an FTE; so his remuneration is \$51,500, plus super for that. He also does some high-level mediation work, I am told.

The Hon. I.F. EVANS: He acts as a mediator, or he simply gives advice that you need mediation, because I think there is a mediation panel and Mr Zumbo is not on it?

The Hon. T.R. KENYON: He is not involved in the formal mediation, but would be involved with that informal mediation that goes on before you get to that point.

The Hon. I.F. EVANS: So, his salary is 51 for a 0.2.

The Hon. T.R. KENYON: Yes.

The Hon. I.F. EVANS: Are there no travel costs? What is the total cost? If he is a deputy commissioner, I assume he comes to South Australia occasionally?

The Hon. T.R. KENYON: He does. Yes, we do pay his travel costs when he comes down.

The Hon. I.F. EVANS: Can you get the whole-of-government costs for Mr Zumbo for me acting in the role as deputy commissioner, and does he receive any contract payments? In other words, just as Mr McCann is partly employed and partly a contractor, does Mr Zumbo receive any remuneration by government by way of being a contractor or a consultant?

The Hon. T.R. KENYON: No, he does not, I am told, but I can get you that total cost.

The Hon. I.F. EVANS: If you would, that would be good. There was a family business development officer, we had one in previous estimates; do we still have a family business development officer? No? The family business development officer has been killed off?

The Hon. T.R. KENYON: No, I don't think it was that violent, member for Davenport. The first part is relatively easy, there is no family business development officer in the department. We have some programs and/or some grants that we give on an as-needed basis. For instance, the one in the South-East. We gave a grant to the Family Business Association to run some workshops around—

The Hon. I.F. EVANS: Was that the \$12,000 or the \$30,000?

The Hon. T.R. KENYON: It was one of those two, I think—both of those.

The CHAIR: On the two lines open—for the Department of the Premier and Cabinet, there being no further questions, I declare consideration of the proposed payments adjourned and referred to Committee B, and for the Department of Manufacturing, Innovation, Trade, Resources and Energy, there being no further questions, I declare consideration of the proposed payments completed.

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

DEPARTMENT FOR COMMUNITIES AND SOCIAL INCLUSION, \$1,040,343,000
ADMINISTERED ITEMS FOR THE DEPARTMENT FOR COMMUNITIES AND SOCIAL
INCLUSION, \$179,118,000

Membership:

Mr van Holst Pellekaan substituted for Mr Griffiths.

Dr McFetridge substituted for Hon. I.F. Evans.

Ms Sanderson substituted for Mr Williams.

Witness:

Hon. A. Piccolo, Minister for Communities and Social Inclusion, Minister for Social Housing, Minister for Disabilities, Minister for Youth, Minister for Volunteers.

Departmental Advisers:

Ms J. Mazel, Chief Executive, Department for Communities and Social Inclusion.

Mr A. Thompson, Executive Director, Financial Services, Department for Communities and Social Inclusion.

Mr P. Bull, Executive Director, Youth Justice, Community Engagement and Organisational Support, Department for Communities and Social Inclusion.

Mr N. Lombardi, Chief of Staff.

Ms N. Rogers, Acting Director, Business Affairs, Department for Communities and Social Inclusion.

Ms E. Lyster, Senior Parliamentary and Policy Coordinator, Department for Communities and Social Inclusion.

Ms L. McAdam, Director, Community Connect, Department for Communities and Social Inclusion.

Ms S. Wallace, Executive Director, Policy and Community Development, Department for Communities and Social Inclusion.

Ms S. Barr, Director, Youth Justice, Department for Communities and Social Inclusion.

The CHAIR: I have some preliminary information to go through. 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 change of departmental advisers. 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 latter date, it must be submitted to the committee secretary by no later than 27 September. I propose to allow both the minister and the lead speaker of the opposition to make opening statements of about 10 minutes each. There will be a flexible approach to giving the call for asking questions, based on about three questions per member, alternating each side.

Supplementary questions will be the exception rather than the rule. A member who is not part of the committee may, at the discretion of the Chair, ask a question. Questions must be based on lines of expenditure in the budget papers and must be identifiable or referenced. Members unable to complete their questions during the proceedings may submit them as questions on notice for inclusion in the House of Assembly *Notice Paper*.

There is no formal facility for the tabling of documents before the committee; however, documents can be supplied to the Chair for distribution to the committee. All questions are to be directed to the minister, not the minister's advisers. I also advise that, for the purposes of the committees, television coverage will be allowed for filming from both the northern and southern galleries. I declare the proposed payment open for examination. We are going to be starting with the Minister for Communities and Social Inclusion from 2.30 to 3.15—Community Connect. I offer the minister the opportunity to make a statement if he so wishes.

The Hon. A. PICCOLO: I will make some introductory comments, but I will not be taking up my 10 minutes. The Department for Communities and Social Inclusion has a very important mandate, and that is to build communities for all and opportunities for everyone. Our vision is an ambitious one: for an inclusive South Australia with strong, safe, sustainable and diverse communities, where citizens prosper and participate fully and live in harmony.

Consistent with this vision, the communities and social inclusion portfolio makes a major contribution to two of South Australia's seven strategic priorities: building Safe Communities, Healthy Neighbourhoods, and keeping South Australia an affordable place to live. I am sure that this committee would welcome the major achievements for 2012-13.

In August 2012, youth justice services in South Australia entered a new era with the opening of the Adelaide Youth Training Centre at Cavan. This facility brings youth justice services in South Australia out of the past and into the future and truly offers new chances and hope to young people and their families. This also benefits our community; we all have an interest in the rehabilitation of our young people and helping them to choose a better path.

The Adelaide Youth Training Centre is now a 96-bed facility, spread across two campuses, including the new campus at Goldsborough Road, Cavan, accommodating up to 60 young offenders. This \$70 million facility has a state-of-the-art security system, which includes a 5.5-metre high perimeter fence, electronic surveillance system and dedicated security staff. This allows for a secure open campus environment to international best-practice standards that supports rehabilitation, learning, participation and social development.

Education is at the heart of the new model, with the school—the major building on the site—providing a high quality, contemporary educational environment. Many young people enter detention with poor educational achievement and engagement with schooling. We want them to leave the facility with new skills and a positive attitude to learning. As well, the new health centre provides access to high quality health care in a facility that looks and feels like a community health centre. Overall, our aim is that, when they leave, children and young people are healthier, stronger and better equipped to be productive and responsible members of our community.

I would also like to take this opportunity to draw attention to some of the lesser-known work of my department which, however, makes a real difference every day to people across South Australia. In 2012-13, DCSI provided a total of \$156 million for anti-poverty programs, concessions (including transport concessions) and rebates which reach out to many households across South Australia. These important programs provide help for people to get on top of their bills and be more in control of their lives.

The range of concessions provided to eligible South Australians includes concessions for energy (including the medical heating and cooling concession), water, sewerage, council rates, emergency services levy (fixed property) and also public transport, as I mentioned. Assistance is also provided for people on low or fixed incomes for the provision of spectacles, personal alert systems, companion cards and funerals. The new Utilities Literacy Program, which was introduced this year, helps consumers manage utility costs and is on target to assist 3,000 households by the end of 2013. This is in addition to the \$1.1 million already allocated to low income support programs across the state.

The government has also announced two new budget initiatives this year to help South Australians experiencing financial hardship: \$1 million of ongoing funding to provide up to 12 additional financial counsellors, and \$410,000 to support consumer credit legal services. Domiciliary Care has also introduced a range of service improvement strategies, which assist frail older people and younger people with disabilities in living independent and connected lives. Importantly, this includes a new restorative program which focuses on helping people improve their mobility and return to usual daily activities following a sudden decline, for example, after a fall or illness.

My department recognises that local communities matter to people and that where we live influences our access to opportunities and our health, safety and wellbeing. Through the Office for the Northern Suburbs (Northern Connections), we have continued to support and facilitate coordinated planning and programs in the northern and southern metropolitan regions. In turn, this enables local responses to local issues where communities can take control of their future.

In 2013, DCSI also commenced important work towards a regionalised approach to service delivery. In 2013, pilot regional leadership teams were established in four regions. These teams are trialling regionally-based planning, funding and service approaches that build on local strengths and opportunities and are attuned to the profile and challenges in each region. To support our focus on local communities, the department is currently undertaking a community strengths survey. This survey is gathering data from approximately 8,000 South Australians and will provide a measure of people's participation in and connections with their local community. Local government, as well as other state government departments, are working closely with my department in this important initiative. Those are my opening remarks for this part of the portfolio.

The CHAIR: Does the shadow minister wish to make an opening statement?

Dr McFETRIDGE: Very briefly, sir. I feel that this portfolio of communities and social inclusion is one of the most important portfolios in government because it encompasses the whole range of government services that we deliver to our communities. Whether it is health, transport,

education or any other portfolio, it is the communities and social inclusion portfolio that brings all of that together and ensures that the state of South Australia is delivering to its citizens the best it possibly can. I look forward to being able to advance the role of communities and social inclusion across all portfolios, hopefully in government next year.

With that, I have some questions. I refer to Budget Paper 4, Volume 1, pages 109 and 110, and also page 86. Minister, fortunately, or unfortunately for you, on 14 August last year the then minister for emergency services and police (Hon. Jennifer Rankine) announced that the Department for Communities and Social Inclusion would have the Community Safety Directorate within the department. Its aim was to build community resilience and it would work alongside the State Recovery Office. What budgeted amounts, other resources and staff were provided by DCSI to the Community Safety Directorate last financial year and where do these appear in the budget papers?

The Hon. A. PICCOLO: I am advised that there is no provision in our budget for that service.

Dr McFETRIDGE: Are there any amounts that are going to be provided in the future, in the forward estimates, for the Community Safety Directorate?

The Hon. A. PICCOLO: I can advise as follows: cabinet approved the creation of the Community Safety Directorate on 13 August 2012 and later noted that Tony Harrison was appointed as Director-General of Community Safety on 11 September 2012. The announcement noted that the intention of the directorate was to be established within DCSI. Staff were seconded from SAPOL, the Department for Correctional Services, State Emergency Services, MFS, Country Fire Service, SAFECOM, and Road Safety from the Department of Planning, Transport and Infrastructure.

All staff are currently located in SAFECOM and, to date, no budget has been transferred to DCSI. DCSI was not involved in the appointment of the director-general. I understand that the director continues to undertake work and provide policy advice to minister O'Brien, including reviewing the emergency management structures, relationships and reporting processes. That is all I can offer and there are no other plans at this stage.

Dr McFETRIDGE: On that same reference, the government recently announced that the salary for Mr Tony Harrison, the Director-General of the Community Safety Directorate, was \$244,000, yet there have been reports to other committees in this place that Mr Harrison's salary is over \$300,000. Do you have any idea where the other \$50,000 is coming from for Mr Harrison's total executive package, I think they call it?

The Hon. A. PICCOLO: I can only repeat what I have already said: it has no connection to my budget portfolio. I have nothing to add.

Dr McFETRIDGE: He is the director-general in a directorate that is in your department. I understand his total salary is \$303,000, the police are putting in \$244,000, and this other amount is now a mystery.

The Hon. A. PICCOLO: I can advise that Mr Harrison does not report to me as a minister, he reports directly to minister O'Brien. Secondly, no provision has been made in my budget, so I cannot assist you. I suggest that you ask the minister who he reports to.

Dr McFETRIDGE: When the former minister for emergency services made the announcement that this directorate would be in your department, were you or the then minister consulted?

The CHAIR: Is this still the same budget line?

Dr McFETRIDGE: It is, sir.

The Hon. P.F. CONLON: Can I ask how that relates to a budget line?

The CHAIR: I don't think it does.

The Hon. P.F. CONLON: It is pure politicking. How does that relate to a budget line?

Dr McFETRIDGE: On page 86, all the services provided: 'Program net cost of services summary'. We all know how that is made up. It is a billion-dollar portfolio, Patrick, and we want to know where the money is going.

The Hon. P.F. CONLON: That wasn't your question. You didn't ask how it is made up. It is not his responsibility, it is not his budget and it is not—

Mr VAN HOLST PELLEKAAN: Who is chairing this committee?

The CHAIR: I am chairing it, and I have already questioned whether, in fact, this is following a budget line, and I have my suspicions that it is not.

Dr McFETRIDGE: It is the Community Safety Directorate, and we have lines in the budget here: we have the State Recovery Office; we have programs aimed at building community resilience; and we have programs aimed at a whole range of community strengthening; so I would have thought, that the Community Safety Directorate fitted well within that. Whether you want to bring it in under the general spending of over \$1 billion, or the State Recovery Office, or with CFS and SES volunteers, there are lots of references in here that should be applied to this new directorate, but, again, we are finding out that the government does not seem to know what it is doing or where the money is coming from.

The CHAIR: I think what the minister said is that he is not answerable to this minister.

The Hon. A. PICCOLO: Mr Chairman, I am happy to clarify. The Director-General of Community Safety does not report to me. No monies from my budget have been provided for that. I understand that the ministry has arranged it purely for accounting purposes. I suggest that the person to ask is the minister to whom he responds, minister O'Brien. He would have the full details, not me.

The CHAIR: I think that having been said, I would agree with that.

Dr McFETRIDGE: Mr Chairman, as a former minister for emergency services, why did the then minister for emergency services say in her press release that the directorate will be a division within the Department for Communities and Social Inclusion alongside the State Recovery Office, along the same budget line?

The CHAIR: How does that relate to a budget line?

Dr McFETRIDGE: The funding for the State Recovery Office would be included in the over \$1 billion that is set out on page 86 of Budget Paper 4, Volume 1, Program net cost of services of summary for the whole department, so the costing must be in there somewhere for the State Recovery Office. There is a degree of confusion about where this directorate sits; what it is going to do; where it fits; who is paying for it; where the new buildings are going to come from; how many staff it has; and is SAFECOM still doing what SAFECOM is doing? We do not know.

The CHAIR: What is your next question please?

Dr McFETRIDGE: The minister put out the press release. It is a part of this department. That is what the minister said.

The CHAIR: What is your next question?

Dr McFETRIDGE: Mr Chairman, can I get it from the current Minister for Communities and Social Inclusion that the Community Safety Directorate is not part of his department then? Is it or is it not?

The Hon. A. PICCOLO: I repeat, the Director-General of Community Safety does not report to me. I am not accountable or responsible for the budget as well, and we have made no provision for the budget as well in my budget. End of story. I do not know how much clearer I can make it.

Dr McFETRIDGE: So, it sounds like the police commissioner was correct in his comments. We will move on then. I refer to Budget Paper 4, Volume 1, Sub-program 6.1, page 110. How much funding has been allocated via DCSI to state disaster recovery and relief?

The Hon. A. PICCOLO: Just while we are getting those details, I advise the committee that our role after disasters, after the initial response, is to assist with recovery. I will get that information for you more precisely. I am advised that we are not in a position to provide the exact amount but I can give details of the sort of programs that we run in that area if he wants to know that. If not, we will have to take that on notice.

Dr McFETRIDGE: On that same budget reference, minister, how many volunteers are currently registered on VERIS, which is the Volunteer Emergency Recovery Information System, which is kept by the State Recovery Office, and how is that system maintained?

The Hon. A. PICCOLO: I will have to take that one on notice, I am advised, and get those details to you.

Dr McFETRIDGE: On the same budget reference, Budget Paper 4, Volume 1, page 110.

The Hon. A. PICCOLO: Sorry, could you slow down a bit when you speak?

Dr McFETRIDGE: Just giving the references, Tony, to whiz through. Is the Australian Centre for Social Innovation going to be given recurrent funding? It is commonly known as TACSI, I am told.

The Hon. A. PICCOLO: My advice is that we do not provide recurrent funding for the centre. We occasionally provide it small amounts of funding for specific projects but, as I said, we do not provide recurrent funding.

Dr McFETRIDGE: On that same subject then minister, can you tell the committee how many families have been mentored as part of the Family by Family program? Are the mentors being paid? I understand they weren't being paid but I understand that they are being paid now.

The Hon. A. PICCOLO: I am advised that that program is actually administered by the Department of the Premier and Cabinet.

Dr McFETRIDGE: That is interesting.

Ms Thompson interjecting:

Dr McFETRIDGE: Oh Gay, don't be like that! I refer to Budget Paper 4, Volume 1, pages 110 and 87. This is about the Parks Community Centre. Have the groups that have been using that centre, the NGOs and the community groups, been relocated? If so, where to?

The Hon. A. PICCOLO: Sorry, there was discussion amongst ourselves. Could you repeat that?

Dr McFETRIDGE: The groups that were using the Parks Community Centre, the NGOs and the community groups, where have they been relocated to? Certainly, the soccer clubs.

The Hon. A. PICCOLO: I can advise as follows. The Department of Planning, Transport and Infrastructure is the lead agency for the redevelopment of the Parks Community Centre. I am advised that the first stage of demolition is well underway. Funding to the Port Adelaide Enfield Council to coordinate community activities on the site ceased on 28 February 2013. Alternative accommodation has been leased for the DCSI business units currently accommodated at the Parks. Housing SA and Disability Services will be relocated to Croydon Park in December 2013. Metropolitan and Aboriginal youth and family services will be relocated to Regency Park in October 2013.

In May 2012, cabinet approved funding for DCSI to relocate its services from the Parks. On 1 July 2013, the management of the site will transfer from the Department of Planning, Transport and Infrastructure. The Parks Community Centre will continue to be an asset of DCSI until the titles are formally transferred. DCSI business units will be relocated from the Parks Community Centre to new premises by 30 December 2013. My understanding is that the Department of Planning, Transport and Infrastructure was involved in the relocation of the individual community groups, so you need to ask them where they went.

Dr McFETRIDGE: Just on that same topic, who is going to run the Parks Community Centre once it has been redeveloped? Is it the Port Adelaide Enfield Council or the state government or a third party?

The Hon. A. PICCOLO: I am advised that falls in the Deputy Premier's portfolio and he will be responsible for that.

Ms THOMPSON: My question relates to the Gamblers Rehabilitation program. I refer to Budget Paper 4, Volume 1, page 112. Can the minister please provide an update on the refinement of gambling help services to ensure the appropriate targeting of services and improved accessibility across the state?

The Hon. A. PICCOLO: I thank the member for Reynell for her question, and it is a very important question. As you would be aware, the Premier has taken a huge interest in this area of reform. I am pleased to announce that extensive consultation has occurred with gambling help services and key partners to achieve better outcomes for people affected by problem gambling. An open tender process was completed in February 2013 for the provision of metropolitan and country

gambling help services. Service agreements have been executed and will operate from 1 July 2013 to the 30 June 2016, with a further three-year option. The new service agreements will include a holistic range of interventions from primary intervention through to tertiary intervention.

I am pleased to advise that funding for targeted gambling help services continues for another three years while analysis is undertaken of these funding priorities. These services are targeting multicultural communities, including the Cambodian, Vietnamese and Chinese communities, as well as people who have come into contact with the criminal justice system. The providers are all meeting their performance requirements.

The four Aboriginal-focused gambling help services will continue to be funded while a comprehensive analysis of any unmet need is being undertaken. The Department for Communities and Social Inclusion will be working with these services, which are located in Ceduna, Port Lincoln, Port Augusta, the Riverland and in the metropolitan area, to improve service delivery during this time.

Earlier this year, I was invited to visit the Statewide Gambling Therapy Service. I was very impressed by the service's achievements in delivering intensive treatment therapies across three sites: Flinders Medical Centre, Salisbury and Port Adelaide. The service also provides inpatient care through Flinders Medical Centre.

DCSI and the Statewide Gambling Therapy Service are working together to develop a model of care that will build referral pathways between gambling help services and mental health services for more complex clients. As part of the model, the statewide service will provide training and mentoring in more complex therapies for gambling help services. Professor Battersby—whom I have met—of the Statewide Gambling Therapy Service, discussed with me their funding arrangements of \$4.095 million over the next three years, which I subsequently signed off to continue for another three years.

A selected tender process is also being undertaken for the provision of the South Australian Gambling Helpline. This process will ensure that the best value for money is achieved. The helpline offers gambling help advice and referrals 24 hours a day, seven days a week.

Ms THOMPSON: I would like the minister to expand on some of the social inclusion initiatives. I refer to Budget Paper 4, Volume 1, page 112. Can the minister provide more information on some of the key government initiatives to promote social inclusion in South Australia?

The Hon. A. PICCOLO: I would like to thank the member for Reynell for this question, and I appreciate the opportunity to add to what I said in my introductory remarks. This government is committed to building communities that are inclusive and fair, where people can participate and have their say in decision-making and also assume proper responsibilities as citizens.

This government has developed the 'Better together: principles for engagement' guide to assist all state government agencies to engage with communities and stakeholders in decisions that matter to them. Bringing people's voices into the process helps government make better decisions. My department is also developing universal access and inclusion guidelines to assist state government agencies include all members of our community through inclusive services, inclusive governance and workforce capabilities.

Social inclusion also means taking action to increase access and support for people who are experiencing barriers due to their personal circumstances and disadvantages. Every government department will identify groups who may find it difficult to access their services and develop strategies to include them.

For example, nine priority groups have been identified for joined-up action during 2013-14 by the Department for Communities and Social Inclusion. These include carers, people with disability and vulnerable young people. Their views about what helps them access, participate and obtain the full benefits of services will be incorporated into specific advice for all government and community agencies.

Carers are an important group of people who provide invaluable services to our community. Following a review in November 2011 of the effectiveness of the Carers Recognition Act 2005, the department is developing an across-government policy framework and action plan to better recognise and support carers.

To assist people with disability to access and fully participate in our community, the department will continue to implement the recommendations of the former social inclusion board's

Strong Voices report. This sets out a blueprint to enhance the lives of and claim rights for people with disability. Yesterday was a major important day in that.

Ms THOMPSON: Sure was.

Dr McFETRIDGE: Fantastic day.

The Hon. A. PICCOLO: Our focus for this year will be the development of disability access and inclusion plans, which will help organisations, including state government agencies, local government, statutory authorities and the not-for-profit sector to plan and provide better services for people with disability, their carers and families.

The department is also developing a vulnerable youth framework in conjunction with key organisations working with young people. This will help ensure that young South Australians receive the support and services they need to overcome the difficulties they face and realise their potential. The framework will underpin all policy developments related to vulnerable young South Australians. It will become the mechanism by which efforts across government support consistent and coordinated approaches across the state.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 1, Sub-program 6.1. Going back to that topic of the Community Safety Directorate and the wages of Mr Harrison, I just need to make it clear for the committee that last Friday during the emergency services estimates the Minister for Police was asked about the salary for Mr Harrison being a total of \$303,000. In response to a question from the member for Stuart, when he asked about the extra \$50,000 on top of what the police were paying, minister O'Brien said, when asked where it was coming from, the Department of Communities and Social Inclusion. So I think there is some confusion there. I do not know whether the minister wants to say something about that at all. Do you want to revise your answer, Tony?

The Hon. A. PICCOLO: Mr Chairman, I am advised that we certainly do not have it in our budget. I am not sure—

Dr McFETRIDGE: So minister O'Brien was wrong?

The Hon. A. PICCOLO: No, I am not sure. I was not there. I was not there to ask the question; I was not there to hear the answer. At this stage it is only hearsay, and I never work on hearsay.

Dr McFETRIDGE: It is on *Hansard*.

The Hon. A. PICCOLO: I do not have *Hansard* in front of me, so I am happy for you to—

Dr McFETRIDGE: I just want to make it clear for the committee; that was all. It is hopefully not being counted as a question.

The Hon. A. PICCOLO: If I am incorrect, you will be the first to know and I will correct the record.

Dr McFETRIDGE: Thank you, Tony. Can I just say—

The CHAIR: We do not call ministers by their Christian name.

Dr McFETRIDGE: Yes. We do have a very good relationship, sir, though. Minister, I did enjoy yesterday morning with the minister and the federal—parliamentary secretary?

The Hon. A. PICCOLO: Yes; that is correct.

Dr McFETRIDGE: That was out at Novita, launching DisabilityCare Australia. It is a world-changing event for people with disabilities and their families. Just moving on, I refer to Budget Paper 4, Volume 1, Sub-program 6.1: Community Connect. Can the minister tell the committee whether there is going to be any funding at all made available for the Hackham Family Connections Centre? They are in need of some state government funding. I think the sum is \$25,000. There is \$50,000 on the table from the federal government; the City of Onkaparinga has \$25,000 on the table; and Junction Australia has \$50,000 on the table, but for some reason they need that extra \$25,000 to make things work.

The Hon. A. PICCOLO: If I remember correctly, this is a question you asked in question time.

Dr McFETRIDGE: No, that was a different one.

The Hon. A. PICCOLO: Was that a different one?

Dr McFETRIDGE: Yes. This is the one I should have asked.

The Hon. A. PICCOLO: I can advise that, like many other non-government organisations, they are eligible to apply for the Family and Community Development Fund tender, which was announced only last week. There is X amount of money available within it for the tender for a three-year period. They can apply for that; so if they need money, that is where they need to apply.

Dr McFETRIDGE: Thank you, minister. We will let them know. I refer to Budget Paper 4, Volume 1, Sub-program 6.2, pages 110 to 112, the Building Family Opportunities (BFO) program. Out of the 432 families that were supported through the Building Family Opportunities project, how many of those families are currently in full-time work or part-time work and what was the total cost of delivering this project?

The Hon. A. PICCOLO: You will have to bear with me. I will have to be precise, because I understand that this is an across-agency fund, so we need to put it in context. I can advise the committee that in 2009-10 the state budget of the South Australian government committed \$9.6 million to implement the Building Family Opportunities (BFO). The program is a social inclusion board demonstration project over three years.

The BFO program aims to break the cycle of inter-generational joblessness by working with families through intensive case management delivered by non-government sector organisations to provide support and secure sustainable employment or education and training for at least one family member. Complementing the BFO, in August 2010 the South Australian government entered into a \$1.5 million funding agreement over three years with the commonwealth government to pilot its Family Centred Employment Project, as a sub-program of the BFO.

Following machinery of government changes in October 2011 the Department for Communities and Social Inclusion now acts as a conduit for the BFO and also the Family-Centred Employment Program funding allocations to the Department of Further Education, Employment, Science and Technology, which in turn is responsible for the administration and information of the combined programs.

As of 30 April 2013, a total of 607 referrals have been received by the BFO/FCEP programs. Of these, 52 families were ineligible to participate, and there have been 312 closures, that is, families who left the program because they moved away from the area, gained employment, or disengaged from the programs. On 30 April 2013 the combined BFO/FCEP programs had 243 participating families, including approximately 831 individuals. Of the participating families, 186 are eligible single parent families, 57 are couple parent families, and 76 families identify as being Aboriginal. Two hundred and fifteen BFO participants have benefited from starting employment and 338 from starting training. Some people have been involved in both training and employment.

The National Institute of Labour Studies and the Southgate Institute for Health at Flinders University are undertaking a three-year evaluation of the BFO and the FCEP. The BFO contributes to the realisation of the state's strategic priorities of Safe Communities, Healthy Neighbourhoods and An Affordable Place to Live through building the resilience of families and creating pathways to employment.

The BFO also contributes to South Australia's Strategic Plan target to increase the share of total household income earned by low income South Australians by two percentage points by 2020. Through its focus on assisting people gaining employment or undertaking education and training, it enables them to obtain a job. In 2012-13 funding was forwarded to DFEEST on the basis of milestone reporting on the implementation of the programs. In 2012-13 the budgeted grant payments were as follows:

- funds to DFEEST for Building Family Opportunities were \$2.279 million;
- funds (commonwealth government) paid to DFEEST for the Family-Centred Community Employment Program was \$453,000;
- funds paid to NILS and Southgate Institute to conduct an evaluation was a total of \$174,974.

In terms of the 2013-14 targets, the BFO demonstration project will end on 31 December this year. The FCEP closed in June. The final evaluation report by NILS and Southgate will be provided by November 2013. Key lessons will be drawn from both these initiatives and can inform similar future initiatives. An amount of \$34,995 is due to the Flinders University on 30 November 2013 upon the submission of the final evaluation report.

An amount of \$992,769 is due to DFEEST on 31 October 30 for the BFO project in 2013-14. Given that the BFO was a demonstration project over three years and that the FCEP was funded until mid-2013 (just finishing), the remaining funding for 2013 will involve the final payments in closing off both the BFO and FCEP programs and associated evaluation.

Dr McFETRIDGE: Thank you, minister. It is a very good program and I would like to see it continue.

The Hon. A. PICCOLO: Well, wait to see what the evaluation says.

Dr McFETRIDGE: All the anecdotal evidence so far is that it is a very worthwhile program. I refer to Budget Paper 4, Volume 1, subprogram 6.1: Community Connect, the Utilities Literacy Program. Is there a name for the energy concession schemes that are being put in place? How much money is being committed to them, and are there any plans to increase the concessions? How you measure their effectiveness is something else we should know.

The Hon. A. PICCOLO: In 2012-13 I can advise that the Department for Communities and Social Inclusion introduced initiatives to support low income households with utility costs, including the Utilities Literacy Program and improvements to the Emergency Electricity Payment Scheme. The Utilities Literacy Program assists consumers to manage utility costs by: improving coordination and client referral to support programs aimed at reducing energy and water usage; providing community workshops and individual counselling and support to improve household financial management and reduce utility debt; fostering intensive cooperation between energy retailers, water industry entities, consumers and existing support programs; educating consumers about retail contestability and negotiating effective contracts with energy providers; and supporting consumers to replace and upgrade inefficient appliances and retrofit households for improved efficiency, with help from existing no-interest and low-interest loan schemes.

The Emergency Electricity Payment Scheme provides a one-off payment of up to \$400 to eligible South Australians. Improvements to EEPS have been developed to help those experiencing chronic hardship to become free from utility debt.

The final design and implementation process of these two initiatives has been developed in consultation between the government, the community services sector, and utility providers. Supporting low income households with utility costs aligns with the state government's priority for an affordable place to live and is a key strategy in achieving Target 16 of the South Australian Strategic Plan by supporting vulnerable people to enable increased access to income.

In 2012-13, DCSI provided \$320,000 for the Emergency Electricity Payment Scheme. As part of the \$1 million per annum for the utilities budget support measure in 2012-13, \$780,000 was provided for the utilities literacy program. A procurement program is currently being finalised for the utilities literacy program to distribute funding to the appropriate non-government organisations.

During the 2012-13 financial year, as at 30 April 2013, EEPS had 953 applications resulting in 745 payments worth \$292,260 being granted. The utility literacy program aims to reach 3,000 households by the end of 2013. In 2013-14, DCSI will provide a minimum of \$810,000 for the utilities literacy program and \$332,000 for the Emergency Electricity Payment Scheme. Those increases are due to indexation of 3.75 per cent on the previous financial year. In terms of the energy concession, I think in 2012-13 approximately 205,000 eligible South Australians received an energy concession.

Ms BETTISON: I refer to Budget Paper 4, Volume 1, page 117. Will the minister please advise how the state government is advancing the social and economic prosperity of northern Adelaide by supporting collaborative and regional initiatives?

The Hon. A. PICCOLO: Can we have that question again please?

Ms BETTISON: Can you advise how the state government is advancing the social and economic prosperity of northern Adelaide by supporting collaborative and regional initiatives?

The CHAIR: The government questions are harder than those from the opposition; what is going on here?

The Hon. A. PICCOLO: I have spent all of my time planning for the opposition, not for the government members. I assumed they would be kind to me. Mr Chairman, I would like to thank the honourable member for her question. The Northern Connections office plays an important role in contributing to the social and economic prosperity of northern Adelaide. One of the key ways the office has delivered over this past year is by leading, facilitating and supporting various aspects of the northern Adelaide regional collaboration, which I chair, and we have met at least twice.

The collaboration has three priority areas: business and economic development, or the creation of jobs; education, skills and workforce development, or the creation of the workforce and workforce development; and planning, infrastructure and land use. Key outcomes from the collaboration's work in 2012-13 include:

1. the design, funding and commencement of the Strong Start program which is a pilot for first-time mothers and their vulnerable infants;
2. completion of the trial of a common approach to assessment, referral and support in conjunction with the Australian Research Alliance for Children and Youth;
3. establishing the Australian Indigenous Mentoring Experience program in eight schools;
4. establishing a positive education approach to two clusters of schools;
5. establishing a northern Adelaide career advisers network;
6. completing a research project examining models of workforce development which might be trialled in the region;
7. advancing a regional approach to supporting small business;
8. positioning the Polaris Centre as a region-wide service to business;
9. for the first time, jointly undertaking a section 30 review in conjunction with local government; and
10. establishing a high-level reference group to oversee the development of the greater inner borough parks. There are five local councils involved: Playford Salisbury, my local council of Gawler, Light and Mallala, which have all partnered to form this collaboration.

Regional level work plans have been developed in each priority area, and Northern Connections has played a significant role in overseeing and coordinating implementation. This is a major step forward in coordinating efforts across the three tiers of government and others in the northern suburbs, including business.

Around 150 organisations and individual stakeholders are involved in this work in some form. In 2012-13, Northern Connections also contributed to a range of other initiatives to improve the social and economic prosperity of the region. They include: taking a lead role in the support of the commonwealth government's 'Building Australia's future workforce' package of measures, which are being trialled at the City of Playford, to help young parents and jobless families gain skills that lead to employment; and supporting the COAG 'Closing the Gap' urban and regional strategy in Northern Adelaide.

The office has also worked in partnership with The Australian Centre for Social Innovation to complete a project focusing on better ways of creating change with Aboriginal families, and also providing the Chair and secretariat for the Northern Adelaide Early Childhood Development Steering Committee.

Northern Connections staff also supported a range of regional bodies, including SA Works in the Regions, Innovative Community Action Network (ICAN), the SAPOL community forum, Communities for Children Plus, the Northern Adelaide State Secondary Schools Alliance Council, and the UniSA College Advisory Board.

The CHAIR: We are now due to go to the Minister for Volunteers/Office for Volunteers.

Membership:

Mr Whetstone substituted for Ms Sanderson.

Departmental Advisers:

Ms J. Mazel, Chief Executive, Department for Communities and Social Inclusion.

Mr A. Thompson, Executive Director, Financial Services, Department for Communities and Social Inclusion.

Ms S. Wallace, Executive Director, Executive Director, Policy and Community Development, Department for Communities and Social Inclusion.

Ms N. Rogers, Acting Director, Business Affairs, Department for Communities and Social Inclusion.

Mr G. Myers, Coordinator, Strategic Projects, Department for Communities and Social Inclusion.

Ms S. Tilley, Acting Manager, Social Policy, Department for Communities and Social Inclusion.

Ms J. Kennedy, Acting Manager, Community Development Programs, Department for Communities and Social Inclusion.

Mr N. Lombardi, Chief of Staff.

The CHAIR: Does the minister have any opening remarks?

The Hon. A. PICCOLO: Thank you, sir. I will take this opportunity to make some brief comments about volunteering, which is an important part of our community. Every day, volunteers across our state are contributing to making South Australia great. Approximately 900,000 South Australians are involved in formal or informal volunteering, giving of their time, energy and skills in many different ways and to many different issues and causes.

Volunteering represents something of what is best and greatest in our society: our shared sense of responsibility towards others and our community, and our desire to help, care, give and participate. Volunteers and volunteering enriches us all and makes a real difference to South Australia.

I am pleased to report that South Australia's Strategic Plan target for volunteer participation (namely, target 24), is on track with the 'Volunteering in South Australia in 2012' survey of volunteering, indicating that approximately 71 per cent of our community volunteer their time, formally or informally.

Mr VAN HOLST PELLEKAAN: And regions lead the way.

The Hon. A. PICCOLO: Our volunteers are worthy, irrespective of which part of the state they are in. In 2012-13, the Office of Volunteers within the Department for Communities and Social Inclusion has continued to provide strong support for the volunteer sector.

An example of this support is the Youth Volunteer Scholarship Awards, which celebrate young South Australians who volunteer their time and talents to help others in the community. The awards provide financial assistance to help young people who have demonstrated a strong commitment to volunteering to undertake further studies with a university, TAFE or vocational college.

Grants are also made to not-for-profit organisations and community groups, including through the Volunteer Support Fund, which provides small grants to support volunteer programs. During 2012-13, the office trialled a new delivery model for the Free Volunteer Training Grants program. As an outcome, 27 organisations provided free training for volunteers throughout the state.

We have also continued to strengthen our relationships with the volunteer sector. Two important strategies in 2012-13 were the Advancing the Community Together Partnership and the work of my Ministerial Advisory Group on Volunteering, which is chaired by the member for Ramsay, and which I have quite a bit of affection for, for obvious reasons, and it includes representatives from areas such as education, sport, environment, health, community services, youth, disability and veterans.

The Ministerial Advisory Group is working with government to expand the range of volunteer activity, identify and respond to emerging trends and issues and address important issues, such as protection, risk management and school development for volunteers. The South Australian government greatly values volunteers and is committed to acknowledging and celebrating their contributions.

On 5 December 2012, we held a very successful State Volunteer Congress, attended by nearly 400 volunteers. On 10 June 2012, myself and my shadow minister, as well as the Premier and also our Governor, attended South Australia's annual volunteer event, and a number of major volunteering awards were presented, including the Premier's Certificate of Recognition for Outstanding Volunteer Service and the South Australian Volunteer Certificate of Appreciation.

National Volunteer Week 2013 took place between 13 and 19 May, and a range of activities celebrating the contribution of volunteers in our community life.

Communicating with volunteers is very important. In order to improve our communication with volunteers, we have improved our website and updated our State of Volunteers Online e-newsletter. In 2013-14, a new, more user-friendly website will be completed.

In 2013-14 additionally, the Office for Volunteers will also build onto the successful partnerships that provided job-seekers with ambulance volunteer training. We will work with the State Emergency Service and other partners to trial job seeker volunteer training in emergency services in other areas.

The CHAIR: The shadow minister.

Dr McFETRIDGE: Thank you, Mr Chairman, and can I say that without volunteers this state would not be anywhere near the state that it is. With the 900,000-plus volunteers—we have 600,000 who are volunteering on a regular basis—it is just a fabulous position that we are in. We are so lucky. Can I also say that we talk about the in-kind financial worth of volunteering. I think it is about \$5 billion in South Australia, and that is the 2010 figure.

People in this place probably know that many members on this side—I am not so sure about it in the government—are members of the CFS. I was at a function on Sunday where national medals were presented to volunteers, and can I say that I was very proud to receive my national medal for 15 years service in emergency service, plus a 20-year bar for service in the CFS. At that function, we added up the years of service of those CFS volunteers. It was 1,400 years of service if we combine that expertise there. It is just something we could not pay for and we should never ever overlook.

That is not just emergency service volunteers—it is right across the whole spectrum of our community that we should be valuing our volunteers. Whether it is the lavender ladies down at the hospitals, the rotary clubs or the other service clubs, it is a great state that we have for volunteering. With that, minister, I think in your opening statement you said there were 27 organisations that were involved in volunteer training grants, and this is Budget Paper 4, Volume 1, Sub-program 6.5—Volunteer Services, on page 116. How many volunteer training grants were actually distributed?

The Hon. A. PICCOLO: Mr Chairman, I can advise the committee that providing free or subsidised training is a valuable way to increase the skills and broaden the experience of volunteers and assist in the development and management of community organisations. Under the Free Volunteer Training Grants program, volunteer resource centres, training providers, councils and not-for-profit incorporated community organisations can apply for grants of up to \$10,000.

During 2012-13, 108 applications were received for funding through the Free Volunteer Training Grants and 24 organisations mentioned were subsequently provided funding on topics ranging from governance to cultural awareness. These organisations will deliver free training spanning several geographic locations in South Australia. Seventeen will deliver training in metropolitan suburbs: eight northern, 10 southern, five western and 10 Adelaide City centre and eastern suburbs.

Fifteen will deliver training in a variety of country areas, including: five in the Adelaide Hills; five in Barossa, Light and Lower North; two in Eyre and western; one in the Far North; three in Fleurieu and Kangaroo Island; two in the Murray and Mallee; two in the Limestone Coast; and three in the Yorke and Mid North. Would you like me to mention the 24 organisations that won the money?

Dr McFETRIDGE: If you can read as quickly as I can.

The Hon. A. PICCOLO: The organisations that won the money were: the Blind Welfare Association of South Australia; the Carer Support and Respite Centre Incorporated; Clare Writers' Festival Incorporated; Connecting Up Incorporated; Corporation of the City of Marion; Edmund Rice Camps (SA) Incorporated; Gawler Volunteer Resource Centre; Girl Guides South Australia Inc.; History Trust of South Australia; Holiday Explorers Inc.; JusticeNet SA Incorporated; the Migrant Resource Centre of South Australia; the Naracoorte Lucindale Council; the Northern Domestic Violence Service Incorporated; Northern Volunteering SA; Port Adelaide Sailing Club; Prison Fellowship; Regional Development Australia Adelaide Hills, Fleurieu & Kangaroo Island; Seacliff Community Recreation Association; Seniors Information Service (Adelaide city centre and eastern suburbs); Southern Volunteering; the Salvation Army; Volunteering Barossa and Light; Volunteering SA & NT Incorporated.

Dr McFETRIDGE: On that same budget reference, under a very similar program, the Skills in the Workplace funding, why are volunteers not eligible for certificate III courses in volunteering?

The Hon. A. PICCOLO: I can advise as follows: the Department of Further Education, Employment, Science and Technology (DFEEST) launched the Skills for All initiative in July 2012. Under Skills for All, South Australians have access to free and subsidised training in courses that support the state's priorities, meet industry needs, and develop the latest skills and knowledge.

During 2012-13, the Office for Volunteers contracted Volunteering SA & NT, through a funding allocation of \$33,500, to undertake a project to identify the potential for the Skills for All initiative to meet areas of training need in the volunteer sector. The initiative involves engaging key partners through a collaborative approach that includes DFEEST, members of the Ministerial Advisory Group on Volunteering and the Local Government Volunteer Managers Network, amongst others.

The outcomes of that project include: identifying possible pathways to accessing Skills for All to meet volunteer training needs, trialling these pathways, identifying the capacity of Skills for All to meet some or all of the training needs, and identifying opportunities for the Office for Volunteers to better support volunteer training for the broader volunteer sector in a way that complements training available through Skills for All.

These outcomes will provide the Office for Volunteers and volunteer organisations with a clearer picture of the training needs of volunteers and the current available training, and enable them to become more responsive in matching volunteers' needs and training. The preliminary findings of the project have been shared with the Ministerial Advisory Group on Volunteering.

The next phase will involve volunteers themselves trialling access to Skills for All, during which strengths, weaknesses, barriers and challenges will be identified. The Skills for All project report is due by 31 December this year and the Office for Volunteers will review the outcome of the project to see how its funding programs can complement the Skills for All funding initiative and further identify and meet the needs of this sector.

Dr McFETRIDGE: On that same budget reference, an issue has been brought up with me, particularly with young people—and this is not under the youth portfolio but under volunteers. How do young people with a history of drug or substance abuse, drink or drug driving, or other misdemeanours, register to get volunteer work? Getting a police check is quite difficult for them. Are you working with the police and with volunteer groups to work around that so that we can get these kids involved, included and volunteering?

The Hon. A. PICCOLO: I am advised that the issue you have raised has not been raised with us, but I am more than happy for my agency to look into it and provide you with a response.

Dr McFETRIDGE: This is one of those areas where, because of stupidity, for want of a better description, I suppose, these kids are being further excluded. So, if you can, I would be delighted to work with you on that, because I think it is an area where we do need to do some extra work.

The Hon. A. PICCOLO: I would be happy to do so, and that is one of the reasons we are behind this spent convictions legislation to make sure that silly mistakes that young people make do not wreck their lives.

Dr McFETRIDGE: Excellent. Talking about getting people included in volunteering, in the same budget reference, Budget Paper 4, Volume 1, page 116, subprogram 6.5, under Description/objective, it talks about supporting and promoting volunteering. In supporting volunteers, we have signed the charter with the SES and CFS but, unfortunately when the Community Safety Directorate was announced, there had been no consultation with the CFS or SES volunteers despite the then minister for volunteers having signed that charter. Can you assure the committee that that will not ever happen again?

The Hon. A. PICCOLO: I can advise that I adhere to my requirements as Minister for Volunteers. I cannot comment on what has or has not been done by any other minister, nor is it appropriate for me to do so, but I can assure you that I will meet any requirements which I put my signature to.

Dr McFETRIDGE: On the same reference, how many volunteers are directly engaged in supporting the department and organisations in state disaster recovery and relief? I think that is going back to the VERIS program as well.

The Hon. A. PICCOLO: You mentioned it before and I think I advised that we did not have that figure, but I am happy to take that on notice and provide you with an answer.

Dr McFETRIDGE: On the same budget reference, can you give the committee a bit of detail about the State Volunteer Congress? Who were the participants? Which organisations? Is there a membership panel that guides the congress?

The Hon. A. PICCOLO: The State Volunteer Congress was established in 2002 and acts as a contact mechanism between grass roots volunteers and key stakeholders in the volunteer community and government. It is an important forum to identify key themes relevant to the ongoing development of volunteering in South Australia and, over the years, has explored themes ranging from youth engagement to marketing and social media. The 2012 congress held on 5 December 2012 at the Adelaide Festival Centre—which, I am pretty sure, from memory, I participated in—was strongly supported by the target audience, and nearly 400 people registered to attend from a whole range of backgrounds, I recall.

Produced in partnership with Volunteering SA & NT and themed, 'Head, Heart and Soul', the program brought together a range of speakers who covered key aspects of successfully operating and doing business with the not-for-profit sector. The participant feedback survey revealed that 90 per cent of respondents were satisfied or very satisfied with the general presentation, conference content and venue. During 2012-13, the Office for Volunteers allocated \$28,500 in state government funding to the congress. Volunteering SA & NT committed \$5,000 but, as I mentioned earlier, it was in partnership with Volunteering SA & NT.

For 2013-14, the Office for Volunteers will support Volunteering Australia's 15th National Conference on Volunteering to be held in Adelaide from 4-6 September 2013. The Office for Volunteers will allocate \$55,000 in state government funding to support the 15th National Conference on Volunteering. This funding will cover the cost of academics and postgraduate students attending the conference including registration, travel and accommodation, one conference fee per organisation for the volunteer board members, conference and executive officers, and managers and supervisors from remote or small organisations or where the representative is 18 to 25 years of age. So, we certainly believe it is important and we are funding that.

Dr McFETRIDGE: On the same budget reference, minister, can you tell the committee how you are reducing red tape for volunteers, and how will volunteers be affected by the workers' occupational health and safety legislation and associated liability issues?

The Hon. A. PICCOLO: I will need to take the former question on notice and get some advice for you on that. In terms of the Work Health and Safety Act, the new act provides clarity for volunteer organisations and removes the existing obligation requiring a community organisation to have a responsible officer. Volunteer organisations providing services in more than one state or territory will have the same regulatory requirements and codes of practice, so that, in fact, reduces red tape as well. This provides consistency across Australia with the exceptions of Western Australia and Victoria.

The obligations of a volunteer-based organisation deemed to be a PCBU under the act are generally the same as those for an employer under South Australia's previous occupational health, safety and welfare act 1986. That is, where a PCBU must ensure as far as practicable the health and safety of workers including volunteers they engage; consult with them on work, health and safety matters; and provide them the necessary information, training and supervision.

In South Australia, SafeWork SA is assisting volunteer based organisations to understand their obligations by publishing factsheets, frequently asked questions and guidance materials on the SafeWork SA website. If I remember when it was announced last year, Volunteering SA&NT was quite supportive of the reforms and, for their purposes, it was not one which would be creating any additional burdens.

Ms THOMPSON: My question sort of follows on from the last one. I refer to Budget Paper 4, Volume 1, page 116. Will the minister please advise what action has been taken by the state government to expand the geographic reach of recognising volunteer activities?

The Hon. A. PICCOLO: I thank the member for Reynell for this question. As I said before, every day volunteers play an important role in our society and many volunteers tell me how it feels good to be recognised for the work they do. I must also acknowledge that many do not seek recognition and do it because they like doing it. While being recognised is by no means the main

motivator for people volunteering, it can make a difference as to whether or not they continue to participate in volunteering.

Through the Office for Volunteers, the South Australian government has implemented a number of initiatives to recognise and promote volunteering. These are designed to be inclusive of all South Australians who are volunteers, irrespective of where they live. In 2012 the volunteer recognition program was redesigned with the Premier's Certificate of Recognition for Outstanding Volunteer Service being awarded to a select number of volunteers annually and are continuing to award the South Australian Volunteer Certificate of Appreciation.

These certificates give all organisations in South Australia, regardless of their location, a tangible way to acknowledge their volunteers. Many organisations hold special functions to present the certificates and honour their volunteers. Volunteers are also recognised in South Australia's annual Volunteers Day which is held in conjunction with the Queen's Birthday public holiday in June.

On 10 June 2013, as part of the festivities, the government hosted a free thank you concert for approximately 1,400 volunteers at the Festival Centre. The shadow minister was also present. The event featured performances direct from the 2013 Adelaide Cabaret Festival program and the presentation of the prestigious South Australian Volunteer Awards by the Governor of South Australia. While this event is based in Adelaide, all South Australian volunteers are invited to attend, with some making the trip from regional locations to join in the celebrations. I recall the host, Peter Goers, asking people where they were from and there were a whole range of country regions—

An honourable member interjecting:

The Hon. A. PICCOLO: Sorry?

An honourable member interjecting:

The Hon. A. PICCOLO: Yes. I will not go any further than that one. The Youth Volunteer Scholarship Awards also recognise and encourage young volunteers from right across South Australia who give their time and talents to help others in their local communities. These scholarships provide \$3,000 to young volunteers to assist them to pursue study options with a university, TAFE SA or vocational college. In 2012 a total of 79 applications were received, with 20 young people being awarded scholarships. Of the 20 recipients, I can advise the committee that 10 were from metropolitan Adelaide and 10 were from country areas, which is good recognition of people from country areas. The Youth Volunteer Scholarship Award opened again for applications last month.

Ms BETTISON: I refer to Budget Paper 4, Volume 1, page 116. Will the minister please advise how the Office for Volunteers encourages and facilitates corporate volunteering in the South Australian community?

The Hon. A. PICCOLO: Thank you, member for Ramsay. Volunteering in South Australia, as with volunteering elsewhere, is one of those shared responsibilities. As a government we try to support them; we also look towards the business community to support them. One of the programs we have is the Corporates4Communities (C4C) program which was established in 2008. The program, currently managed by Heta Incorporated on behalf of the Office for Volunteers, links the skills and expertise of business professionals with the needs of the community by matching volunteers from business with community organisations.

A large number of companies have contributed through the program, including Lend Lease, Sue Averay Management, Murray Safety Management, Adelaide Aquatic Centre, Bowden Printing, ASC Training, Tincat Consulting and Good Start Early Learning, which are just some of the names on the list of contributors. The C4C volunteers have given their expertise to community groups in many areas, including auditing, graphic design, team-building days, website design, business planning and facilitating.

Many organisations have benefited from this initiative. These include the large and the small, the well-known and the less familiar. For example, the Salvation Army and Habitat for Humanity, Girl Guides and the Gawler Community House have all benefited from this collaboration.

Since the program's inception, more than 10,000 professional volunteer hours have been contributed to the South Australian community. The success of the program continued in 2012-13, with targets met for new business registrations, requests for assistance from community organisations and new projects completed as a result of the volunteer matches. The Office for

Volunteers will continue to fund the program in 2013-14 and I have every expectation that it will continue its success in encouraging corporate volunteering.

Membership:

Mrs Geraghty substituted for Ms Thompson.

Dr McFETRIDGE: Budget Paper 4, Volume 1, Sub-program 6.5, page 116. Minister, on supporting and promoting volunteering, it has been raised with me by volunteers from Meals on Wheels that there are some Meals on Wheels kitchens on council land where the 21-year leases are due to expire. Some of these kitchens are worth hundreds of thousands of dollars and were built by Meals on Wheels. Have you had any discussions with the Local Government Association or Meals on Wheels about the future of these leases?

The Hon. A. PICCOLO: I am advised that nobody has actually raised it with my Office for Volunteers, but I would be happy to talk to you about that to ensure that we can maintain those services. Meals on Wheels provide an incredibly important service.

A bit earlier, you talked about the economic value of volunteering, but just as important is actually that human connection that volunteering makes for a lot of people. For some people, especially the older people who are isolated in their homes, that weekly or whatever it is visit from the Meals on Wheels person is often the only human contact they have, so it is an important service. I certainly, as a local member, have supported them and promoted them in my electorate, so I would be happy to discuss that further with you.

Dr McFETRIDGE: I will do that, minister. I will follow up because it would be a tragedy for there not to be progress made in making sure we are locked in there. On the same budget reference, minister, on page 117 this time though, under the targets is partnering with the SES to develop the Jobseeker Ambulance Volunteer Training pilot program. How many people are participating in the Jobseeker Ambulance Volunteer Training pilot program and where are they located?

The Hon. A. PICCOLO: The Jobseeker Ambulance Volunteer Training pilot program commenced on 11 July 2011 through a partnership between the Office for Volunteers, SA Works, through the Department of Further Education, Employment, Science and Technology; Regional Development Australia Yorke and Mid North; and the South Australian Ambulance Service, while Job Services Australia provided employment directions. A total of \$12,700 plus GST was provided by South Australia Works in 2010-11 to fund the project, with the other project partners providing in-kind support.

Of the 12 participants who started the course in July 2011, five completed all assessments and were awarded a certificate of attainment. Four of these people enrolled to become volunteer ambulance officers in Peterborough and the Yorke and Mid North region and one gained full-time employment.

During 2012-13, the Office for Volunteers has worked with the State Emergency Service and other potential project partners to consider the viability of extending this initiative to other regions to encourage volunteer participation in emergency services. In April 2013, a preliminary meeting was held with the SES district officers to gauge their interest in participating in the trial and to consider potential regions for its delivery in South Australia. The SES has subsequently indicated that it will not be in a position to consider involvement in a trial until mid-2014.

In early 2014, the Office for Volunteers will re-engage with the SES and other identified project partners to consider a potential trial of this initiative and other geographic locations during 2014-15. The Department for Communities and Social Inclusion has not allocated any funding to this initiative in the current year for that very reason.

Dr McFETRIDGE: Thank you, minister. Budget Paper 4, Volume 1, sub-program 6.5, page 116: this is the net cost of the sub-program. There was a \$221,000 decrease in the net cost of the sub-program. Can you tell the committee why that is so? We do not want to lose any money in volunteering or supporting our volunteers.

The Hon. A. PICCOLO: I can advise the committee as follows, that to achieve efficiencies and strengthen the department's capacity to respond to matters relating to youth and volunteers social policy, a restructure of smaller units within the department was undertaken in 2012-13. As a result, some positions were transferred within the department to those divisions which provide

specialist services. Some staff transferred to media and communications to strengthen events and related programs. Some transferred to Community Connect to strengthen grants management.

All staff continue to support the portfolios of youth and volunteers, and those portfolios benefit from additional support from specialist units. The application of corporate overheads across the department makes it difficult to make direct comparisons, but I am advised that overall there is no reduction in budget for those programs. We are just doing it differently.

The CHAIR: We now move to Disability Services.

Departmental Advisers:

Ms J. Mazel, Chief Executive, Department for Communities and Social Inclusion.

Mr A. Thompson, Executive Director, Financial Services, Department for Communities and Social Inclusion.

Dr D. Caudrey, Executive Director, Disability SA, Department for Communities and Social Inclusion.

Mr N. Lombardi, Chief of Staff.

Ms N. Rogers, Acting Director, Business Affairs, Department for Communities and Social Inclusion.

Ms E. Lyster, Senior Parliamentary and Policy Coordinator, Department for Communities and Social Inclusion.

Ms L. Young, Executive Director, Disability and Domiciliary Care Services, Department for Communities and Social Inclusion.

Ms L. Pugh, Director, Domiciliary Care, Disability and Domiciliary Care Services, Department for Communities and Social Inclusion.

Mr J. Young, Director, Funds Management, Disability SA, Department for Communities and Social Inclusion.

Mr P. Willey, Director, South, Disability Services, Department for Communities and Social Inclusion.

Mr C. Bruno, Director, North, Disability Services, Department for Communities and Social Inclusion.

The CHAIR: Does the minister wish to make any introductory comments?

The Hon. A. PICCOLO: I would like to make just a few comments. I will not take up the allocated 10 minutes. The Weatherill government is a government for the people living with disability, their carers and families. The way we think about and approach disability as a community is about to change forever, as of yesterday. In July 2012, South Australia was the first jurisdiction to agree be a launch site for the commencement of the NDIS scheme, or, as we call it now, DisabilityCare Australia.

Our launch site, which commenced yesterday, will focus on children aged from birth to 14 years, in line with the state strategic priority, 'every chance for every child'. In April 2013, South Australia became the second jurisdiction to agree to full implementation of the NDIS scheme from 2018 for all people with disability under the age of 65.

The NDIS, or DisabilityCare Australia, will make a profound difference to the lives of South Australians living with disability. It also brings with it increased funding from both the state and commonwealth governments. It will put people living with disability in control of the care and support they receive. This is indeed an historic shift in the approach to disability support in Australia.

Importantly, the scheme takes a lifelong approach to the needs of people with disability and has a focus on early intervention. Governments have committed to a funding pool based on actuarial assessment of need, subject to eligibility criteria, rather than the current rationed approach to disability supports. When fully operational, the scheme will benefit more than 32,000 South Australians living with disability.

The South Australian government has already increased its funding for disability services from \$124 million in 2002-03 to \$355 million in 2012-13, almost trebling the amount spent on disability supports. Upon the full implementation of the scheme in 2018, this will rise to \$723 million.

The commonwealth government's contribution to the NDIS in South Australia will be around \$760 million. In total, 2018-19 the full South Australian NDIS scheme will be worth approximately \$1.483 billion annually. South Australia's embrace of the NDIS builds on the existing state government's commitment to person-centred planning and individualised funding, initiatives that are already well underway and which also give rights, dignity and choice to people with disability.

Stage 1 of individualised funding was rolled out in January 2013 to all Department for Communities and Social Inclusion clients with disability who receive six or more hours of disability support brokered through support agencies. In 2012-13 a new contract management system was introduced in order to efficiently manage the 4,500 contracts issued under the individual support program. It also ensures arrangements are flexible enough to enable people to manage their own funding.

This new system is much easier for disability service providers, who are able to acquit the services they have delivered by uploading data directly to the system, making it a quicker way of processing payments. These initiatives are just some of the ways in which we are delivering on the recommendations in the former Social Inclusion Board's report 'Strong Voices', released in October 2007, which outlined a blueprint to enhance life and claimed the rights of people with disability in South Australia.

During 2012-13 funding of \$21.6 million over four years was also allocated for the final stages of the relocation of Strathmont residents into the community. Another important initiative in 2012-13 was the funding of a disability Community Visitor Scheme, with \$2.3 million assigned for implementation over four years. The scheme provides safeguards on the rights and wellbeing for people with disability. I am delighted that well respected disability advocate, Mr Maurice Corcoran, is overseeing the scheme as principal community visitor.

This government has also committed that people with disability will be a priority right across government by mandating the development of disability access and inclusion plans. These plans align with my department's vision of 'Communities for all: opportunities for everyone'. Access and inclusion plans will reflect current national and state disability reforms and progress the positive work undertaken previously through the disability action plans.

On 24 May 2013, I officially opened eight smart living apartments, which were built as part of the state government's Urban Renewal Project at Woodville West. The project is working collaboratively with the Flinders University Medical Device Partnering Program and local technology providers to demonstrate how people living with a disability and who have high support needs can be supported to live in their own apartment at the same or less cost than more traditional shared supported community accommodation. So far, five people have been selected to live in the apartments and will move in very soon; in fact, they will be moving in this month.

The year 2012-13 was also a watershed in the state government's recognition of and commitment to people with disability, with record spending on disability and many program initiatives. In the year ahead, we will continue to move towards an era in which people with disability have choice, dignity and control. We will build on our achievements to date and are confident that our initiatives will significantly improve the lives of people with disability, their families and carers. That is all I have to say at this point, Mr Chairman.

The CHAIR: Thank you. Does the shadow minister wish to make any opening remarks?

Dr McFETRIDGE: Thank you, Mr Chairman. Just very briefly I will reiterate some of the comments I made yesterday morning at the launch of DisabilityCare Australia at Novita; it was a great occasion. I just hope that now, with the funding for DisabilityCare Australia, the 'dis' in disability is going to become that bit smaller, because now we have the ability to choose, the ability to plan, the ability to achieve to the best of our abilities for everybody, that is, people with disabilities, their families and their carers.

It is not just the 20,000 currently on DSA books; it is the 32,000 that will come in by 2018-19, and possibly a few more, depending on the population. It is the total of nearly half a million people with disabilities across Australia and the millions of people, their families and their carers, who will be affected positively by this change. It is a brave new world we are entering here.

As I said yesterday, as a member of parliament, when you leave a legacy like this, you can walk away from this place and feel very proud.

I will be working in a collaborative way with anybody who wants to talk to me from any political party to make sure that we have not raised the expectations and then failed to deliver. The most important thing that we have to do is make sure that we do deliver on these programs and with that, I will ask some questions about that program.

The CHAIR: You are in order.

Dr McFETRIDGE: My first question relates to Budget Paper 4, Volume 1, program 4, page 96. Minister, why does disability services have to be reconfigured into a service provider that families of children with a disability can choose under the NDIS children's launch? Why is disability services, a government service, competing with private providers?

The Hon. A. PICCOLO: At the moment, half the services for people with disabilities are provided by Disability SA, and we are in the marketplace but, like any other provider of services in the marketplace, we would be open to what the consumer wants—the person with the disability. Very importantly, under the new DisabilityCare Australia (which actually reflects what we are doing in this state) under individualised funding arrangements, and with the potential for self-managed funding, the person who received the funding package would determine who provides their service.

So yes, we are there, but if we do not provide the service which people want, or respond to what the marketplace wants, we will not be there. All I can say is that, by being there, we are just another player in the market to ensure the delivery of quality, timely and responsive services.

Dr McFETRIDGE: It isn't government's role to be there as a competitor to private enterprise—whether they are a not-for-profit or even a for-profit organisation in the state of South Australia. Shouldn't we be encouraging the economy through private providers, rather than competing with them?

The Hon. A. PICCOLO: To build on my earlier answer, it is not whether you and I believe that; it is what the consumer thinks—the person who actually receives the services, and I need to emphasise that. What this whole reform is about is putting the person with the disability at the centre of delivery services. It is important to mention it, and it is very relevant because they will determine who the actual provider is.

If the person who is to use a disability services provider wants a government provider, that will happen; if they do not, it will not happen. It is not a case of being in a monopoly; people have choice. Under DisabilityCare Australia, people have choice and the opportunity to go to any provider—and there will be new private providers, I am anticipating that. For example, yesterday we heard that Novita is moving into new areas. Traditionally, Novita has dealt with children with physical disabilities. Yesterday, they announced they are moving to provide services for children right across the board.

Dr McFETRIDGE: But they are having to compete with the government—that is my issue.

The Hon. A. PICCOLO: No; we will be subject to the same price constraints. We will be competing on a price level like every other provider. We do not have an advantage. In some ways, I think, because we are government, we have more rules and regulations to respond to, so there is no unfair competition. Importantly, there will be new providers in the marketplace, not only ones that are expanding their services, but new ones coming in. In answer to your question, it is not for you or me to decide that; it is up to the consumer to decide who they want to have provide the service.

Dr McFETRIDGE: On the same budget reference there, on page 96 there is an amount of almost \$392 million for the net costs of providing services. Is the funding in that line there for the NGOs, or is it just purely for Disability SA to provide services? I know in the annual report there is a long list of NGOs.

The Hon. A. PICCOLO: Just to clarify; if you go to 5.1, these are the government-provided services, and 4.1 is services provided by—it is actually shown there: 'Non-government and individualised funding'. If you want some more details about the funding for disability NGOs, I can advise that, as at 30 April 2013, DCSI has paid \$227.2 million to NGOs for disability services, including \$161.7 million in the form of grants, and \$65.5 million in brokerage payments.

The 2012-13 budget provides \$1 million over two years to assist non-government organisations in their preparation for individualised funding and the national disability scheme—this

is partly related to the earlier question. Three contracts were established, totalling \$0.75 million for services to be provided in 2012-13 and 2013-14.

Additionally, in 2012-13, the state government provided budget supplementation to government agencies for the impact of the equal remuneration order on EGOs. The supplementation from the state government rises to approximately \$119.2 million per annum in 2021-22, with the commonwealth government contributing \$26.25 million, for a total of \$145.5 million.

The equal remuneration order—which is important for the NGOs to get that money—is effective from 1 December 2012. Funding of \$4.2 million was provided in 2012-13 to non-government organisations for social and community service sector employees affected by this ERO in programs funded by DCSI. This includes: disability NGOs received \$3.4 million in 2012-13, rising to \$81.4 million per annum by 2021-22, ensuring that the NGOs remain competitive.

Other DCSI NGOs received \$0.8 million in 2012-13, and it is rising to \$13.7 million per annum by 2021-22. Based on 2011-12 data, approximately 50 per cent of annual disability services expenditure in South Australia is paid to NGOs.

Dr McFETRIDGE: Thank you, minister. Budget Paper 4, Volume 1, page 97—Non-government and individualised funding. Just before I ask this question, can I just ask: Disability Services SA, are they a self-insurer for WorkCover?

The Hon. A. PICCOLO: Like the rest of the government, yes—I am advised they are self-insured, like every other government agency.

Dr McFETRIDGE: On that issue, minister, it is not going to be a level playing field for Disability Services SA to compete with NGOs, because I have been made aware—I have been given a list of the various NGOs who are having to cope with up to a 116 per cent increase in WorkCover levies. I have one example of one NGO paying an extra \$10,000 a month; another one is paying \$1 million more a year than they were recently because of WorkCover. Have you had discussions with WorkCover and the NDIS about how you can help them compete with the government?

The Hon. A. PICCOLO: Just because the government actually self-insures does not mean we don't have costs associated with that.

Dr McFETRIDGE: They are much cheaper, Tony; trust me, I know.

The Hon. A. PICCOLO: We actually—

Dr McFETRIDGE: Having been the shadow minister for industrial relations, we know.

The Hon. A. PICCOLO: We actually still have that risk ourselves. Another thing we need to mention is that the NGO sector has one advantage which we do not have in government: the ability to salary sacrifice a whole range of things, which makes them more competitive in attracting staff and keeping the cost down, etc., because that effectively shifts it to the federal tax system, in essence. Also, we do index the grants—

Dr McFETRIDGE: Public servants can salary sacrifice, can't they? And access cheap loans, and things like that?

The Hon. A. PICCOLO: No, it is only in the hospital arrangements.

Dr McFETRIDGE: In the hospitals, not in other departments?

The Hon. A. PICCOLO: And that's why the hospital arrangements actually—there is a convoluted way in the hospital system, the way it is set up, to still maintain that.

Dr McFETRIDGE: I still think 116 per cent increase in WorkCover is a bit of an ask. Moving on to Budget Paper 3, page 66 to 67—State disability funding: what is the extra total funding per year for social and community services award pay for each year between 2012-13? I ask this because of the equal remuneration order that has been put in place and there are some significant pay rises, which I will not say are not unwarranted, but it is going to be something we are going to have to cope with.

The Hon. A. PICCOLO: I did refer to that in the previous answer, but perhaps I will just identify more closely for you. The equal remuneration order is effective from 1 December 2012. Funding of \$4.2 million was provided in 2012-13 (the last financial year) to non-government organisations for social and community service sector employees affected by the ERO decision—

that is, those funded by us. This includes disability NGOs of \$3.4 million in 2012-13, rising to \$81.4 million per annum by 2021-22. Other DCSI NGOs account for \$0.8 million in the previous financial year, rising to \$13.7 million per annum up to 2021-22. That is what you are seeking, I understand.

Ms BETTISON: I refer to Budget Paper 4, Volume 1, page 99. Could the Minister for Disabilities please provide an update on how the state government is implementing measures to deliver improved access and inclusion of people with disability across government agencies?

The Hon. A. PICCOLO: Thank you, the member for Ramsay. In December 2011, the South Australian government responded to the 34 recommendations of the former Social Inclusion Board's report 'Strong Voices: A Blueprint to Enhance Life and Claim the Rights of People with Disability in South Australia (2010-2020)'. The government immediately endorsed recommendation six, which states:

To support access to services for people with disability, their carers and families and assist organisations plan and provide better services, all State Government agencies, local councils, statutory authorities and State Government contractors must develop and implement an annual Access and Inclusion Plan.

State government agencies previously reported their progress regarding access and inclusion for people with disability under the Promoting Independence: Disability Action Plans for South Australia strategy.

Disability Access and Inclusion Plans align with the intent of the United Nations Convention on the Rights of Persons with Disabilities, signed by Australia in 2009. The convention acknowledges the value of the existing and potential contributions made by people with disability to the overall wellbeing and diversity of their communities. This government recognises the importance of access and inclusion in enabling people with disability to fully enjoy all human rights and fundamental freedoms. This includes physical, social, economic and cultural access, as well as access to services and information. My department is leading the development of the Disability Access and Inclusions Plans.

Given the state government's commitment to the National Disability Strategy, it is envisaged that Disability Access and Inclusion Plans will align with key National Disability Strategy outcome policy areas where they are of benefit to South Australia. Disability Access and Inclusion Plans also support my department's vision of 'Communities for all: opportunities for everyone' and will support the move to a rights-based approach, which gives people with disability choice, control and independence.

The Disability Access and Inclusion Plan development process will see broad consultation with people with disability, their families and carers; the disability sector, state and local government; and other parties interested in developing and promoting the plans. During 2013-14, my department will assist agencies to develop their plans by providing guidance and tools for agencies to use.

Can I also say that local government is doing a pretty good job there. In fact, I visited the Mid Murray Council recently. I met with their Disability Access and Inclusion Plan monitoring committee and that council there, for example, have set up a process in place where their plan is not only written but actually monitored. I would like to commend Mid Murray Council and other councils who have taken a very active approach in this area.

Ms BETTISON: I refer to Budget Paper, Volume 1, page 97. Can the Minister for Disabilities please advise the committee of current state government initiatives to reform the disability sector and improve services for people with disability in South Australia?

The Hon. A. PICCOLO: Thank you, member for Ramsay. I am pleased to have the opportunity to add to my introductory remarks. We are currently experiencing significant reform in the disability sector in South Australia. Since the state government announced major reforms in 2011, in response to the Strong Voices report by the Social Inclusion Board, we have made great progress in improving the way we deliver disability services.

We have introduced individualised funding to allow people to exercise choice and control in the services they receive and who provides them. Stage 2 of individualised funding began on 1 July, just yesterday, and is expected to involve 5,000 people with disability. It will mean that people can individualise their in-home respite, day options, tenancy support or other packages of support, rather than being provided with a fixed number of hours and a consistent service.

Stage 3 of individualised funding will begin on 1 January 2014 and will include some further 1,750 people with disability who are living in group or shared accommodation—group homes,

hostels and the like. Not only are we providing greater choice and control for people with disability, we are also shifting away from institutionalisation and towards community engagement and inclusion, with a focus on people as individuals.

Quality reform in South Australia has three main objectives: to improve the quality of services provided to people with disability, and to ensure that services are focused on positive outcomes for people; to help providers prepare for the requirements of the National Standards for Disability Services and the National Quality Framework; and to assist in positioning South Australia for the National Disability Insurance Scheme.

We are currently seeking feedback from the sector about how we can work together to provide consistent, high-quality support services to people with disability. A contemporary quality management approach encourages the provider to focus on assisting people with disability achieve their goals. It also encourages services to undertake continuous improvement strategies.

In addition to the discussion paper and the implementation of individualised funding, we are progressing the establishment of the disability Community Visitor Scheme, as the member for Morphett would know. The Community Visitor Scheme was a 2012-13 budget initiative of the state government, providing \$2.3 million over four years to expand the existing Mental Health Community Visitor Scheme to the disability sector.

I recently did a tour of Highgate with the community visitor. It is a very worthwhile scheme and gives the opportunity to talk to people about services, and it provides important feedback. It is also an important mechanism to enhance people's rights who live in some sort of supported accommodation facility.

The expanded scheme will also include people with a disability who live in state-funded disability accommodation or in supported residential facilities (SRFs). Around 2,500 people with disability in more than 400 disability accommodation sites in South Australia, as well as 56 respite facilities and 28 SRFs, will benefit from the disability Community Visitor Scheme. The scheme is operating now, using the recently enacted regulations to the Disability Services Act 1993, which I tabled in parliament. MySupportAdvisor is another initiative, allowing service users to go online and read reviews of service providers by others.

These quality initiatives are also an integral part of preparing our state for the full introduction of DisabilityCare Australia. Our South Australian initiatives will align and add value to national reforms, including the National Disability Strategy, the National Quality Framework and the National Standards for Disability Services. The state government is committed to supporting the disability services sector deliver high-quality, consumer-focused services to people with disability in South Australia.

I recently had the opportunity to visit a number of group homes. Certainly for families who have adult children with disabilities, they are certainly happy that their children are not in institutions but are in a group home that is more like a family environment. It was interesting, when you talk to the parents of the children—and when I say 'children' I mean adult children—they are thriving and the new environment makes a huge difference and they become much more independent. I fully support the government's approach to taking people out of institutions and putting them into group homes where services are based more on individuals rather than the institution itself.

Membership:

Mr Sibbons substituted for Mrs Geraghty.

Dr McFETRIDGE: I have a point of clarification. I asked a question before about disability services being reconfigured into a service provider in Budget Paper 4, Volume 1, page 104. I was about to ask my next question from this next reference, which is Budget Paper 3, pages 66 and 67—having read in the first one 'we are going to reconfigure into a service provider', it says in these budget papers, 'The transition to the NDIS means that states and territories will no longer be providing disability services to residents.' So, I am a bit puzzled as to why we are spending the money and competing with the privates.

On that issue, Budget Paper 3, page 66 to 67, can you tell the committee how much funding has been specifically allocated through to basic community care for each year between 2012-13 to 2018-19, how much has been allocated in those same years for psychiatric disability care and how much has been allocated to transport services?

The Hon. A. PICCOLO: Just on that earlier matter, member for Morphett, just to clarify it, the important thing is that under DisabilityCare Australia, when it is fully implemented from 2018-19, you are quite right, the money will actually come from the consumer, the actual fund is serviced. At the moment, we provide the funding but individuals will supply the funding. So, it is really a technical way of how you interpret it but you are quite right in the sense that we will not be funding it, the consumer will be funding it only if they purchase services from us. If they do not purchase services from us the service will not be provided, and that is an important distinction.

Dr McFETRIDGE: But you will still be there competing with the private sector. That is the problem.

The Hon. A. PICCOLO: As a government, we think that—

Dr McFETRIDGE: Hopefully, it will not be, but anyway we will see.

The Hon. A. PICCOLO: I do not agree with you. If we are providing a service which people wish to purchase why would you want to get rid of them? Why would you want to deny the consumer a choice? The whole thing about this—

Dr McFetridge interjecting:

The Hon. A. PICCOLO: Let me finish. The whole thing about DisabilityCare Australia is about control and choice for the individual living with a disability, their carer and family. What you are suggesting is that we should reduce the choice available to the person—

Dr McFETRIDGE: Not at all. I think we should be allowing—

The Hon. A. PICCOLO: Hold on. You are saying—

Dr McFETRIDGE: —free market here.

The Hon. A. PICCOLO: Well, you are.

The CHAIR: The minister has the call.

The Hon. A. PICCOLO: I have made it very clear that we are in the marketplace with a whole range of other providers. The other thing the non-government sector has, which is quite right, is a huge volunteer base, which helps them compete as well, and that is important and it is important to do that. So, in the end, we will only exist as a provider of services if we provide a service which persons demand at a price which is within the scheme.

The other thing is that if we are not in the marketplace between now and 2018-19 I am not sure the not-for-profit sector is quite ready to pick up that 50 per cent which we service at the moment. We need to transition in. We may lose some market share to the not-for-profit sector and that is fine if that is what people demand.

The other thing you need to remember is that in some areas of the state, particularly in regional and remote South Australia, we are often the lone provider. So, if you are suggesting that we withdraw our services from regional and remote South Australia—

Dr McFETRIDGE: What I am suggesting is that so long as it is a level playing field.

The CHAIR: Order! The minister has the call.

The Hon. A. PICCOLO: So, if you are suggesting that we should withdraw our services and not support people in regional and remote Australia I would be a bit concerned about that.

Dr McFETRIDGE: It is not about withdrawing services, it is about making sure we have a level playing field, and is it the government's role to compete with private enterprise? I am not so sure it is. Anyway, we will move on. You have those questions about what funding—

The Hon. A. PICCOLO: Sorry; I did not hear that. Could you repeat that for me, please?

Dr McFETRIDGE: Yes. Pages 66 and 67 of Budget Paper 3. How much funding is specifically allocated for basic community care for each year between 2012-13 and 2018-19, and then for that same period how much is allocated for psychiatric disability and how much is allocated for transport services?

The Hon. A. PICCOLO: I need to take that question on notice. That is a table which is of service providers with other agencies in this space that is coordinated by Treasury, but I am happy to get that information for you.

Dr McFETRIDGE: Thank you, minister. It would be very helpful if we could get that back for the committee. The next question is, same budget reference, how many FTEs do we currently have working in Disability SA? It is probably in here but I have not seen it.

The Hon. A. PICCOLO: When you are talking about disability, you have Disability SA, the policy and program, or are you talking about the service provider? Which one did you want to know?

Dr McFETRIDGE: Both.

The Hon. A. PICCOLO: Okay, both. In terms of Disability SA which is, essentially, the policy and program management of our agency, it is 476.3 FTEs, and that includes the allocation of corporate overheads to that position. In terms of the service provider, it is program 5, which is 2,603.1 FTEs in the current budget. That is the bottom line on page 103; and the earlier one, for your information, is on page 96.

Dr McFETRIDGE: I refer to Budget Paper 6, page 21. There is an allocation of \$2,486,000 for equipment services. Can you give the committee some details of how many clients will receive extra equipment with some of the equipment that they are after, because the lack of wheelchairs or wheelchairs needing repairs or replacement is always being featured in the media.

The Hon. A. PICCOLO: DCSI funds a statewide equipment program (known as the equipment program, obviously), which we have put some more money into this year, to provide equipment and home modifications to clients of Disability and Domiciliary Care Services, Novita Children's Services and Minda Incorporated. Assessment and prescription are undertaken by the specialist clinicians within each of these services, and then the Domiciliary Equipment Service (DES) manages the supply and maintenance of all equipment and home modifications.

During 2012-13, the equipment program has operated without waiting lists for the supply of equipment and home modification services. Clients have been assessed by the clinical service, and, once their needs have been prescribed, that item or home modification has been supplied.

A comprehensive range of stock equipment items has met 91 per cent of needs for the program overall (79 per cent of adults, 68 per cent of children and 98 per cent of ageing clients) from 1 July 2012 to 13 May 2013, the most recent figures this year. Where suitable, the use of these stock items also ensured that 74 per cent of the overall equipment items supplied to people were items that had been refurbished and then reissued.

This refurbishment rate is best practice nationally and, as at 31 May 2013, the estimated value of the refurbished items reissued during 2012-13 was valued at approximately \$8.6 million, providing a net benefit of \$7.1 million to the program. The significant savings delivered have resulted in more equipment and home modifications being supplied. The equipment program is thus forecast to supply more equipment and home modifications services in 2012-13 than in 2011-12.

As at 31 May 2013, the equipment program has provided 22,680 items of new or reissued equipment (excluding consumable items) to clients and is on track to exceed the 2012-13 target of 24,600 items. As at 31 May 2013, the equipment program had also completed 3,324 home modifications and is on track to meet the target of 3,700 items for 2012-13. As at 31 May 2013, the equipment program had completed 7,345 repairs and maintenance requests for clients. It is likely that the target of 7,800 will be exceeded by 2 per cent for 2012-13. Repairs have remained consistent with previous years, despite more equipment in use in the community. It is anticipated that repairs should remain stable or even reduce in future, due to better quality equipment and more proactive maintenance.

Improvements have been made to reporting systems to more accurately track supply times. From 1 July 2012 to 31 May 2013, the average equipment supply times were 4.3 days for stock items, and 60 days for customised items, for example wheelchairs which have to be modified to suit the individual are the most complex items, and there is an average wait of 136 days on those, with time taken to firstly design and then literally build it for the person involved. Following a public tender process, new contracts to supply all types of wheelchairs were put in place yesterday. It is anticipated that these contracts, together with an increased focus on resources on complex wheelchairs and seating, will improve supply times.

During 2012-13 a comprehensive training program was established for more than 900 clinicians who prescribe equipment or home modifications. As at 31 May, 933 attendees had registered for sessions ranging from orientation to the equipment program to the prescription of home modifications.

Results from an independent consumer satisfaction survey undertaken in 2012 demonstrated very significant improvements for children and their families across all domains surveyed. Waiting times for assessment was not such a significant issue in 2012, reflecting additional resourcing for assessment services, and the impact of the reforms to provide much simpler access to equipment for children of Novita and Child and Youth Services.

Despite the very significant improvements between surveys, all stakeholder groups reiterated the importance of regular clinical review, better communication and more maintenance of equipment for the equipment program. So, obviously there is room for improvement.

In 2012-13, recurrent funding for the equipment program totalled \$15.7 million and comprised: \$6.4 million for adult clients of Disability Services and Minda Incorporated; \$1.3 million for child clients of Disability Services and Novita Children's Services; \$3.9 million for clients of Domiciliary Care (including \$2.2 million HACC funding); \$2.6 million for the South Australian Amputee Limb Service; and \$1.5 million for program management and administration. The 2013-14 budget provided a further \$2.5 million, to which you referred, in one-off funds to the equipment fund for 2012-13.

Membership:

Ms Thompson substituted for Mr Sibbons.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 1, pages 96, 97 and 104: under the NDIS or DisabilityCare Australia, how will South Australia's unmet need be monitored?

The Hon. A. PICCOLO: Between now and the full implementation of DisabilityCare Australia it will be monitored in the same way we do now. If my memory serves me correctly, we have the best and most accountable system in Australia because we publish our lists on the website on a monthly basis. That will not change. I would assume that, once DisabilityCare Australia is fully implemented from 2018-19, you will not need an unmet list.

Dr McFETRIDGE: There will be a bit of a split at the moment, though, will there not, because of the little kids under 5, and then the over 5s?

The Hon. A. PICCOLO: As the children come into the scheme, for example in the first three months between zero and two, those children will transfer to DisabilityCare Australia, so there should be no unmet needs, and every three months three year olds, four year olds, five year olds, then by the end of three years, up to 14 years, there should be no unmet needs as they transition across. The remaining people on the state scheme until it is fully implemented will continue to be monitored by us.

Dr McFETRIDGE: And let us hope that Dr Caudrey's evidence to the Budget and Finance Committee is correct, that we will have people scoping in to the scheme, because we hope there is no unmet need. Just moving on quickly, due to the time, I now refer to Budget Paper 4, Volume 1, Program 4: Disability SA, page 96. Again under the NDIS scheme, will DisabilityCare Australia charge clients for reporting costs, because currently the preparation of a report on access of clients to disability services is \$363, and that was gazetted in the *Government Gazette* on 6 June this year.

The Hon. A. PICCOLO: I am sorry, but you need to speak more slowly, member for Morphett. I am fast, but you leave me behind.

Dr McFETRIDGE: The cost of preparing a report so that a client can access disability services is currently set, according to the *Government Gazette* on 6 June, at \$363. Will that fee be charged by Disability Care?

The Hon. A. PICCOLO: Are you referring to compensable clients or just a general client because some fees we charge because the people get reimbursed for their cost?

Dr McFETRIDGE: I don't know whether there is any reimbursement. This was a list of fees and charges in the *Government Gazette* on 6 June and one of those fees and charges was for the preparation of a report on access of clients to disability services in South Australia.

The Hon. A. PICCOLO: I am advised that that figure refers to compensable items and that will not change with DisabilityCare Australia. In other words, people are compensated for that cost.

The CHAIR: In accordance with the agreed schedule, the minister invites you for afternoon tea.

[Sitting suspended from 16:30 to 16:46]

Membership:

Ms Sanderson substituted for Mr Whetstone.

Witness:

Hon. A. Piccolo, Minister for Communities and Social Inclusion, Minister for Social Housing, Minister for Disabilities, Minister for Youth, Minister for Volunteers.

Departmental Advisers:

Ms J. Mazel, Chief Executive, Department for Communities and Social Inclusion.

Mr A. Thompson, Executive Director, Financial Services, Department for Communities and Social Inclusion.

Ms S. Wallace, Executive Director, Policy and Community Development, Department for Communities and Social Inclusion.

Ms N. Rogers, Acting Director, Business Affairs, Department for Communities and Social Inclusion.

Mr G. Myers, Coordinator, Strategic Projects, Department for Communities and Social Inclusion.

Mr N. Lombardi, Chief of Staff.

Ms S. Tilley, Acting Manager, Social Policy, Department for Communities and Social Inclusion.

Ms J. Kennedy, Acting Manager, Community Development Programs, Department for Communities and Social Inclusion.

The CHAIR: We are now going into the category that has our minister, the Minister for Youth, looking at the Office for Youth. I invite the minister to make his opening statement, if he wishes.

The Hon. A. PICCOLO: Thank you, Mr Chairman. The young people of South Australia are our community's future and a great resource. Our state has approximately 290,000 young people aged between 15 and 24 years and amongst them can be found all the diversity of our South Australian population. This period of people's lives is particularly important, with most young people moving towards their chosen careers and into independence with adult roles, responsibilities and relationships. This phase is exciting and full of opportunities. However, for some young people, it can also be a time of risks and challenges which is why maintaining a special focus such as through the Office for Youth is so important.

During 2012-13, the Office for Youth within the Department for Communities and Social Inclusion continued to implement *youthconnect*, South Australia's youth strategy, to assist young people aged between 12 and 25 years to make the transition from adolescence to successful adulthood.

As a result of an extensive assessment of youth development programs, my department is producing a youth development resource for South Australian organisations which are delivering programs for young people. This resource contains practical tools on how organisations can use their programs to maximise benefits to support young people.

During 2012-13, *youthconnect* grants totalling \$500,000 were aligned with my department's priority areas and distributed to organisations working with disadvantaged and vulnerable young people. These grants assisted young people in relation to a range of issues including gambling; youth offending; access to services; and lesbian, gay, bisexual, transgender, intersex or queer young people.

Another highlight for 2012-13 was the work on the South Australian Vulnerable Youth Framework. During the year, consultations were held with many stakeholders and a report released

in June 2013. In 2013-14, the new South Australian Vulnerable Youth Framework will be released for comment and implementation. This framework will include strategies that support prevention and early intervention for all young people with a focus on vulnerable groups. The framework will consider the systemic issues that contribute to young people's vulnerability and provide guidelines to underpin a whole-of-government approach which improves service delivery and builds life chances for young people.

In 2013-14, the *active8* Premier's Youth Challenge Program, traditionally a school based program, will be remodelled so that organisations assisting young people who are not engaged in formal education are also eligible for the funding. The remodelled *active8* program will also incorporate high level youth participation. It will be designed to provide young people with more opportunities to engage and participate in local decision-making and also enable them to engage in developmental activities that build their resilience and increase their knowledge and skills. This will extend the benefits of the program to some of our most disadvantaged and disengaged youth. That is all I have at this stage, Mr Chairman.

The CHAIR: Thank you. The shadow minister, do you wish to make any opening remarks?

Dr McFETRIDGE: Thank you, Mr Chair. It is often said that the youth are our future and it is so much the case in South Australia where we have an ageing population. We hear of many, many young people leaving the state. Can I just say that, in my family, both my children did leave the state for further study and they have both returned and are working and living very happily in South Australia. They may not consider themselves very youthful in their early 30s now, but I consider them very youthful.

Our young people between the ages of 15 and 25, I suppose, are the ones who we are mainly concerned with here. We need to make sure we are providing programs that are going to give them as much assistance and guidance as we possibly can. Again, the opposition is more than happy to work with the government in making sure that the programs are working to the best of their ability and we are getting the best benefit for the \$2.873 million that we are putting into this program.

With that, I will ask the first question. Budget Paper 4, Volume 1, pages 114 and 115: under Performance indicators, minister, there has been a significant reduction in the number of young people involved in government and community decision-making processes. The explanation is that the Annual Youth Survey, which accounted for over half that target, did not occur. I understand it is not going to happen in 2013-14. Why is that so? Was it technically too difficult or was it costing too much?

The Hon. A. PICCOLO: Youth surveys were conducted in both 2010-11 and 2011-12 by the Office for Youth in partnership with *The Advertiser*. The surveys sought responses from young people to a range of questions relating to their lives and aspirations. Resulting data was used to identify issues of importance to young people. The survey was not conducted in 2012-13.

There are a number of surveys regularly undertaken across Australia that capture the views of young people and also provide a more comprehensive understanding of how young people are faring in our community. Rather than conduct a separate survey—

Dr McFetridge interjecting:

The Hon. A. PICCOLO: I am getting to your question—the Department for Communities and Social Inclusion has instead used data from these existing surveys, including Mission Australia's National Youth Survey and the Foundation for Young Australians' How Young People are Faring survey. In 2013-14, DCSI will continue to use available data gathered through existing youth surveys. So, the short answer is, if there is already a lot of data collected elsewhere, we do not wish to unnecessarily duplicate what we are performing.

Dr McFETRIDGE: This next question relates to Budget Paper 6, page 77, which is actually under the Department of Planning, Transport and Infrastructure but it does involve programs targeting the youth of South Australia, so I am not sure whether you can answer it today or whether you have been liaising with this department. It is about the Adelaide Hubs. There is \$1.4 million for this initiative, which is expected to foster young graduates and entrepreneurs in emerging businesses. Have you had discussions with the Department of Planning, Transport and Infrastructure and, if so, can you tell the committee what the Adelaide Hubs is going to deliver?

The Hon. A. PICCOLO: I am advised that we do participate in the hub program, but we are one of many agencies and we provide a small amount of funding for that as well. We are not

the lead agency. If you would like some more information, I am happy to get that for you, but we are just one of many participating agencies, and there are NGOs as well.

Dr McFETRIDGE: If you could provide some further information for the committee, that would be really good.

The Hon. A. PICCOLO: I am happy to do that.

Dr McFETRIDGE: Thank you, minister. I think you mentioned the Second Story Youth Health Service in your opening statement, but if you can just reiterate to the committee. I am referring to Budget Paper 4, Volume 1, page 114. In previous years funding for the Second Story Youth Health Service has been in jeopardy. Can the minister inform me whether the funding for this service is ongoing, whether young people who are lesbian, gay, bisexual or transgender are still able to receive counselling and support and whether there will be recurrent funding?

The Hon. A. PICCOLO: I apologise if I spoke too fast, but I did not actually mention Second Story in my opening comments.

Dr McFETRIDGE: I heard it in there somewhere.

The Hon. A. PICCOLO: The reason I did not mention it in my opening remarks is that it is not a program that we run. It is actually run by Health.

Dr McFETRIDGE: Once again, minister, if you can inform the committee how youth are able to be involved and the effects on the youth of South Australia, that would be something the committee would benefit from. Budget Paper 4, Volume 1, page 114. We hear a lot about the high youth unemployment rate. What is the Office for Youth doing to help reduce youth unemployment? I suppose if we want to pick a particular area here which might assist the committee, under Highlights 2012-13 on page 114 there is a highlight there—Completed consultations on the development of a Vulnerable Youth Framework. I imagine if you are unemployed, you are vulnerable to a lot of things.

The Hon. A. PICCOLO: If you are specifically relating to the Vulnerable Youth Strategy—

Dr McFETRIDGE: That would help the committee.

The Hon. A. PICCOLO: —I am happy to help you with that. In terms of the 2013 highlights which you referred to, Target 60 of *youthconnect: South Australia's Youth Strategy 2010-14* sets out the state government's commitment to develop a vulnerable youth strategy. South Australia's Vulnerable Youth Framework will identify and provide guidance in addressing the systemic issues that contribute to youth vulnerability. The framework will also serve as a guide to underpin policy affecting vulnerable young people and inform the practices of service providers. It will also emphasise a strengths-based approach to build the resilience of vulnerable young people through prevention and early intervention, as I mentioned in my earlier comments. The framework will have a specific focus on young people:

- of Aboriginal or Torres Strait Islander descent;
- under the guardianship of the minister;
- who experience homelessness;
- with mental illness or a disability;
- those who are carers (and I have met some young carers recently);
- those who are involved in the juvenile justice system; or
- those who are disengaged from school and family for some reason.

The Office for Youth released the Vulnerable Youth Framework Consultation Paper in mid-2012 and in response received 25 formal submissions. A report summarising the outcomes of the consultation was released to the public and distributed to stakeholders last month. If you have not seen a copy, we will make sure you get a copy of that. The Vulnerable Youth Framework was drafted by the Office for Youth and released for internal and selective comment during last month, followed by public release thereafter.

Funding for the 2012 financial year was provided through the general budget of the Office for Youth for the purposes of staff time expended on the consultation and development of the Vulnerable Youth Framework. In terms of the coming year, the Vulnerable Youth Framework will be completed and implementation will commence in late 2013. Funding for the 2013-14 year will be

provided through the general budget of the Office for Youth. I am happy to arrange a briefing when the report is released for your information.

Also, in terms of unemployment, which you mentioned, one of the best things to do to make sure we keep youth unemployment as low as possible is to make sure young people have the right skills. The state government is committed to a range of initiatives to address issues around youth unemployment including Skills for All reforms to vocational education and training—which I think we discussed earlier today—which aims to help 100,000 South Australians gain qualifications to meet industry demand for skills.

The evidence is clear. According to data gathered from the 2011 ABS Census, people with a Certificate III qualification or higher have an unemployment rate of 3.8 per cent—well below the national average of 5.7 per cent—while people with a Certificate II qualification or lower have an unemployment rate of 12.3 per cent—more than double the national average.

Since its start date of 1 July 2012 to 31 December 2012, Skills for All has funded more than 76,500 qualification enrolments in South Australia at both TAFE SA and with private, non-TAFE SA providers. This represents an increase in enrolments of 43 per cent compared to the same period in 2011. At the same time, there has been a 26 per cent increase in enrolments of people aged 15 to 29 for 2012-13 compared to the 2011-12 data.

The increase in young people undertaking a VET qualification is very encouraging and lays the foundation for improved employment outcomes for young people, particularly when they progress onto higher qualifications. Two of things we can do is to make sure there are jobs there and they are ready for work, and they are two things the state government is committed to.

Ms BETTISON: I refer to Budget Paper 4, Volume 1, page 115. Could the minister provide an update on how the state government is strengthening opportunities for youth participation?

The Hon. A. PICCOLO: Thank you. I will be happy to add to what I have already said in my introductory remarks. For over 10 years, the state government has been supporting youth participation through the Youth Advisory Committees program. I am very familiar with that one as a former mayor. They are committees which are supported by local government as well. The programs provide opportunities for young people to work in partnership with local councils and provide advice on local issues affecting or important to them.

The program is delivered in partnership with local councils. During 2012-13, over 1,000 young people participated in the 60 YACs across South Australia. This past year, the Office for Youth has explored options to strengthen youth participation and engagement through its programs.

This work highlighted strong synergies in the youth development and youth participation objectives of several programs of the Office for Youth. It also highlighted some deficiencies with the current programs, including their restriction to particular organisations. This restriction may be inadvertently reducing the diversity of young people participating. This means that young people who could potentially benefit may be excluded due to program design.

In 2013-14, the Office for Youth will seek to address this by establishing an approach that will give a wider range of young people the opportunity to engage and participate in programs. Importantly, the approach will be evidence-based and founded on recognised best practice. This means that existing programs may need to be restructured or remodelled.

I know this may raise some concerns within the community, especially from organisations that receive funding under the current arrangements. However, I believe the outcome of greater benefits for a wider range of young people in the community far outweighs any perceived concerns.

I am keen, I am sure the shadow minister is very keen, and also the member for Ramsay would be keen to ensure that kids who are disengaged from a whole range of things are more engaged and there is greater benefit for the community from reaching those young people.

Ms THOMPSON: My question somewhat follows on. It refers to Budget Paper 4, Volume 1, page 114. Will the minister please advise how the state government is supporting South Australian youth organisations to deliver programs based on best practice principles?

The Hon. A. PICCOLO: Thank you, member for Reynell. In addition to what I said in my introductory remarks, I would just like to advise the committee that my department expends a significant amount of public funds on youth development programs each year. The Office for Youth expends nearly \$500,000 alone through programs such as the Active8 Premier's Youth Challenge, the Youth Parliament, and the Youth Advisory Committees. (I think the Youth Parliament is due

very soon.) A further \$500,000 in *youthconnect* grant funding is also provided, much of which is directed to non-government organisations to deliver youth development programs.

It is important to ensure that the best outcomes possible are achieved through this significant investment. This is why the Department for Communities and Social Inclusion, led by the Office for Youth, has undertaken a project to identify best practice principles in youth development. This work has highlighted that the traditional approach taken to youth programs is based on the perception that young people have problems or issues that need to be fixed; in other words, it is a deficit approach.

In recent years, approaches that focus on the strengths of young people have emerged. Such approaches recognise that young people are active and engaged participants in our communities and value them for who they are, rather than what they may become. It also recognises that all young people can benefit from participation in programs that develop skills and foster positive engagement and behaviour. The academic literature supports this positive or strengths-based approach. Numerous studies have demonstrated its value, as measured by a reduction in negative risk-taking behaviour.

To support these directions, the Office for Youth has developed a youth development resource based on best practice principles. The resource provides guidelines on the positive approach and examples to assist organisations to implement it within their programs. The Office for Youth recently released a draft version of the resource for consultation. The resource is being updated in light of the feedback received, and it is anticipated that a final version of the document will be available shortly.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 1, page 114, just under the Net cost of sub-program there. I understand that the Youth Helpline has been changed to the Youth Healthline. Can you tell the committee why this change was put in place? Is it a budgetary measure or is it a need to expand the range of services that are being provided? I do not know what the phone number is; perhaps you can tell us the phone number.

The Hon. A. PICCOLO: I am advised that it is not ours. It is Health.

Dr McFETRIDGE: It was the Youth Helpline. That was under Health as well, was it?

The Hon. A. PICCOLO: My advice is that it is a Health-based program. I am happy for you to ask the Minister for Health for some information.

Dr McFETRIDGE: You can guarantee that will go on notice. The Duke of Edinburgh's Award: my daughter was involved with this but I am not sure how high she went—I think it was silver. This is a terrific program but I was a bit concerned to read on page 115 of Budget Paper 4, Volume 1, about the aspirational goals in estimating the number of people who are going to be involved in the award scheme. You have a note in Targets to implement a new Duke of Edinburgh's Award Scheme state delivery model. Can you give the committee some information about that, please?

The Hon. A. PICCOLO: I can advise the committee that the Duke of Edinburgh's Award is an international youth development program open to young people aged 14 to 25 years. In 2010 the state government established a target to double the number of new participants by 2014 to 3,000. This was included as action 42 of *youthconnect* South Australian Youth Strategy 2010-2014.

During 2012-13, it is estimated that 1,200 new participants commenced in the award. This is significantly below the 2012-13 target of 2,100 new participants which was established as an aspirational goal in response to the commitment by the government to double the number of new participants in the program by 2014-15. The Duke of Edinburgh's National Award Authority has now revised the method for calculating ongoing participants in the award, resulting in a reduction in the number of estimated award participants by approximately 50 per cent.

It is estimated that there were 1,440 active participants in the award as at 30 June 2013. Support in the form of staffing of 1.5 FTE positions was allocated to the program in 2012-13 from the Office for Youth FTE base. All other operational expenses were funded through participant registration and licensed operator fees. The program has no allocated additional state government funding.

Since the *youthconnect* target was set in 2010, the Office for Youth has completed a number of reviews that have highlighted that continuing to deliver the award under its current

operating model within government is unsustainable, and recommended that the award be transitioned out of government.

However, we are having those discussions and negotiations are taking place with the National Award Authority, as it is officially called, and the government's decision to hold those discussions does not mean that the award will not be delivered in South Australia. We are exploring with the national board what other states have done to see whether a non-government organisation would like to take the lead.

Dr McFETRIDGE: How much money do we put into that?

The Hon. A. PICCOLO: It is really staff and overhead costs. I will get that exact figure for you.

Dr McFETRIDGE: It is obviously an award program we would like to ensure continues for many years to come, because there are many young people who benefit from it.

The Hon. A. PICCOLO: Certainly our discussions are based on the program continuing in South Australia.

Dr McFETRIDGE: Just on that same budget reference, page 115, under performance indicators and the number of young people who participate in youth development programs: again, it seems that in the past, for example, we have gone from 8,720 as the actual number in 2011-12 to a target of 1,200 in 2013-14. I would have thought that the number of young people who want to participate in youth development programs would not have decreased. In the explanatory notes here it talks about the way things were counted in the past. Can the committee be assured that the figures in the future are going to be as realistic targets as possible, not the aspirational ones we seem to have been given in the past.

The Hon. A. PICCOLO: I would say you are right. Yes, you have answered your own question in the sense that we are more careful in the estimates we are making now.

Dr McFETRIDGE: A bit of a nuts and bolts question: Budget Paper 4, Volume 1, page 114. Can the minister provide the committee with a current update as to what is occurring with the Southern Youth Support Team Centre at Pleasant Avenue, Glandore? I have been told that they are moving from this location and it would be a shame, from what I have been told, if they do not have another location to go to.

The Hon. A. PICCOLO: I am advised that no approach has been made to my agency on that issue. If there are some issues there I would be happy for you to contact either me or my agency and we will be happy to work with you to see what the issues are.

Dr McFETRIDGE: Thank you, minister. The same budget reference. It is a fairly broad question, and I would be happy to receive the information today or on notice. There are a number of members of parliament who have been approached by constituents in and around the peri-urban areas, in the Adelaide Hills, and probably in the member for Stuart's electorate particularly, where young people are complaining, rightly or wrongly, about the lack of youth programs. Are you able to tell the committee about some of the programs that are available in the Adelaide Hills and country areas of South Australia?

The Hon. A. PICCOLO: For a lot of the programs that we fund we provide moneys to the non-government sector. In terms of people who have been successful with the various programs and who have won the grants, etc., I will need to get that figure for you, and I am happy to do that. Certainly, we make every endeavour to ensure that we support programs right across the state. In fact, some of the scholarships and stuff we did in the volunteer sector was a 50-50 split, even though the contribution is not. In terms of the exact figures, I am happy to get that for you, for those projects.

Dr McFETRIDGE: And the dollar amount that we are dealing with there, minister?

The Hon. A. PICCOLO: The total amounts we have given; I mentioned them a bit earlier. In terms of the *youthconnect* grants, during 2012-13 we granted \$500,000, and that was given to 17 organisations. In 2012-13, 17 networks received funding totalling \$66,000 to support the youth sector. Also, Youth Network Grants during 2012-13 totalled \$80,000. The government also allocated to the Active8 Premier's Youth Challenge program \$282,150 during 2012-13; so quite a bit of money has been provided. In terms of who won that, I will have to get the specific details.

In terms of giving you an idea of the sort of money involved, in 2013 our targets are as follows: \$500,000 for the *youthconnect* program; \$80,000 for the Youth Network Grants program;

\$250,000 to support the new youth development program, which will replace the Active8 Premier's Youth Challenge; \$90,000 to support National Youth Week; \$180,000 to support the YAC program; \$40,000 in funding to the YMCA for the Youth Parliament program; \$125,997 to the Youth Affairs Council of South Australia; \$25,000 for the Young and Well CRC support research projects; and \$9,000 to sponsor the Young Achievers Award for the Office for Youth in the area of Aboriginal youth achievement; \$4,000 for the SA Media Awards for funding for sponsorship of the Max Fatchen Award for Best Young Journalist; and \$2,000 for the Encounter Youth 2013 Schoolies Week. I am attending one of their meetings shortly because they want to show me what they actually do.

Dr McFETRIDGE: I am really pleased, and I would be happy to come at any time.

The Hon. A. PICCOLO: I would not describe myself as a schoolie, though. I think I am way beyond that schoolie age.

Dr McFETRIDGE: And we'd never call you a toolie!

The Hon. A. PICCOLO: I'm post toolie, I think.

Dr McFETRIDGE: Far too polite. Minister, one last question in this area, and it does overlap a bit with volunteer groups and NGOs generally. One of the complaints that has been put to me, not by youth service providers but by other groups (but I imagine they would have the same issues), fits in with the targets on page 115 of Budget Paper 4, Volume 1, best practice.

The reporting and accreditation of many of these organisations is becoming quite onerous, where, say, youth reports to the Department for Education and Child Development through what used to be Families SA. They have to be reported now through the Office for Youth; so they are really doubling up on the accreditation. Is the government trying to reduce the levels of compliance, as in duplication, not so much the actual need for tight accreditation—we all want that—but not to become more of a compliance office than a delivery office?

The Hon. A. PICCOLO: I am advised that we do not provide accreditation processes for organisations which work with young people. Certainly, other agencies may do that. Also, the only reporting required to us is to equip the programs which we fund directly, which are youth related. Some organisations may have to report to us on the grant that they receive from us and also report to another agency. I am not sure how you overcome that, but they are not required to be reaccredited or credited with our organisation.

Dr McFETRIDGE: If you can perhaps talk to the other ministers because it is becoming more of an issue. More time and money is being spent on reaccreditation, which then reports to several different agencies, on slightly different criteria, but there is enough of them to consume a fair bit of time and money.

The Hon. A. PICCOLO: If you have an NGO in mind—if you can provide us with an example—I am happy to ask, and that could be a good case study and would help us to understand it better, too. If I just go to my colleagues, they will probably say what I have said to you from their perspective, and often we don't work beyond that. So, if you can provide the name of the organisation that has concerns and get them to come to us, we will be happy to use them as a case study and explore any issues we need to address.

Dr McFETRIDGE: Certainly, it is going to be interesting with the NDIS to watch to see whether we require state and federal departments to be reported to, which again is an issue. Thank you for that, minister.

The CHAIR: We now go to the Minister for Social Housing, Housing SA.

Departmental Advisers:

Ms J. Mazel, Chief Executive, Department for Communities and Social Inclusion.

Mr P. Fagan-Schmidt, Executive Director, Housing SA, Department for Communities and Social Inclusion.

Mr A. Thompson, Executive Director, Financial Services, Department for Communities and Social Inclusion.

Ms N. Rogers, Acting Director, Business Affairs, Department for Communities and Social Inclusion.

Mr G. Myers, Coordinator, Strategic Projects, Department for Communities and Social Inclusion.

Mr P. Reardon, Director, Asset Services, Housing SA.

Ms A. Kimber, Director, Community Partnerships and Growth, Housing SA.

Ms R. Hulm, Director, Corporate Services, Housing SA.

Ms C. Shard, Director, Services and Practice, Housing SA.

Ms. O. Bennell, Director, Homelessness Strategy, Housing SA.

Mr N. Lombardi, Chief of Staff.

The CHAIR: Does the minister wish to make any opening comments?

The Hon. A. PICCOLO: Thank you, Mr Chairman. Again, I will not take up my 10 minutes of allocated time. I think the whole committee will appreciate that. Most people in the community are aware of my department's role as the social housing provider for South Australia, managing over 43,000 lettable properties. However, many may be unaware that Housing SA does far more than this. With our help, the community housing sector has continued to grow, increasing to over 6,000 properties. This sector provides eligible South Australians with a choice of social housing providers and accommodation.

In June 2013, the Premier and I announced a reform package to ensure that South Australia has a strong social housing sector. Over the next 18 months, we will see the transfer of around 1,000 public housing properties to the not-for-profit sector towards a commitment of approximately 5,000. The injection of these properties into the not-for-profit sector should enable housing associations to use these numbers, and the extra income derived from them, to leverage their assets and to build more housing to assist those on low and middle incomes.

We have also brought forward a number of construction and housing projects to stimulate South Australia's housing and construction industry. The \$50 million affordable housing stimulus package aims to deliver approximately 175 dwellings, consisting of 100 social housing and 75 community housing dwellings, over the next 18 months. Over the same period, funded under the Nation Building Economic Stimulus Plan disability project, Housing SA will construct approximately 90 specialised houses for customers with a disability located in both metropolitan and regional areas.

It may not be generally known that we help many families secure and maintain housing in the private rental market. This financial year to 30 April 2013, we assisted over 17,200 families through providing private rental assistance to the value of approximately \$17.36 million. Through the private rental liaison officer program, we provided 1,604 families with information and advice and helped 630 families secure housing in the private rental market.

South Australia's specialist homelessness services provided over 17,000 instances of assistance to people between 1 July 2012 and 31 March 2013. Reforms to the homelessness sector, which Housing SA commenced in 2010, have resulted in more services across the state and a greater emphasis on early intervention and intensive support to break the cycle of homelessness.

The National Partnership Agreement on Homelessness expired on 30 June 2013. The funding provided under this agreement has been vital to the expansion and reform of homelessness services in South Australia and is required to maintain current services. In March this year, the commonwealth and state governments reached agreement for a one-year extension to the National Partnership Agreement on Homelessness. The 2013-14 transitional funding arrangement will allow service continuity while we undertake negotiations with the commonwealth government for a new, long-term agreement.

Recently, our capital city was voted Australia's most liveable city for the third year in a row. In March 2013, the Property Council of Australia released the latest results from its My City: The People's Verdict survey. I am delighted to advise the committee that Adelaide scored particularly well on having an excellent range of quality, affordable housing. This result shows that we are on the right track with the government strategic priority of making South Australia an affordable place to live.

My department continues to work with Renewal SA to deliver affordable housing opportunities across the state through urban renewal projects. Together, we are working to position

South Australia as the national leader in housing affordability, keeping rental and home ownership costs down and providing a range of quality affordable housing options in well-designed communities. We aim to be at the forefront of innovation when it comes to housing, and we are continually exploring different ways to ensure South Australians have the housing they need.

All the properties we are currently building are constructed with a minimum five star energy rating designed to lower the costs associated with heating and cooling and therefore reducing the cost of living to our tenants. Housing SA's UNO Apartments, located in Waymouth Street, is a prime example of what can be achieved.

In March 2013, Housing SA received a prestigious accolade for the UNO Apartments, winning the Urban Development Institute of Australia's 2013 award of excellence in high density housing. The executive director from the Urban Development Institute of Australia (South Australia), Mr Terry Walsh, applauded the award as a 'significant achievement for South Australian development'. This carefully planned, mixed-use development appeals to a range of renters, buyers and budgets, and is a significant contribution to the revitalisation of the Waymouth Street precinct.

On the APY lands, my department is on target to increase the supply of housing in Aboriginal communities with the construction of an additional 33 properties, with a further 34 refurbishment upgrades underway. Two communities, at Dunjiba and Point Pearce, also signed up for Housing SA to commence tenancy management functions during the year.

Whilst we have celebrated successes this past year, we have also faced a number of challenges. Client debt levels have been steadily increasing over the last few years. While in recent months these seemed to have plateaued, we are continuing to assess this and develop strategies to stem the flow of escalating client debt and then reduce it to a more acceptable level.

As times change, Housing SA needs to be at the forefront of progress. The services that we provide are constantly under review to make sure they meet the needs of our clients, for now, over the next few years, and for future generations.

On a final note, I would like to advise that in October this year, my department will be hosting the 8th National Housing Conference, in partnership with the Australian Housing and Urban Research Institute, and I look forward to my shadow minister being there. The conference will run over three days with a theme: a new way home. Around 1,000 international and interstate delegates from the housing sector will converge in our city. The financial benefits to the state from these visitors will be significant. This is a great opportunity for us to showcase our exciting housing and industry developments, along with the great food, wine and culture our state has to offer and I am sure we will learn a great deal as well.

The CHAIR: Does the shadow minister have any opening remarks?

Dr McFETRIDGE: Very briefly, there is absolutely nothing more important to people's lives, their wishes, ambitions and success than affordable, safe and secure housing. With that, I will start with questions. I refer to Budget Paper 4, Volume 1, Program 3, Social Housing, page 93. Minister, in 2011-12, cabinet approved an asset disposal target of 450 properties. What is the target for 2012-13 and 2013-14, and how many properties have been disposed of since 2002?

The Hon. A. PICCOLO: I am advised that our plans, in terms of sales, are driven by a sales figure rather than actual individual units. What I can advise is that the sales figure remains fairly constant over the forward estimates; roughly \$119 million. That will depend on what type of properties we sell; for example, we might sell something that is in bad condition, outer suburbs stuff which ultimately returns less, or we may sell some other stock. So it is hard to give an actual number, but I can say that we plan to raise \$119.4 million in 2013-14 and over the forward estimates, in terms of sales numbers. In terms of what we have actually sold, figures from 2002?

Dr McFETRIDGE: Yes.

The Hon. A. PICCOLO: I can give you the figures from 1992 in a second as well, if you like.

Dr McFETRIDGE: I am sure you will.

The Hon. A. PICCOLO: They will make a very useful comparison. In 2002-03 it was 607 for that year; in the year ending 2004 it was 76; in 2005 it was 270; in 2006 it was 398; in 2007 it was 233; in 2008 it was 414; in 2009 it was 238; in 2010 it was 422; in 2011 it was 428; in 2011-12 it was 642; and up to 30 April this year it was 421. Just to put that into perspective, for the year ending 1994 it was 1,362; for 1995 it was 1,376; for 1996 it was 968; 1997 was 1,044;

1998 was 1,201; 1999 was 1,075; 2000 was 1,118; for 2001 it was 900; and for the last year of the former government it was 723. That is just to put it in perspective. I am sure you can understand the figures.

Dr McFETRIDGE: I do need to put in perspective the state of the state in 1992 compared with 2002.

The Hon. A. PICCOLO: Just to assist, from 2002, which you asked me about, we have sold 4,549. During the previous government it was 10,592.

Dr McFETRIDGE: Minister, you have a financial target, but surely you must have some plan, some areas you are focussing on. You do not just say 'We want to raise this', without having some idea of where those houses would be, surely?

The Hon. A. PICCOLO: We work in conjunction with Renewal SA. We take a strategic approach; in other words, if there is an area that the government thinks is important for renewal, or an area which we think has strategic importance, we identify those. There is a whole range of factors that are taken into account but at the end of the day we have to reach a target, as we are required to by government, and we will do that.

Each year the mix will differ. It also depends on when houses become available. There might be an issue of when tenancies become available. There is a whole range of different factors that we take into account.

Dr McFETRIDGE: Thank you, minister. I should say that I grew up at 85 Hogarth Road, Elizabeth South, in what would now be called a duplex, I think, a Housing Trust house. It gave our family a very good start.

I refer to Budget Paper 4, Volume 1, page 93, and the call for tenders to take over the 1,000 Housing Trust homes in two lots of 500. Do we have NGOs in South Australia that can cope with that scale of transfer, or will we see interstate or overseas groups likely to take them on?

The Hon. A. PICCOLO: Tenders have not actually opened, but from the inquiries my agency and I have received, in terms of people asking questions about it, I am very confident that we will have a strong local field. We cannot prevent other people from applying, but they will have to demonstrate their ability to deliver a range of criteria. My view would be that a lot of the local players are well placed to compete.

Dr McFETRIDGE: There is no consideration to break it down to, say, five 200 lots, rather than two 500 lots?

The Hon. A. PICCOLO: The advice I have received—I have had quite a few discussions with the Community Housing Council and sector—is that, unless you have a critical mass, they cannot leverage the benefit from that. It is like most things: unless you get a critical mass, the marginal benefits are not there. We are keen, as a government, to strengthen our community housing sector, and we are looking at a whole growth strategy—this is just one part of it—so I am certain that we will have a very strong field. In fact, we will probably have more applications than we can fulfil.

Dr McFETRIDGE: Minister, same budget reference and same topic: I understand that the maintenance liability associated with the homes that have been transferred is about \$25,000 per home—and I assume that is not an annual maintenance fee—to get them up to what could be considered as a better standard than they are now. Is the government going to assist NGOs with that maintenance liability, or is this just a form of cost-shifting? Is it a three-year lease, the initial period that they are going for?

The Hon. A. PICCOLO: My understanding is that it is three years plus 20; the three years could be like a probation period, in effect, to make sure that what they promise they can deliver if we transfer to them is delivered, and then we are looking at 20 years; the Premier also announced at the same time another 4,000, and that is based on much stronger growth.

Dr McFETRIDGE: The concern that has been put to me, though, is that in that initial three years, when it is the make or break time, I suppose, you have this maintenance liability there which is going to far outweigh, sometimes, your rental incomes, or certainly reduce them significantly. Is the government going to assist NGOs with that maintenance?

The Hon. A. PICCOLO: First of all, we actually have not identified the areas—we certainly have not announced the areas—which are going to be subject to this 500. Having said that, they will be typical of average stock we do have. One of the advantages that the NGOs have which we

do not have is that they will attract commonwealth rent assistance, which means that they can actually charge more rental, which means their income stream will be greater than ours—\$2,500 per unit—and that, when you add it up, makes a big difference on an annual basis. So, the short answer is no; part of the deal is that they pick up the tab, but they get assistance.

Dr McFETRIDGE: My concern is that I think part of the deal is that they also have to build 100 new affordable houses.

The Hon. A. PICCOLO: No; you are talking about the second stage of the strategy, and that was an indicative figure rather than a contractual arrangement, or a tender arrangement which will come later. What I said is that, in the second stage of our release—our second phase, which is 4,000 homes—rather than say to the community housing sector, 'This is how we are going to do it,' we have said to them, 'We are actually looking for outcomes; how you achieve that outcome is up to you.'

So, we have been more flexible in responding to what the sector has been lobbying me about since I have been a minister. The two things they have lobbied me about is firstly they want more houses, and secondly they want more opportunity to actually grow. The second phase of our strategy is to put 4,000 on the market, and that will be a range of different approaches. Each organisation which puts up a bid will be different, and so we will be responding in different ways, and that is to ensure that we give individual organisations the best possibility to grow.

Dr McFETRIDGE: Minister, on that strategy in the same budget reference (Budget Paper 4, Volume 1, page 93), what is the policy framework for housing supply in South Australia now? I understand the policy was last written in 2005; has it been updated at all?

The Hon. A. PICCOLO: That question was actually raised at the SACOSS post-budget session, and the Premier gave a commitment that I, as social housing minister, am now required to review that policy. It has been under review, and we do intend to review that. It should be released very soon.

Dr McFETRIDGE: I look forward to reading it. I refer to the same budget reference, minister. The other issue that is associated with the transfer of houses to NGOs obviously is the issue of council rates. I understand that the government has a pool of funds set aside to pay council rates. Will the government be assisting local government, I suppose, because they are the ones who are going to miss out, with a reduction in rates if the transfer goes ahead as we expect it to?

The Hon. A. PICCOLO: I have been approached by a number of councils and I have held discussions with a number of individual councillors regarding the possible impact of transferring houses which are currently owned and under the control of Housing SA to the community housing sector. As you indicated, they are eligible for a 75 per cent rebate. In those discussions, those councils have indicated a range of concerns, the rebate being just one.

I have also had discussions with the community housing sector and we are working with them and the local government to negotiate an outcome which is acceptable both to local government and also the community housing sector. The community housing sector has agreed, as have a number of councils that do talk to me (as distinct to those councils that go to the media and do not talk to me), and are happy with the progress we are making and I am confident we will reach a good agreement.

Mr WILLIAMS: How much is in that pool at the moment? Is there a figure set aside for rates?

The Hon. A. PICCOLO: At this stage it is not our intention to provide funding for that.

Mr WILLIAMS: Any funding at all?

The Hon. A. PICCOLO: That is certainly my opening bid. It probably might be my closing bid, too.

Mr WILLIAMS: It is going to be a significant issue, both for the NGOs and, certainly, the Local Government Association.

The Hon. A. PICCOLO: That is why we are looking at new ways of addressing that issue. One thing I have done since I have become minister (and I am very proud of my agency and we have worked together very well) is find new ways of addressing the issue rather than just shifting things around. Unless we actually get growth, we are not achieving much. By working with the community housing sector, local government and my agency, we are looking at increasing the

amount of housing stock and also leveraging the stock we transfer to the community sector to get a much better outcome. I am confident that we will achieve that, and I appreciate the support and advice I am getting from my agency on that matter.

Ms BETTISON: I refer to Budget Paper 4, Volume 1, page 94. Will the minister please advise how the state government is assisting people with disability through the \$27 million announced by the Premier on 5 March 2013?

The Hon. A. PICCOLO: I would like to thank the member for her question: it is a very important question. Helping the most vulnerable, whether they are homeless or seeking housing or have disabilities, is very important to this government. We are very much committed to a fair and just society. I would like to advise that on 5 March 2013, the Premier announced that the state government had brought forward a number of construction and housing projects to stimulate the South Australian housing and construction industry.

Funded from the proceeds of sales under the Nation Building Economic Stimulus Plan disability project, \$27 million (GST inclusive) will be directed to construction of up to 90 new houses. These houses will be built for people with a disability located in metropolitan and regional areas. The key objective of this project is to increase the supply of supported, accessible accommodation by providing improved individualised housing to meet the current and future needs of people with a disability, reducing pressure on Disability SA's waiting list for accommodation.

Stage 1 of the construction program comprises four dwellings at Angle Park, commencing this month and reaching practical completion in December this year. Land in Mansfield Park, Edwardstown, Brahma Lodge, Oaklands Park and Elizabeth Park has also been selected for 18 dwellings in stage 1B. The land will be supplied by the South Australian Housing Trust in the first instance, with additional land requirements purchased from the open market.

Stages 1B and 2 are anticipated to commence in September 2013. It is hoped that stage 1B will be finished during March 2014, and stage 2 completed by the end of 2014. The start date for stage 3 is yet to be determined. However, the aim is to complete this stage by the end of 2014 as well.

It is anticipated that Housing SA will construct dwellings ranging in size from two to five bedrooms with an approximate cost of \$300,000 (GST inclusive) per housing outcome. The average cost per outcome is inclusive of land, house and development costs and, certainly, will assist helping our most vulnerable in our community.

Ms THOMPSON: My question refers to Budget Paper 4, Volume 1, page 94. Could the minister please provide an update on the implementation of reforms to South Australia's homelessness sector?

The Hon. A. PICCOLO: Thank you very much, and I appreciate the opportunity to add some more information to my opening remarks in this very important area. Through a 50-50 funding partnership with the commonwealth government, the National Partnership Agreement on Homelessness has enabled new approaches to ending the cycle of homelessness for individuals and families.

South Australia has led the nation in the reform of homelessness services. We have broadened our range of responses from a largely crisis-orientated service system to one that provides early intervention, assertive outreach, medium-term accommodation and home-based support to sustain transitions to independent living.

Reform activities included the redesign and retendering of services and reallocation of resources to achieve a consolidated, planned regional response across the state. The reform has placed greater emphasis on prevention and early intervention. We have also invested significantly in successful partnerships with organisations such as the Australian Football League to develop the Ladder St Vincent Street Youth Initiative and Common Ground to create innovative facilities in Adelaide and Port Augusta.

In fact, I have visited both the Ladder St Vincent Street and also Common Ground in the city, and I can say these two programs are very good in helping transition, and not only that, they actually are creating sustainable outcomes. In other words, people go through there, they get support, training, job opportunities, a whole range of things, which serves to break that cycle. I would like to commend those organisations and all the other ones that actually are providing excellent services in this area. In fact, there are currently 97 funded services or programs across South Australia, with most involving partnerships between government and not-for-profit

organisations, and I am proud that the government is actually in there working with the not-for-profit sector.

Evidence of the impact of this investment is reflected in the Australian Bureau of Statistics data. The rate of homelessness in the 2011 census in South Australia was 37.5 persons for every 10,000 persons—the second lowest in Australia. The number of Aboriginal and Torres Strait Islander homeless people decreased in South Australia by 13.3 per cent, from 1,260 in 2005 to 1,092 in 2011. In contrast, across Australia, the number of Aboriginal and Torres Strait Islander homeless has risen by 3 per cent. Additionally, South Australia recorded a 40.8 per cent drop in the number of people sleeping rough, down from 4,360 people in 2005 to 2,058 in 2011. This is in comparison to an average 6 per cent decrease across Australia, so we are really performing well there.

The National Partnership Agreement on Homelessness has provided \$60 million to South Australian recurrent funding from 2009-10 to 2012-13, with the state government committing \$30.4 million and the commonwealth committing \$29.6 million. A further \$22.1 million capital allocation from 2007-8 to 2012-13 has been made available in South Australia through the A Place to Call Home initiative, which has been incorporated in NPAH, expiring on 30 June 2013, as I mentioned, and I am pleased to advise that the South Australian government has agreed to match the commonwealth government funding offer for the 2013-14 transitional partnership agreement.

This agreement will secure \$17.2 million to assist in reducing homelessness across the state, with both governments providing matching funding contributions of \$8.62 million. Cabinet has also approved Housing SA developing the proposal for funding under the competitive NPAH Development Fund. The development fund aims to support projects that provide long-term housing options for people experiencing homelessness. The interim National Partnership Agreement will allow service continuity while we undertake negotiations with the commonwealth government for a new, longer-term agreement and help us to continue to deliver strong outcomes for South Australia and a fairer state.

Ms SANDERSON: A supplementary: I am just wondering if the minister could please advise the committee of how many people have transitioned from Common Ground into private rental.

The Hon. A. PICCOLO: I do not have the exact figures. I know they have, because I was there only a few weeks ago and speaking to them and they were happy with their progress, but the exact figures I do not have on hand, but I am happy to obtain them for you.

Dr McFETRIDGE: Just for the information of the committee, I have got some questions here and I do have to read the omnibus questions and then the committee has to report, is that correct? So we will need a few minutes to do that.

The CHAIR: We do not need too long.

Dr McFETRIDGE: Well, I will try to be quick. I will speak as slowly as I possibly can. Budget Paper 4, Volume 1, page 93: minister, have you had time to consider the recommendations and options of the recently released report of the cost-benefit analysis of installing individual water meters to Housing SA properties, and what options are you considering implementing?

The Hon. A. PICCOLO: Thank you for the question. Section 99 of the Water Industry Act 2012 required that the Essential Services Commission prepare and publish a report by 30 June 2013 analysing the costs and benefits of implementing separate water meters for dwellings, both current and yet to be built, owned by the South Australian Housing Trust. The report on the costs and benefits of installing water meters in public housing, which I think was only released in the last week to 10 days, represents the findings of this cost-benefit analysis.

The investigation included consideration of retrofitting individual meters to all existing properties and applying individual meters to all newly-constructed stock. As at 30 June 2012, the South Australian Housing Trust owned almost 45,000 dwellings, of which 28,000 or 61 per cent are separately metered, 2,000 do not have separate meters and are exempt from any water charges, and 15,000 dwellings do not have separate meters but are charged for water usage by Housing SA. In these instances, the South Australian Housing Trust pays the initial 30 per cent of the water usage charge, with tenants paying the remaining 70 per cent, based on costs being distributed equally amongst them. The South Australian Housing Trust pays sewerage and water supply, which are fixed charges, for their sites.

The report considers the relative costs and benefits of maintaining the current arrangements or moving towards individual meters within one to two years, or 10 years, which is a

gradual scenario. The report found that, over a 20-year period, the quantifiable cost of all schemes outweighed the quantifiable benefits. The report concludes that there is no financial case to proceed with a widespread retrofit of individual meters on South Australian Housing Trust sites and that South Australian Housing Trust tenants and SA Water would pay more under separate metering.

The report did note that there may be qualitative benefits of moving towards individual meters, particularly in terms of perceived fairness. The report noted that, on a purely financial basis, the best outcome would be to cease all additional metering activity. However, the report did note that mandating separate metering to all newly constructed dwellings is likely to be less costly and therefore of greater financial merit than retrofitting existing sites. Housing SA supports the commission's finding that the installation of individual water meters for existing South Australian housing tenants is not financially prudent and would cost a lot more.

Housing SA continues to conduct investigations at its group sites to assess the feasibility of changes to metering arrangements, which may include the installation of additional or separate meters. During 2012-13, 16 shared meter sites, totalling 120 dwellings, were initially programmed for the installation of separate meters. These have been completed, with a further 41 sites or 82 dwellings programmed for separate meters. Of these, 30 sites or 60 dwellings were completed as at 31 May 2013. During 2012-13, \$300,000 was allocated for pipework and plumbing, and also new meters. As at 31 May 2013, \$290,000 had been expended. In the budget for this year, the budget allocation for pipework, plumbing and all new meters is anticipated to be limited to \$400,000, sourced from Housing SA's recurrent maintenance budget.

In addition to that report, I did have a discussion with the Ombudsman—because we get numerous complaints, and some of those are provided by members to me—not only about the scheme itself but also about whether the scheme is administered as is intended. In other words, does the implementation reflect the policy? I am very grateful to the Ombudsman, who undertook an own-volition inquiry into that, and his conclusion was that the system is working as we understand it should be and is not disadvantaging any particular tenants. He was satisfied that the way we operate the scheme is the fairest way possible, and I am happy to make that report available.

Dr McFETRIDGE: Thank you for that, minister. I will be interested to read the *Hansard* and the full report. I refer to Budget Paper 4, Volume 1, page 93. The issue of Housing Trust tenants having to phone the Housing SA maintenance call centre has changed. I understand Contact 1-2-1 are now the contractors. The opposition has been inundated (is probably not underestimating it) with concerns about the inability to get through in a reasonable time to the call centre and the way the call centre is handling complaints. Can you assure the committee that the call centre is working as it should?

The Hon. A. PICCOLO: Thank you for that question. I can advise that my office has received a few complaints as well. Some have come through members of parliament. I spend a lot of my time signing letters to members of parliament. A few of them are in this chamber at the moment.

On 31 January 2013, Contact 121 commenced operating the Housing SA maintenance centre. In addition to the maintenance centre, Contact 121 also provides an Aboriginal community housing maintenance inquiry service and call centre services for disability services for the provision of RiskMan feedback and incident reporting. Housing SA provided significant training and support during the first four weeks of the contract. However, there were initial problems and delays in calls being answered for the maintenance centre, which reflects your comments.

In response, Housing SA directed Contact 121 to take urgent management action and allocate sufficient resources to bring the service levels to the required standards. The performance of Contact 121 showed improvement during May and their performance is being monitored daily and weekly to ensure that the average call waiting times and, just as importantly, abandoned call rates meet the agreed key performance indicators.

The call centre agreement with Contact 121 is for an initial three-year period up to January 2016, with an extension option of an additional two years, subject to satisfactory performance and at the sole discretion of Housing SA. If Contact 121 fails to achieve the minimum performance standards on a monthly basis, Housing SA will apply a performance abatement of 2.5 per cent, reducing the monthly maintenance centre fee. The performance abatement was suspended for the first two months of the contract and was applied from 1 April 2013.

The performance of Contact 121 will continue to be regularly monitored to ensure that it provides a satisfactory service to tenants and Housing SA. The call centre agreement provides for fee variation annually throughout the term of the agreement from the commencement date, based on the South Australian government indexation as determined by the Department of Treasury and Finance. So, if members do receive any complaints I would be very pleased to hear from them to make sure that the performance meets our expectations.

Ms SANDERSON: Budget Paper 4, Volume 1, page 93, Other expenses. What does the \$1.726 million represent and does it cover part of the \$1.8 million recently announced by the government on Saturday 22 June for homelessness support in Adelaide?

The Hon. A. PICCOLO: I am going to seek some advice on that question. We may have to take it on notice to get the exact figures. Do you want to wait?

Ms SANDERSON: You can do another.

The Hon. A. PICCOLO: You are happy to take it on notice then? Okay.

Dr McFETRIDGE: For the sake of the committee, I will read the omnibus questions in now. Before I do that though, can I thank my staff, Kate Cunningham, Heidi Harris and Andrea Stylianou, for all the work they have done in estimates over the last weeks. For the last 11 years we have been doing this and hopefully it is our last time.

The Hon. A. PICCOLO: I hope not.

Dr McFETRIDGE: Can I also thank the minister's staff because I know the effort that public servants put into coming to estimates. It is a real fishing expedition at times. Can I also mention the chair, the member for Lee. This is your last sojourn into the near-death experience of estimates, as some people might describe it. Thank you for your fair chairing of these committees. We wish you well in the future.

The CHAIR: Thank you.

Dr McFETRIDGE: With that, I will read the budget estimates 2013 omnibus questions.

1. Will the minister provide a detailed breakdown of expenditure on consultants and contractors above \$10,000 in 2012-13 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?

2. For each department or agency reporting to the minister in 2012-13, please provide the number of public servants that are (1) tenured and (2) on contract, and for each category provide a breakdown of the number of (1) executives and (2) non-executives?

3. In financial year 2012-13 for all departments and agencies reporting to the minister, what underspending on projects and programs was not approved by cabinet for carryover expenditure in 2013-14?

4. Between 30 June 2012 and 30 June 2013, will the minister list the job title and total employment cost of each position (with a total estimated cost of \$100,000 or more)—(a) which has been abolished; and (b) which has been created?

5. For each year of the forward estimates, provide the name and the budget of all grant programs administered by all departments and agencies reporting to the minister, and for 2012-13 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?

6. For each department or agency reporting to the minister, what is the budget for targeted voluntary separation packages for financial years 2013-14, 2014-15, 2015-16 and 2016-17?

7. What is the title and total employment cost of each individual staff member in the minister's office as at 31 May 2013 including all departmental employees seconded to ministerial offices and ministerial liaison officers?

The Hon. A. PICCOLO: Mr Chairman, before you close, can I please make a few comments? I would like to acknowledge the huge effort of the staff from my agency. I am aware of the work involved in preparing briefing notes for me, so I do appreciate that from my staff. I would

also like to thank the ministerial staff in my office who work very hard to make sure that I am informed and keep me up to date.

I would also like acknowledge members of the committee, and yourself, sir, for running a very smooth committee. I would also like to particularly thank the members of the opposition and the member for Morphett for the very courteous way in which we have run this committee. I do appreciate that and I look forward to the continuing collaboration and cooperation with the opposition in this area which should be non-partisan. It is an area where vulnerable people need to be supported and I look forward to working with them to serve our state. Thank you very much.

The CHAIR: There being no further questions, I declare consideration of the proposed—

Ms SANDERSON: I have one more question. There are four minutes.

The CHAIR: Okay.

Ms SANDERSON: Thank you. I refer to Budget Paper 4, Volume 1, page 94, Highlights 2012-13:

Signed the National Partnership Agreement on Homelessness which provides \$8.6 million in matching funding with the Commonwealth Government to finance \$17.2 million in homelessness funding for the 2013-14 financial year.

Given the state government has committed to match the commonwealth government's \$8.6 million for homelessness support for the \$17.2 million to be delivered, where are these funds represented in the budget; and does this cover the announcement made on 22 June 2013 for new homelessness support in Adelaide? It was a joint federal government/state government announcement—Kate Ellis, Jay Weatherill, in the newspaper.

The Hon. A. PICCOLO: As I mentioned in my opening remarks, one is recurrent, and in the budget papers the figure is shown as \$8.6 million and there is a minus bit of the commonwealth funding. In terms of the Common Ground announcement, that is actually a capital development fund which I mentioned in previous answers.

The reason that we were able to apply to the Capital Development Fund is that we signed up to the agreement for one more year, and so those funds were made available. Had we not signed it, not only would we have not got the \$8.6 million but we would not have been eligible for this additional funding, so we have made our dollar go further by doing that.

Ms SANDERSON: So your contribution is actually federal money that you have applied for through the Capital Development Fund?

The Hon. A. PICCOLO: No. With the Homelessness Strategy there is \$17.2 million—\$8.6 is ours and the balance is the commonwealth's. In terms of the recent announcement, that is a separate fund. Of that, I think, around about \$1.8 is the contribution that we are thinking of making; \$6.75 million was the commonwealth contribution and the balance is made up by Common Ground through their private funding; and also \$800,000 was provided by Santos. I thank you for your question.

The CHAIR: There being no further questions, I declare consideration of the proposed payments completed. I lay before the committee a draft report.

Ms BETTISON: I move:

That the draft report be the report of the committee.

Motion carried.

The CHAIR: Could I also quickly thank committee members who have come into Estimates Committee A. Everyone has behaved impeccably. I also thank the ministers who have come before us, I thank their advisers, and also a big thank you to Hansard who have probably got the hardest job of the lot. Thank you.

At 17:59 the committee concluded.